YBL/CS/2020-21/Int/010

August 17, 2020

India International Exchange IFSC Limited
101 First Floor, Hiranandani Signature Tower,
GIFT City IFSC – 382355, Gujarat, India

The Singapore Exchange Securities Trading Limited
2, Shenton Way #19-00
SGX Centre 1, Singapore 068804

The London Stock Exchange
10, Patemoster Square,
London, EC4M 7LS

Dear Sirs;

Sub.: Disclosure under Indian Listing Regulations - Notice of 16th Annual General Meeting of YES Bank Limited ('the Bank') and 16th Annual Report of the Bank for the Financial Year 2019-20.

This is to inform that the 16th Annual General Meeting (**'AGM'**) of YES Bank Limited (**'the Bank'**) is scheduled to be held on Thursday, September 10, 2020 at 11:00 A.M. through video-conferencing / other audio visual means as per the details mentioned in the enclosed Notice of the AGM.

Please also find enclosed the Annual Report of the Bank for the year 2019-20.

Kindly take note of the above.

The announcements made by the Bank can also be accessed at its website www.yesbank.in.

Thanking you,

Yours faithfully,
For **YES BANK LIMITED**

Shivanand R. Shettigar
Group Company Secretary

Encl: As above

YES BANK LIMITED

CIN – L65190MH2003PLC143249
Registered Office: YES Bank Tower, ONE International Center, Tower - II,
15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai 400 013
Telephone No.: +91(22) 3366 9000 Fax: +91(22) 2421 4521
Website: www.yesbank.in Email Id: shareholders@yesbank.in

Notice to the shareholders

Notice is hereby given pursuant to the applicable provisions of the Companies Act, 2013, and applicable rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable laws and regulations, that the Sixteenth Annual General Meeting ('AGM') of the Members of **YES BANK LIMITED** (the 'Bank') will be held on Thursday, September 10, 2020 at 11:00 A.M., through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:

   a. the audited standalone financial statements of the Bank for the financial year ended March 31, 2020 and the Reports of the Board of Directors and the Auditors thereon; and

   b. the audited consolidated financial statements of the Bank for the financial year ended March 31, 2020 and the Report of the Auditors thereon.

2. To appoint and fix the remuneration of Statutory Auditors:

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

   "RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, Section 30(1A) and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory amendment(s), modification(s), variation or re-enactment(s) thereof for the time being in force) and the rules, guidelines and circulars issued by the Reserve Bank of India ('RBI'), from time to time, and subject to the approval of RBI on an annual basis, M/s M. P. Chitale & Co., Chartered Accountants, (ICAI Firm Registration No. 101851W), be and are hereby appointed, as the Statutory Auditors of the Bank, in place of the retiring Auditors, M/s. B S R & Co., LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), to hold office from the conclusion of the sixteenth Annual General Meeting until the conclusion of the twentieth Annual General Meeting of the Bank to be held in the year 2024, at an annual remuneration/ fees as recommended by the Board and given in the explanatory statement, with a power to the Board/Audit Committee to alter and vary the terms and conditions of appointment, revision in the remuneration during the remaining tenure of four years, in such manner and to such extent as may be mutually agreed with the Statutory Auditors."

SPECIAL BUSINESS:

3. **To take note of appointment of Mr. Sunil Mehta (DIN - 00065343) as a Non-Executive Director and Chairman of the Bank and to approve payment of remuneration**

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT as per the 'Yes Bank Limited Reconstruction Scheme, 2020' notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020 appointment of Mr. Sunil Mehta (DIN - 00065343) as Non-Executive Director

designated as Non-Executive Chairman of the Bank w.e.f. March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later, be and is hereby noted by the members of the Bank.

RESOLVED FURTHER THAT pursuant to the provisions of Section 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949, applicable provisions of the Companies Act, 2013 along with rules thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the rules, circulars and guidelines issued by the Reserve Bank of India ('RBI'), Articles of Association of the Bank and basis recommendation of the Nomination & Remuneration Committee, approval of the Board of Directors of the Bank and approval of RBI received on May 26, 2020, approval of the members of the Bank, be and is hereby accorded for the payment of following remuneration to Mr. Sunil Mehta (DIN - 00065343) as Non-Executive Chairman of the Bank:

(a) Salary	: ₹ 25,00,000 per annum
(b) Other allowances, if any	: Sitting Fees as paid to other Non-executive Directors for attending the Board/Board Committee meetings or other Bank related matters / meetings
(c) Perquisite	: Free use of Bank's car for official purposes Bank's Car (Toyota Camry) with driver, fuel, and maintenance expenses etc. on an actual basis.

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

4. To take note of appointment of Mr. Mahesh Krishnamurti (DIN - 02205868) as a Non-Executive Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT as per the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, appointment of Mr. Mahesh Krishnamurti (DIN - 02205868) as Non-Executive Director of the Bank w.e.f. March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later, be and is hereby noted by the members of the Bank."

5. To take note of appointment of Mr. Atul Bheda (DIN - 03502424) as a Non-Executive Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT as per the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, appointment of Mr. Atul Bheda (DIN - 03502424) as Non-Executive Director of the Bank w.e.f. March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later, be and is hereby noted by the members of the Bank."

6. To take note of appointment of Mr. Rama Subramaniam Gandhi (DIN - 03341633) as an Additional Director appointed by Reserve Bank of India

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT as per the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E)

dated March 13, 2020 and Reserve Bank of India's order no. DoR.PSBD.No.8005 /16.05.004/ 2019-20 and letter no. DoR.PSBD. No.8006/16.05.004/2019-20 dated March 20, 2020, appointment of Mr. Rama Subramaniam Gandhi (DIN - 03341633), as an Additional Director on the Board of YES Bank Limited for a period of 2 years with effect from March 26, 2020 to March 25, 2022 or till further orders from RBI, whichever is earlier, be and is hereby noted by the members of the Bank."

7. To take note of appointment of Mr. Ananth Narayan Gopalakrishnan (DIN - 05250681) as an Additional Director appointed by Reserve Bank of India

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT as per the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020 and Reserve Bank of India's order No. DoR.PSBD. No.8008/16.05.004/2019-20 and letter No. DoR.PSBD.No.8009/16.05.004/2019-20 dated March 20, 2020, appointment of Mr. Ananth Narayan Gopalakrishnan (DIN - 05250681) as an Additional Director on the Board of YES Bank Limited for a period of 2 years with effect from March 26, 2020 to March 25, 2022 or till further orders from RBI, whichever is earlier, be and is hereby noted by the members of the Bank."

8. To take note of appointment of Mr. Swaminathan Janakiraman (DIN - 08516241) as a Nominee Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, nomination letter dated March 19, 2020 received from State Bank of India, provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules, circulars and guidelines issued by the Reserve Bank of India and in terms of applicable provisions of the Articles of Association of the Bank, appointment of Mr. Swaminathan Janakiraman (DIN - 08516241), as Nominee Director on the Board of the Bank w.e.f. March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by Bank, whichever is later, be and is hereby noted by the members of the Bank."

9. To take note of the appointment of Mr. Partha Pratim Sengupta (DIN - 08273324) as a Nominee Director and subsequent resignation w.e.f. July 24, 2020

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, nomination letter dated March 19, 2020 received from State Bank of India, provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules, circulars and guidelines issued by the Reserve Bank of India and in terms of applicable provisions of the Articles of Association of the Bank, appointment of

Mr. Partha Pratim Sengupta (DIN - 08273324), as Nominee Director on the Board of the Bank w.e.f. March 26, 2020 and cessation w.e.f. July 24, 2020 due to resignation, be and are hereby noted by the members of the Bank."

10. To take note of appointment of Mr. V. S. Radhakrishnan (DIN - 08064705) as a Nominee Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, nomination letter dated July 29, 2020 received from State Bank of India, provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules, circulars and guidelines issued by the Reserve Bank of India and in terms of applicable provisions of the Articles of Association of the Bank, appointment of Mr. V. S. Radhakrishnan (DIN - 08064705), as Nominee Director on the Board of the Bank w.e.f. July 31, 2020 for such period as per the Scheme or till January 31, 2023, whichever is earlier, be and is hereby noted by the members of the Bank."

11. **To take note of appointment of Mr. Prashant Kumar (DIN - 07562475) as Managing Director & Chief Executive Officer of the Bank and to approve payment of remuneration**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT as per the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, appointment of Mr. Prashant Kumar (DIN - 07562475) as Managing Director and Chief Executive Officer ('MD & CEO') of the Bank w.e.f. March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by Bank, whichever is later, be and is hereby noted, by the members of the Bank.

RESOLVED FURTHER THAT pursuant to the applicable provisions of the Banking Regulation Act, 1949, applicable provisions of the Companies Act, 2013 and rules framed thereunder, and other applicable rules, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the rules, circulars and guidelines issued by the Reserve Bank of India ('RBI'), Articles of Association of the Bank and taking into consideration the recommendation of the Nomination and Remuneration Committee ('NRC') and approval of the Board of Directors of the Bank and in accordance with the approval granted by RBI received vide communication dated June 24, 2020, approval of the members of the Bank be and is hereby given for payment of remuneration to Mr. Prashant Kumar as MD & CEO during his tenure with the Bank as under:

Sr. No.	Particulars	Remuneration per annum (₹)
	Part A:	
A	**Remuneration**	
	Basic Salary	45,00,000
	Dearness Allowance	-
	House Rent Allowance	-
	Other allowances, if any	1,05,00,000
	Sub Total – Fixed Salary	**1,50,00,000**
	Provident Fund *(@12% of basic salary)*	5,40,000
	Gratuity *(as per Act, calculated @ 4.81% of basic salary)*	2,16,450
	Pension	N.A.
	Leave Fare Concession *(1 month basic)*	3,75,000

Sr. No.	Particulars	Remuneration per annum (₹)
B	**Perquisites**	
	Bank maintained Furnished accomodation *(the figure indicate the maximum limit of ₹6 lakhs pm and includes monthly rent, cost of deposit @ 8% pa and house maintenance cost)*	72,00,000
	Furniture/White goods *(Not exceeding ₹20 lakh once in service – Apportioned over 5 years. Purchase or renting may be considered)*	4,00,000
	Free use of two Bank's cars with Driver for Official purposes & Private purposes:-	
	a. Official purposes *(Toyota Camry – approx. cost ₹55 lakh costed @₹2200/- per lakh of car value)*	14,52,000
	b. Private purposes *(Toyota Altis – approx. cost ₹35 lakh costed @₹2200/- per lakh of car value)*	9,24,000
	c. 2 Drivers expenses *(maximum annual limit including salary, overtime, uniforms etc)*	8,00,000
	Other benefits, if any	
	Gas, Electricity & Water *(Actuals, subject to maximum annual limit)*	4,00,000
	Residence Telephone *(Actuals, subject to maximum annual limit)*	60,000
	Life Insurance/ Personal Accident Insurance premium for self	60,000
	Club Memberships – 2 clubs (1 social and 1 business)	10,50,000
C	**Leave**	
	Ordinary Leave / Privilege Leave	25 days
	Sick Leave	7 days
D	**Total Fixed Pay (including estimated value of perquisites and retirals)**	**2,84,77,450**

Variable Pay:

The variable pay comprises of Performance Bonus (Cash) and Performance Employee Stock Options (PESOP) which shall be determined at the end of the performance period FY 2020-21 and would be subject to recommendation and approval by NRC, Board of Directors and RBI. The amount of variable pay would be recommended by the NRC, approved by the Board of Directors and by RBI which would be linked to Organizational Performance, Business Unit Performance and Individual Performance and would be governed by the RBI Circular No. RBI/2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019, RBI guidelines and the Compensation Policy of the Bank, which also includes claw back and malus clauses.

RESOLVED FURTHER THAT Mr. Prashant Kumar shall not be subject to retirement by rotation during his tenure as MD & CEO of the Bank.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the 'Board', which term shall include any Committee which the Board of Directors of the Bank may have constituted or may hereafter constitute and delegated with the powers necessary for the purpose) be and is hereby authorized to fix the actual amount of remuneration and perquisites, payable or to be provided to Mr. Prashant Kumar and alter, modify, vary or increase the same from time to time, to the extent the Board may consider appropriate and as may be permitted or authorized by the RBI on an application made by the Bank.

RESOLVED FURTHER THAT in his capacity as MD & CEO, Mr. Prashant Kumar is entitled to exercise all powers as are exercisable by the MD & CEO of the Bank as permissible under the provisions of the Companies Act, 2013, Banking Regulation Act, 1949 and any other statues in order to manage the affairs of the Bank.

RESOLVED FURTHER THAT the Board (including NRC) be and is hereby authorized

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

12. To take note of the payment of remuneration to Mr. Prashant Kumar as Administrator of the Bank appointed by the Reserve Bank of India

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT in terms of approval granted by the Reserve Bank of India under Section 36ACA(7) of the Banking Regulation Act, 1949 vide communication dated July 18, 2020, the payment of remuneration amounting to ₹ 8,19,672/- (Rupees Eight Lakh Nineteen Thousand Six Hundred Seventy Two Only) for the period from March 6, 2020 to March 25, 2020 to Mr. Prashant Kumar as Administrator of the Bank appointed by the Reserve Bank of India (vide Order of Supersession ref. no. DOR.PSBD.No.7118/16.01.137/2019-20 dated March 5, 2020) be and is hereby noted by the members of the Bank."

13. To ratify the extension of use of Bank provided Accommodation and Car facility to Mr. Ravneet Singh Gill, Ex Managing Director & Chief Executive Officer

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (the 'Act') and rules made thereunder, applicable provisions of the Banking Regulations Act, 1949 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the rules, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, subject to the provisions of the Articles of Association of the Bank, and in accordance with the approval granted by RBI vide its communication dated April 04, 2020 and May 22, 2020, extension of use of Bank provided accommodation for the period of 90 days commencing from March 07, 2020 till June 05, 2020, and Car facility for the period of one month from the date of supersession to Mr. Ravneet Singh Gill, Ex. Managing Director and Chief Executive Officer of the Bank as per the details specified in the explanatory statement be and is hereby ratified.

RESOLVED FURTHER THAT all such acts, deeds, matters and things and execution of any agreements, documents, instruments and writings as was required in regard to the said matter be and are hereby ratified and confirmed."

14. To approve Alteration of the Articles of Association of the Bank

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, applicable provisions of the Banking Regulation Act, 1949, the rules, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Bank be and is hereby altered as under:

Article No.3 (a)
The definition of "Affiliate", "Ashok Kapur", "Controlling" "Controlled by" or "Control", "Indian Partners", "Rabo" and "Rana Kapoor" appearing in Article No.3(a) be and are hereby deleted.

The definition of the "Companies Act, 2013" be amended by inserting the words "and as may be amended from time to time", at the end of the existing definition.

Article No.49 (e)
The Article No.49(e) be deleted.

Article No. 52(b)
The Article No. 52(b) be amended by deleting the words "if the same is not in accordance with Article 49 (e) of the Articles and/or" appearing in the said para.

Article No. 110 (c)
The Article No. 110 (c) be deleted.

Article Nos.111, 111(b) & 111(c)
The opening para of Article No. 111 and Article Nos. 111(a), 111(b) and Article 111(c) be deleted.

Article No.111(d)
The text of the existing Article No. 111 (d) be deleted and the following text be inserted:

"Subject to the provisions of the Act, the Board shall have the power to appoint a person to act as an alternate director for a Director."

Article No. 118(b)
The text of the existing Article No. 118 (b) be deleted and the following text be inserted:

"If the office of any Director appointed by the Company is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board and the Director so appointed shall hold office only upto the date on which the Director in whose place he is appointed would have held office if it had not been vacated."

Article No. 121

The text of the existing Article No. 121 be deleted and the following text be inserted.

"Subject to the provisions of the Act, the Director(s) whose office is liable to retire by rotation shall be appointed by the Company in General Meeting."

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorized to take all such steps and actions for the purpose of making all such applications, filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution."

15. To approve amendments to Employee Stock Options Scheme - 'YBL ESOS - 2018'

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 read with Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by Securities and Exchange Board of India ('SEBI') (collectively referred to as the 'SEBI SBEB Regulations'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI LODR Regulations'), other circulars, guidelines or directions if any, issued from time to time, by SEBI, the Reserve Bank of India ('RBI') and all other concerned authorities, to the extent applicable, the provisions of any other applicable laws and regulations (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Bank, and subject to such approval(s), consent(s), permission(s) and sanction(s) of the Government of India, SEBI, RBI and all other appropriate authorities, institutions or bodies, as may be required, and subject to such conditions and modifications as may be prescribed by any of them while granting such approval(s), consent(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination & Remuneration Committee of the Bank ('NRC') which also acts as the

compensation committee, and/or such other persons as may be authorized in this regard by the Board and/or NRC), approval/ consent of the members be and is hereby accorded:-

a) for amending/varying the employee stock option scheme of the Bank i.e. 'YBL ESOS - 2018' which was approved by the members at the 14th Annual General Meeting of the Bank held on June 12, 2018 by -

   (i) increasing the total options available in the Scheme by 15,00,00,000 (Fifteen crore) i.e. from 7,50,00,000 (Seven Crore Fifty Lakh) equity stock options to 22,50,00,000 (Twenty-Two Crore Fifty Lakh) equity stock options; and

   (ii) changing the nomenclature of the Scheme from **'YBL ESOS - 2018'** to **'YBL ESOS - 2020'** (hereinafter in this resolution referred to as the 'ESOS Scheme') and all the plans under the said scheme would continue to be valid and shall not affect the rights and obligations of the option holders under the ESOS Scheme and that options already granted will continue to be governed by the existing terms of the Scheme.

b) to the Board to create, offer, issue and allot additional equity stock options not exceeding 15,00,00,000 (Fifteen Crore) (within overall ceiling mentioned in the Scheme, into equivalent equity shares each to the eligible employees as determined by the Board/NRC at its sole discretion and as per the amended ESOS Scheme;

RESOLVED FURTHER THAT the revised ESOS Scheme covering the above amendments be and is hereby approved and adopted by the members.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares, merger/ amalgamation or sale of division/undertaking or other re-organization etc. of the Bank, the number of above mentioned options in the Scheme shall be appropriately adjusted;

RESOLVED FURTHER THAT it is hereby noted that the amendments to the Scheme are not prejudicial to the interests of the option holders.

RESOLVED FURTHER THAT the Board, be and is hereby authorized, without prejudice to the generality of the above, but subject to the terms, as approved by the members, to implement, formulate, evolve, decide upon and bring into effect the ESOS Scheme on such terms and conditions as broadly contained in the explanatory statement to this Item No.15 and to make any further modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOS Scheme (within the contours of the ESOS Scheme), from time to time, including but not limited to, amendment(s) with respect to vesting conditions, period and schedule, exercise price, exercise period, performance/ eligibility criteria for grant/ vesting or to suspend, withdraw, terminate or revise the ESOS Scheme in such manner as the Board or any other person authorized by the Board may determine.

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

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

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary

steps for listing of the equity shares allotted in accordance with the ESOS Scheme on the Stock Exchanges where the securities of the Bank are listed as per the provisions of the SEBI LODR Regulations, the SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with the power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in relation to the implementation of the ESOS Scheme and to the shares (including to amend or modify any of the terms thereof within the contours of the ESOS Scheme) issued herein without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by authority of the aforesaid resolutions."

By Order of the Board of Directors
For YES BANK Limited

Shivanand R. Shettigar
Group Company Secretary

Place: Mumbai
Dated: August 07, 2020

NOTES:

1. A Statement pursuant to Section 102 of the Companies Act, 2013, setting out all material facts relating to the relevant resolutions of this Notice is annexed herewith and the same should be taken as part of this Notice.

2. **General instructions for accessing and participating in the 16th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting**.

2.1. In view of the outbreak of the COVID-19 social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 16th AGM of the Bank is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 16th AGM shall be YES Bank Tower, ONE International Center, Tower - II, Senapati Bapat Marg, Elphinstone (W), Mumbai 400 013.

2.2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Bank. However, in terms of the MCA Circulars, since the physical attendance of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 16th AGM. Institutional/ Corporate Shareholders (i.e. other than individuals HUF, NRI, etc.) are required to send a scanned

copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. (Refer Point No.5.1 below)

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

2.4. Since the AGM will be held through VC/ OAVM Facility, the Route Map is not annexed in this Notice.

2.5. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 16th AGM through VC/OAVM Facility and e-Voting during the 16th AGM.

2.6. Members may join the 16th AGM through VC/ OAVM Facility by following the procedure as mentioned below which shall be kept open for the members from 10.45 a.m. IST i.e. 15 minutes before the time scheduled to start the 16th AGM and the Bank may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 16th AGM.

2.7. The facility of participation at the 16th AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

2.8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

2.9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Bank is providing facility of remote e-voting to its members holding shares in physical or dematerialized form, as on the cut-off date, being **Thursday, September 03, 2020,** to exercise their right to vote through electronic means from a place other than the venue of the Meeting on any or all of the businesses specified in the accompanying Notice (the "Remote e-voting").

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

3.1. The remote e-voting period begins on **Sunday, September 06, 2020** at 10:00 A.M. and ends on **Wednesday, September 09, 2020** at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

3.2. A person who is not a member as on the cut-off date should treat this Notice of 16th AGM for information purpose only.

4. The remote e-Voting process is explained herein below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

A. Details on Step 1 is mentioned below:

<u>How to Log-in to NSDL e-Voting website?</u>

A.1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile and on home page click on the icon "Login" which is available under 'Shareholders' section.

A.2. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

A.3. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

A.4. Your User ID details are as given below:

Manner of holding shares	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

A.5. Your password details are given below:

If you are already registered for e-Voting	Use your existing password to login and cast your vote.
If you are using NSDL e-Voting system for the first time,	Retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

A.6. How to retrieve your 'initial password'?

a. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

b. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

A.7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

i. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

ii. Now, you will have to click on "Login" button.

iii. After you click on the "Login" button, Home page of e-Voting will open.

B. Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

B.1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

B.2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

B.3. Select "EVEN" of Bank for which you wish to cast your vote.

B.4. Now you are ready for e-Voting as the Voting page opens.

B.5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

B.6. Upon confirmation, the message "Vote cast successfully" will be displayed.

B.7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

B.8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

5. General Guidelines for shareholders:

5.1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@mehta-mehta.com with a copy marked to evoting@nsdl.co.in and AGM@yesbank.in.

5.2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

5.3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

6. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

6.1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to AGM@yesbank.in.

6.2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to AGM@yesbank.in.

7. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

7.1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Bank will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

7.2. Members are encouraged to join the Meeting through Laptops for better experience.

7.3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

7.4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

8. PROCEDURE FOR SPEAKER REGISTRATION AND TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

8.1. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request in the below given form from their Registered Email ID to AGM@yesbank.in till Sunday, September 06, 2020. Only those member who have registered themselves as a Speaker will be allowed to express their views/ask questions during the AGM.

SPEAKER REGISTRATION FORM *

Name of Shareholder *(including joint holder)*	
DPID-CLID / Folio Number	
Permanent Account Number (PAN)	
Mobile Number	
Profession Query in brief	

* All fields are mandatory

8.2. The Bank reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

8.3 Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at AGM@yesbank.in. The same will be replied by the Bank suitably.

9. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

9.1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

9.2. Only those Members/ shareholders, who will be present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

9.3. Members who have casted their vote through Remote e-Voting will be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.

9.4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

10. Kindly refer Corporate Governance Report - Shareholder Information to know the process for claiming unclaimed dividends.

The Bank has uploaded the details of unpaid and unclaimed dividend amounts lying with the Bank as on June 12, 2019 (date of last Annual General Meeting) as well as dividend/ shares transferred to IEPF on the website of the Bank (www.yesbank.in), as also on the website of the Ministry of Corporate Affairs.

11. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled, to **KFin Technologies Private Limited ("KFintech")**, Registrar and Transfer Agent ('R&T') of the Bank. Members

holding shares in electronic form may contact their respective Depository Participants for availing this facility.

12. Brief profile and other required information about the Directors that have been appointed pursuant to the 'Yes Bank Limited Reconstruction Scheme, 2020' notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India as approved by the Central Government, is enclosed to this Notice.

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

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to AGM@yesbank.in with subject line 'Inspection of AGM Documents'. The relevant documents will also be available for inspection by the members electronically during the 16th AGM on the website of the service provider https://evoting.nsdl.com/. Shareholder would be able to view documents under the EVEN of the Bank after entering their log-in credentials. This notice and the Annual Report will also be available on the Bank's website www.yesbank.in for download.

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

16. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Bank/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Bank's website www.yesbank.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Service Provider, https://evoting.nsdl.com/

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

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

19. The Members who have exercised their right to vote through Remote e-voting may attend the AGM but shall not vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Bank as on the cut-off date being **Thursday, September 03, 2020,** subject to the provisions of the Banking Regulation Act, 1949, as amended.

20. Your Bank is pleased to provide the facility of live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the e-voting website of NSDL at https://evoting.nsdl.com/ using their secure login credentials. Members are encouraged to use this facility of webcast.

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

22. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

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

24. The Results of voting declared along with Scrutinizer's Report(s) will be displayed on the website of the Bank (www.yesbank.in) and on Service Provider's website (https://evoting.nsdl.com) and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited. The result of the e-voting will also be displayed at the Registered Office of the Bank.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO SPECIAL BUSINESS:

Item No. 2

In terms of the Reserve Bank of India's ('RBI') Circular dated January 30, 2001 and July 27, 2017 an audit firm can continue as the Statutory Central Auditor of a private sector bank for a continuous period of four years only and thereafter the said firm will be compulsorily rested for 6 years. As per Section 139 of the Companies Act, 2013, the Auditors are required to be appointed for a continuous period of 5 years.

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Bank at the 12th AGM of the Bank held on June 07, 2016 to hold office up to the conclusion of 16th AGM of the Bank. At the conclusion of the ensuing 16th AGM of the Bank, the existing statutory auditors are due for retirement in terms of the said RBI Circulars and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board has, therefore, recommended appointment of M/s. M. P. Chitale & Co., Chartered Accountants, (ICAI Firm Registration No.101851W), as the statutory auditors of the Bank in place of retiring auditors, for a period of four years from the conclusion of ensuing AGM till the conclusion of the 20th AGM, as permitted under the RBI circular and the provisions of the Companies Act, 2013 subject to the approval of the RBI on an annual basis.

RBI, vide its letter dated July 08, 2020, has conveyed its approval for appointment of M/s. M. P. Chitale & Co., Chartered Accountants, as the Statutory Auditors of the Bank for the financial year 2020-21, i.e. from the conclusion of 16th AGM till the conclusion of 17th AGM at a remuneration to be determined by the Board/Audit Committee basis the shareholder approval in addition to payment of any out of pocket expenses that may be incurred by them during the course of the Audit.

As per the requirement of the Act, M/s. M. P. Chitale & Co., Chartered Accountants, have confirmed that their appointment, if made, would be within the limits specified under Section 141(3) (g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

M/s. M. P. Chitale & Co., Chartered Accountants is a well reputed firm of Chartered Accountants with a presence of over 70 years. The firm has significant experience and expertise in rendering assurance and consulting services to various industry sectors in India and overseas and in particular to the BFSI sector. This specialization has been recognized by regulators – banking, insurance, capital markets and accounting & auditing – by involving the firm's partners in various research and regulation / standard setting projects.

The Board of Directors recommends the remuneration payable to Statutory Auditors as under:

M/s. M. P. Chitale & Co., Chartered Accountants will be paid an aggregate remuneration of ₹ 3 (Three) Crore in the form of Statutory Audit fees of ₹ 2 (Two) Crore for audit of standalone and consolidated Financial Statements, quarterly limited reviews under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, Banking Regulations Act, 1949, submission of Long Form Audit Report ('LFAR') and Statutory Certification fees of ₹ 1(One) Crore plus outlays and taxes as applicable from time to time, for the purpose of audit of the Bank's accounts for the financial year 2020-21. The power may be granted to the Board/Audit Committee to alter and vary the terms and conditions of appointment, revision including upward revision of the remuneration for remaining tenure during the proposed tenure of four years, etc., as may be mutually agreed with the Statutory Auditors. The remuneration paid to the Statutory Auditors will be disclosed in the Corporate Governance Report as well as the Annual Financial Statements of the Bank on an annual basis. The remuneration proposed for the new Statutory Auditors for financial year 2020-21 is similar to what has been paid to the outgoing

Statutory Auditors for the financial year 2019-20. There is no material change in the fees proposed to be paid to the proposed Auditors as compared to the fees paid to the incumbent Auditors.

Your Board recommends passing of the Ordinary Resolution as set out in Item No. 2 of the accompanying Notice.

None of the Directors/Key Managerial Personnel of the Bank/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

Item No. 3

Pursuant to the 'Yes Bank Limited Reconstruction Scheme, 2020' approved by the Central Government and notified by Ministry of Finance, Government of India, vide notification No. G.S.R. 174(E) dated March 13, 2020 ('Scheme') in exercise of the powers conferred by Section 45(2) of the Banking Regulation Act, 1949 and the Order of the Administrator appointed by Reserve Bank of India, Mr. Sunil Mehta (DIN - 00065343) was appointed as the Non-Executive Chairman of the Bank w.e.f. March 26, 2020 for a period of 1 year starting from March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later.

Mr. Sunil Mehta is neither related to the past promoters of the Bank nor is holding any interest in the share capital nor is having any pecuniary relationship with the Bank, and is eligible for being appointed as an Independent Director on the Board of the Bank as he meets the criteria of independence laid down under the under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Bank at its meeting held on March 26, 2020 took note of appointment of Mr. Sunil Mehta as the Non-Executive Director and Chairman of the Bank.

It is proposed to approve the remuneration payable to Mr. Sunil Mehta as the Non-Executive Chairman of the Bank in terms of provisions of the Banking Regulation Act, 1949. The Reserve Bank of India vide its communication dated May 26, 2020 has approved payment of remuneration to Mr. Mehta as proposed in the resolution.

Your Directors, therefore, recommend the passing of the Ordinary Resolution as set forth in Item No. 3 of this Notice, to take note of the appointment of Mr. Sunil Mehta (DIN - 00065343) as Non-Executive Director designated as Non-Executive Chairman of the Bank and approve payment of remuneration as proposed in the resolution.

The brief profile of Mr. Sunil Mehta is annexed at the end of this Notice.

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

Item No. 4 & 5

Pursuant to the 'Yes Bank Limited Reconstruction Scheme, 2020' approved by the Central Government and notified by Ministry of Finance, Government of India, vide notification No. G.S.R. 174(E) dated March 13, 2020 ('Scheme') in exercise of the powers conferred by Section 45(2) of the Banking Regulation Act, 1949 and the Order of the Administrator appointed by Reserve Bank of India, Mr. Mahesh Krishnamurti and Mr. Atul Bheda were appointed as the Non-Executive Directors on the Board of the Bank w.e.f. March 26, 2020 for a period of 1 year starting from March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later.

Both of them are neither related to the past promoters of the Bank nor are holding any interest in the share capital nor are having any pecuniary relationship with the Bank, and would be eligible for appointment as Independent Directors on the Board of the Bank as they meet the criteria of independence laid down under the under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Bank at its meeting held on March 26, 2020 took note of appointments

of Mr. Mahesh Krishnamurti and Mr. Atul Bheda as the Non-Executive Directors of the Bank.

Your Directors, therefore, recommend the passing of the Ordinary Resolution as set forth in Item Nos. 4 & 5 of this Notice, to take note of the appointment of Mr. Mahesh Krishnamurti and Mr. Atul Bheda as Non-Executive Directors of the Bank.

The brief profile of Mr. Mahesh Krishnamurti and Mr. Atul Bheda is annexed at the end of this Notice.

Save and except Mr. Mahesh Krishnamurti and Mr. Atul Bheda and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolutions.

Item No. 6 & 7

Pursuant to the 'Yes Bank Limited Reconstruction Scheme, 2020' approved by the Central Government and notified by Ministry of Finance, Government of India, vide notification No. G.S.R. 174(E) dated March 13, 2020 ('Scheme') in exercise of the powers conferred by Section 45(2) of the Banking Regulation Act, 1949, the Reserve Bank of India ('RBI') may appoint one or more persons as additional directors as it may consider necessary in the Bank. Accordingly, RBI vide its :

(i) orderno.DoR.PSBD.No.8005/16.05.004/2019-20 and letter no. DoR.PSBD.No.8006/16.05.004/2019-20 both dated March 20, 2020 had appointed Mr. Rama Subramaniam Gandhi (DIN - 03341633), former Deputy Governor, Reserve Bank of India; and

(ii) orderno.DoR.PSBD.No.8008/16.05.004/2019-20 and letter no. DoR.PSBD.No.8009/16.05.004/2019-20 both dated March 20, 2020 had appointed Mr. Ananth Narayan Gopalakrishnan (DIN - 05250681), Associate Professor, S P Jain Institute of Management and Research,

as Additional Directors on the Board of the Bank for a period of 2 years with effect from March 26, 2020 to March 25, 2022 or till further orders whichever is earlier.

The Board of Directors of the Bank at its meeting held on March 26, 2020 took note of appointments of Mr. Rama Subramaniam Gandhi and Mr. Ananth Narayan Gopalakrishnan as Additional Directors appointed by RBI in the Bank.

Your Directors, therefore, recommend the passing of the Ordinary Resolution as set forth in Item Nos. 6 & 7 of this Notice, to take note of the appointment of Mr. Rama Subramaniam Gandhi and Mr. Ananth Narayan Gopalakrishnan as Additional Directors appointed by RBI in the Bank.

The brief profiles of Mr. Rama Subramaniam Gandhi and Mr. Ananth Narayan Gopalakrishnan are annexed at the end of this notice.

Save and except Mr. Rama Subramaniam Gandhi and Mr. Ananth Narayan Gopalakrishnan and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution.

Item Nos. 8, 9 & 10

Pursuant to the 'Yes Bank Limited Reconstruction Scheme, 2020' approved by the Central Government and notified by Ministry of Finance, Government of India, vide notification No. G.S.R. 174(E) dated March 13, 2020 ('Scheme') in exercise of the powers conferred by section 45(2) of the Banking Regulation Act, 1949, the State Bank of India ('SBI') was empowered to nominate 2 (two) Directors on the Board of the Bank. Accordingly, Mr. Partha Pratim Sengupta and Mr. Swaminathan Janakiraman were nominated by SBI as Nominee Directors on the Board of the Bank.

The Board of Directors of the Bank at its meeting held on March 26, 2020 appointed Mr. Partha Pratim Sengupta and Mr. Swaminathan Janakiraman as Nominee Directors on the Board of the Bank w.e.f. March 26, 2020 for a period of 1 year starting from March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later, as per the nomination received from the State Bank of India.

Mr. Partha Pratim Sengupta, vide letter dated July 24, 2020, had tendered his resignation from the Directorship of the Bank on account of his

appointment as MD & CEO of the Indian Overseas Bank, accordingly he ceased to be Director of the Bank with effect from July 24, 2020.

In view of vacancy arising out of resignation of Mr. Partha Pratim Sengupta, SBI by its letter dated July 29, 2020 nominated Mr. V. S. Radhakrishnan (DIN - 08064705), as Nominee Director on the Board of YES Bank Limited w.e.f. July 31, 2020. The nomination received for Mr. V. S. Radhakrishnan is for the period upto January 31, 2023 or till further instructions from SBI, whichever is earlier. The tenure of the Director so appointed shall be governed by the Scheme.

Your Directors, therefore, recommend the passing of the Ordinary Resolution as set forth in Item Nos. 8, 9 and 10 of this Notice, to take note of the appointment of Mr. Partha Pratim Sengupta as a Nominee Director and subsequent resignation w.e.f. July 24, 2020 and appointment of Mr. Swaminathan Janakiraman and Mr. V. S. Radhakrishnan as Nominee Directors on the Board of the Bank.

The brief profile of Mr. Swaminathan Janakiraman, Mr. Partha Pratim Sengupta and Mr. V. S. Radhakrishnan are annexed to this notice.

Save and except Mr. Swaminathan Janakiraman and Mr. V S Radhakrishnan and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolutions.

Item No. 11

Pursuant to 'Yes Bank Limited Reconstruction Scheme, 2020' approved by the Central Government and notified by Ministry of Finance, Government of India, vide notification No. G.S.R. 174(E) dated March 13, 2020 ('Scheme') in exercise of the powers conferred by Section 45(2) of the Banking Regulation Act, 1949 and the Order of the Administrator appointed by Reserve Bank of India ('RBI'), Mr. Prashant Kumar (DIN - 07562475) was appointed as Managing Director and Chief Executive Officer of the Bank ('MD & CEO') w.e.f March 26, 2020 to hold office for a period of 1 year starting from March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later.

The Board of Directors of the Bank at its meeting held on March 26, 2020 took note of appointment of Mr. Prashant Kumar as the MD & CEO of the Bank and recommends for noting by members of the Bank.

It is proposed to approve the remuneration payable to Mr. Prashant Kumar as MD & CEO of the Bank in terms of the applicable provisions of the Banking Regulation Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time, the Companies Act, 2013 and relevant rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. RBI has approved the fixed remuneration of the MD & CEO vide its communication dated June 24, 2020 and informed the Bank that a separate communication on variable pay would follow.

MD & CEO compensation, which comprises fixed pay and variable pay, is in alignment with the RBI Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff, applicable to all Private Sector Banks (including Local Area Banks, Small Finance Banks, Payments Banks) and Foreign Banks operating in India as per RBI circular Reference No. RBI/2019-20/89 DOR.Appt. BC.No.23/29.67.001/2019-20 November 4, 2019.

Fixed pay:

The fixed pay of ₹28,477,450, is as per the approval received from RBI and is subject to Shareholders' approval and includes basic salary, other cash allowances, retirals (PF & Gratuity), other benefits and perquisites as per details given below:

Sr. No.	Particulars	Remuneration per annum (₹)
	Part A:	
A	**Remuneration**	
	Basic Salary	45,00,000
	Dearness Allowance	-
	House Rent Allowance	-
	Other allowances, if any	1,05,00,000
	Sub Total – Fixed Salary	**1,50,00,000**
	Provident Fund (@12% of basic salary)	5,40,000
	Gratuity (as per Act, calculated @ 4.81% of basic salary)	2,16,450
	Pension	N.A.
	Leave Fare Concession (1 month basic)	3,75,000
B	**Perquisites**	
	Bank Furnished and Maintained accommodation (the figure indicate the maximum limit of ₹6 lakhs pm and includes monthly rent, cost of deposit @ 8% pa and house maintenance cost)	72,00,000
	Furniture/White goods (Not exceeding ₹20 lakh once in service – Apportioned over 5 years. Purchase or renting may be considered)	4,00,000
	Free use of two Bank's cars with Driver for Official purposes & Private purposes	
	a. Official purposes (Toyota Camry – approx. cost ₹55 lakh costed @₹2200/- per lakh of car value)	14,52,000
	b. Private purposes (Toyota Altis – approx. cost ₹35 lakh costed @₹2200/- per lakh of car value)	9,24,000
	c. 2 Drivers expenses (maximum annual limit including salary, overtime, uniforms etc)	8,00,000
	Other benefits, if any	
	Gas, Electricity & Water (Actuals, subject to maximum annual limit)	4,00,000
	Residence Telephone (Actuals, subject to maximum annual limit)	60,000
	Life Insurance/ Personal Accident Insurance premium for self	60,000
	Club Memberships – 2 clubs (1 social and 1 business)	10,50,000
C	**Leave**	
	Ordinary Leave / Privilege Leave	25 days
	Sick Leave	7 days
D	**Total Fixed Pay (including estimated value of perquisites and retirals)**	**2,84,77,450**

Variable pay:

Variable Pay is a compensation element which is linked to Organizational Performance, Business Unit Performance and Individual Performance and is governed by the aforementioned RBI Circular No. RBI/2019-20/89 DOR.Appt. BC.No.23/29.67.001/2019-20 dated November 4, 2019, RBI guidelines and the Compensation Policy of the Bank, which also includes claw back and malus clauses.

The variable pay, which comprises Performance Bonus (Cash) and Performance Employee Stock Options (PESOP) shall be determined at the end of the performance period FY 2020-21 and is subject to approval from Nomination and Remuneration Committee, Board of Directors, RBI and Shareholders.

Mr. Prashant Kumar shall not be subject to retirement by rotation during his tenure as MD & CEO of the Bank.

Your Directors, therefore, recommend the passing of the Ordinary Resolution as set forth in Item No. 11 of this Notice, to take note of the appointment of Mr. Prashant Kumar (DIN - 07562475) as MD & CEO of the Bank from March 26, 2020 till March 25, 2021 and to approve his remuneration as mentioned in the resolution.

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

Item No. 12

The Reserve Bank of India vide its press release No.: 2019-2020/2025 dated March 05, 2020 in exercise of the powers conferred under Section 36ACA of the Banking Regulation Act, 1949 ("BR Act"), in consultation with the Central Government, superseded the erstwhile Board of Directors of the Bank for a period of 30 days and Mr. Prashant Kumar was appointed as the Administrator under Section 36ACA (2) of the Act. In terms of the above press release, by RBI Order DoR.PSBD. No.7121/16.01.137/2019-202 dated March 05, 2020 addressed to the Bank, Mr. Prashant Kumar took the charge as Administrator of the Bank and assumed his office on March 06, 2020.

The Ministry of Finance, Government of India vide Notification No. G.S.R. 174(E) dated March 13, 2020 published in the Official Gazette of India, 'Yes Bank Limited Reconstruction Scheme, 2020' ('Scheme'). As per the said Scheme, the office of Mr. Prashant Kumar as Administrator of the Bank stood vacated immediately after 7 calendar days from the date of cessation of RBI imposed moratorium with effect from 18:00 hours on March 18, 2020 and reconstitution of a new Board of Directors pursuant to the Scheme on March 26, 2020.

Mr. Prashant Kumar handed over the charge and the new Board assumed the charge of the management and affairs of the Bank w.e.f. March 26, 2020.

Mr. Prashant Kumar is eligible for payment of all-inclusive Salary and Allowances of ₹ 8,19,672/- as Administrator of the Bank for the period from March 6, 2020 to March 25, 2020, as per the approval granted by the Reserve Bank of India in its communication dated July 18, 2020 in exercise of the powers conferred by Section 36ACA(7) of the Banking Regulation Act, 1949.

Your Directors, therefore, recommend passing of the Ordinary Resolution, as set forth in Item No. 12 of this Notice, for noting by the members of the Bank.

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

Item No. 13

Mr. Ravneet Singh Gill, Ex-Managing Director and Chief Executive Officer demitted office as MD & CEO of the Bank w.e.f. the close of business hours on March 5, 2020 pursuant to the Reserve Bank of India's press release No. 2019-2020/2025 dated March 5, 2020 wherein the RBI, in exercise of the powers conferred under 36ACA of the Banking Regulation Act 1949 ('BR Act'), RBI , in consultation with Central Government, superseded the Board of Directors of YES Bank Limited for a period of 30 days and Shri Prashant Kumar, ex-DMD and CFO of State Bank of India was appointed as the Administrator of the Bank under Section 36ACA (2) of the Act.

In terms of explanation given under Regulation 35B of BR Act, any provision conferring any benefit or providing any amenity or perquisite, in whatever form, whether during or after the termination of the term of office of the MD & CEO, shall be deemed to be a provision relating to his remuneration. It further provides that any provision relating to appointment and remuneration of MD & CEO shall not have effect unless approved by the RBI.

After supersession of the Board a request was received from Mr. Ravneet Singh Gill for continuation of use of Bank provided Car facility for a period of one (1) month and accommodation facility for a period of two (2) months and subsequently for one (1) more month due to national lockdown. Accordingly, the Bank had applied to the RBI for continuation of use of said facilities by Mr. Ravneet Singh Gill and RBI vide its

communication dated April 04, 2020 and May 22, 2020 had granted its approval for the same.

The Board of Directors at its meeting held on May 06, 2020, had approved the proposal as mentioned in the resolution for allowing Mr. Ravneet Singh Gill to use Bank's provided car facility for the period of one (1) month and accommodation facility for the period of 90 days commencing from March 07, 2020.

The Board was of the view that the aforesaid perquisites will also be appropriate gesture and consideration for Ex MD & CEO of the Bank to enable him to make alternative arrangements and orderly transition with regard to his accommodation and other benefits during the lockdown period due to COVID-19.

Your Directors, recommend the passing of resolution by the members of the Bank as set forth in Item No. 13 of this Notice, to ratify continuation of use of Bank's provided car facility for a period of 1 month and accommodation for the period of 90 days commencing from March 07, 2020 by Mr. Ravneet Singh Gill, Ex-MD & CEO as per the details given hereinabove.

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

Item No. 14

Under the YES Bank Limited Reconstruction Scheme, 2020 ('Scheme'), Article Nos 110(b), 127 (b), 127A (a) and article 127A (b) granting special rights to the Indian Partners / Promoters of the Bank were deleted.

However, the Scheme did not expressly amend or omit certain Articles which are linked to the deleted clauses and/or related to Indian Partners / Promoters rights. The Bank is of the view that, after the Scheme has been implemented, these Articles have no legal effect and became infructuous.

Further, the Promoters / Promoter Group have been re-classified as public shareholders of the Bank.

Accordingly, it is proposed to amend the Articles of Association of the Bank as specified in the Resolution. The relevant current Articles are reproduced hereunder, wherein the underlined portion is proposed to be deleted or amended.

3. INTERPRETATION

a) In these presents, unless there be something in the subject or context inconsistent therewith:

"Affiliate"
means any person which is a holding company or subsidiary of Rabo or any person including any subsidiary or holding company which, directly or indirectly, (a) Controls either Rabo or the Indian Partners, (b) is Controlled by either Rabo or the Indian Partners, (c) is Controlled by the same person who, directly or indirectly, Controls Rabo or the Indian Partners, or (d) is a subsidiary of the same person of which Rabo is a subsidiary. For the purposes of this definition, the term "holding company" and "subsidiary" shall have the meaning ascribed to under Section 4 of the Act.

"Ashok Kapur"
means Mr. Ashok Kapur, an Indian National and resident of 11, Silver Arch, Napean Sea Road, Mumbai – 400006 and unless it be repugnant to the context, shall mean and includes his successors, legal representatives and assigns;

"Controlling" "Controlled by" or "Control"
with respect to any person, means ownership of more than 50% of voting securities of such person and the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by agreement or otherwise and the power to elect more than 50% of the directors, partners or other individuals exercising similar authority with respect to such person;

"Indian Partners"
Ashok Kapur and Rana Kapoor, are collectively referred to as the "Indian Partners" and each of

Ashok Kapur, and Rana Kapoor is individually referred to as the "Indian Partner";

"Rabo"
means Rabobank International Holding B.V. a closed company with limited liability established and existing under the laws of The Netherlands, with its statutory seat at Utrecht, The Netherlands and with its principal place of business at Croeselaan 18, 3521 CB Utrecht, The Netherlands, and unless it be repugnant to the context, shall include its successors and assigns;

"Rana Kapoor"
means Mr. Rana Kapoor, an Indian National and resident of Grand Paradi Apartments, Rowhouse # 1, Mumbai- 400036 and unless it be repugnant to the context, shall mean and includes his successors, legal representatives and assigns;

The "Companies Act, 2013"
Means Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules, circulars and notifications made thereunder;

49. (e) Neither Rabo nor the Indian Partners shall Transfer or cause a Transfer of their respective shareholding in the Company to the extent of 9,80,00,000 (Nine Crores Eighty Lakhs) Equity Shares of the Company for a period of five years from May 24, 2004. Notwithstanding anything to the contrary contained in these presents, Article 49 (e) shall be subject to any guideline/instruction/ direction whether oral or written issued/recommended/approved by the Reserve Bank with respect to the capital structure of the Company. Provided further that in the event that the Reserve Bank relaxes its requirement for the lock-in then the release of the aforesaid locked-in shares shall be effected in a manner that is proportionate to the shareholding of the Indian Partners and Rabo in the Company.

52. (b) Notwithstanding anything to the contrary the Board may, at its absolute and uncontrolled discretion refuse to register the Transfer of any Shares or other securities of the Company being Shares or securities issued by the Company in favour of any transferee whether individual firm, group constituent of a group, Body Corporate or Bodies Corporate under the same management or otherwise and whether in his or its own name or in the name of any other person if the same is not in accordance with Article 49 (e) of the Articles and/or if such a Transfer is not approved/acknowledged by the Reserve Bank, wherever such approval/ acknowledgement is required.

110(c): Apart from the IP Representative Directors and the Rabo Representative Director, the other directors shall be independent ("Independent Directors"). The Indian Partners shall propose the names of the first three Independent Directors, who upon approval by Rabo, shall be appointed as such by the Board. Rabo and the Indian Partners may, recommend the names of the remaining Independent Directors to the nominations Committee of the Company.

111. The persons hereinafter named are the first Directors of the Company ("First Directors"):

a) Ashok Kapur (IP Representative Director)
b) Rana Kapoor (IP Representative Director)
c) W.J. Kolff

111(d): The Board may appoint an Alternate Director to act for a Director (hereinafter in this Article called the "Original Director"), at his suggestion or otherwise, during his absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held. The person to be appointed, as an Alternate Director shall be nominated by the Shareholder for whose representation the Director was appointed.

118(b): If the office of any Director appointed by the Company is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board and the Directors so appointed shall hold office only upto the date on which the Director in whose place he is appointed would have held office if it had not been vacated. Such vacancy if that of the Rabo Representative Director or the IP Representative Directors shall be filled by individual(s) who shall be recommended for appointment by Rabo or the Indian Partners as the case may be.

121. Two of the IP representative Directors as well as the Rabo Representative Director shall not liable to retire by rotation. The other Directors shall be persons whose period of office is liable to determination by rotation and, subject to the provisions of the Act, shall be appointed by the Company in General Meeting.

The existing and amended Articles of Association of the Bank will be available for inspection electronically.

Your Board, therefore, recommends passing of the Special Resolution as set out in Item No.14 of the accompanying Notice.

None of the Directors/Key Managerial Personnel of the Bank/their relatives are, in any way, concerned or interested financially or otherwise, in the above resolution except to the extent of their shareholding, if any, in the Bank.

Item No. 15

As you are aware, the Bank has faced multitude of challenges in the last few quarters including the ongoing global COVID 19 impact. Despite this, the Bank has shown resilience and post the reconstruction of the Bank, has embarked on a transformation journey which has been further accelerated by the culmination of the recent FPO. In this phase of the Bank life cycle, it is imperative that the employees continue to remain motivated and partner wholeheartedly in all initiatives to bring the Bank back to normalcy and accelerate its growth in alignment with the business strategy.

YES BANK's Human Capital philosophy focuses on recruiting and retaining top quality Human Capital and empowering them to push their boundaries beyond their comfort zones, inculcating the right values, attitude and mindset. In this context, it is important that YES BANK continues to articulate and demonstrate a strong employee value proposition which is perceived positively by employees and encompasses the key elements comprising; **Career** (Professional Growth), **Connect** (Productive engagement), **Compensation** (Creating and Sharing Value) and **Care** (Employee well-being) anchored in deep sense of Ownership, Pride driven by Professional Entrepreneurship.

The compensation philosophy of the Bank envisages a "Sum of parts" compensation structure with Employee stock options being an important component for long term retention/ motivation through wealth creation in tandem with the growth of the Bank.

The shareholders at the AGM held in 2018 had approved 'YBL ESOS – 2018' (**'ESOS Scheme'**) for 7.50 Crore stock options to be granted to employees of the Bank and its subsidiary companies.

For the reasons explained in detail in subsequent paras, a need was felt to increase the ESOP pool available for grant. Hence, it is now proposed to increase the total stock options available in the ESOS Scheme by 15,00,00,000 (Fifteen Crore) options i.e from 7,50,00,000 (Seven Crore Fifty Lakh) equity stock options to 22,50,00,000 (Twenty-Two Crore Fifty Lakh) equity stock options.

1. **Hiring and Retention of key talent in top, senior and middle management:**
   The shareholders had earlier approved an ESOP pool of 7.50 Crore options under the current ESOS 2018 scheme. The Bank has granted options under the said scheme and the balance is nearing exhaustion. In line with the Bank's compensation philosophy, a fresh infusion into the ESOP pool is required for the purpose of hiring and retaining critical talent which needs to be ring fenced to avoid poaching by competition

and other organizations. While the Bank is implementing a holistic program to engage and retain talent, ESOPS will play a key role in the retention strategy of the Bank.

2. **New RBI compensation guidelines :**
Another important reason for seeking an enhancement in the ESOP is the revised Compensation guidelines notified by the RBI vide its circular dated November 4, 2019, which are applicable from April 1, 2020. The guidelines, inter alia, stipulate the framework for the compensation structure in respect of MD & CEO, Executive Directors, Material Risk Takers, Risk & Control function staff and other employees. The compensation guidelines makes it mandatory for Banks to maintain a certain proportion between Fixed & Variable pay and further stipulate that at least 50 % of the variable pay should be in the form of ESOP or Stock linked instruments. Hence the Bank will require to maintain an adequate ESOP pool for implementing the revised compensation structure year on year, in alignment with the aforementioned RBI guidelines.

It is further clarified that the enhancement in the ESOP pool as proposed above, is in no way any guarantee of allotment of ESOP and is merely an enabling provision. The actual grant of ESOP shall be subject to the performance of the Bank, Business unit and the individual with the approval of N&RC, Board and RBI in the case of MD & CEO and Executive Directors (if appointed).

It is also proposed to change the nomenclature of the Scheme from **'YBL ESOS - 2018'** to **'YBL ESOS - 2020'** and all the plans under the said ESOS Scheme would continue to be valid. The change in nomenclature will not affect the rights and obligations of the option holders under the Scheme/ Plans and that options already granted will continue to be governed by the existing terms Scheme/ Plans.

The Nomination & Remuneration Committee and the Board of Directors of the Bank (**'Board'**) vide resolutions passed on July 24, 2020 and August 7, 2020 (adjourned meeting of July 28, 2020), respectively have approved the proposed amendments in the Scheme.

All other provisions and terms and conditions of the YBL ESOS – 2018 scheme would remain same as approved earlier by the Members at the 14th AGM of the Bank and the options, already granted, if any under the Scheme/ Plans would continue to be governed by the existing terms and conditions of YBL ESOS 2018 without any change in the rights and obligations of the option holders.

After the amendment to the number of options available in the Scheme and to the name of the Scheme, the broad terms and conditions of the amended Scheme would inter-alia include the following:

Brief description of YBL ESOS - 2020

The key features of the new ESOS scheme viz. YBL ESOS - 2020 are highlighted below and remain unchanged from the approved ESOS 2018 scheme which is currently in force.

a) Objects of the Scheme

YES BANK Limited has from time to time granted stock options to its employees at the time of joining and to reward performance of existing employees. In order to retain the existing employees and also to attract, hire and retain the best talent, the Scheme was introduced, namely 'YBL ESOS - 2018' (being renamed as 'YBL ESOS – 2020'), whereby, employees who comply with certain eligibility criteria would be given options to subscribe to a specified number of equity shares in the Bank. The employees could exercise the option after a stipulated time and after complying with the conditions subject to which the options are granted, by paying the appropriate consideration, consequent to which the shares would be allotted to them.

b) Nomination and Remuneration Committee ('NRC')

The NRC of the Bank shall act as the Compensation Committee under Regulation 5 of the SEBI SBEB Regulations, which has

been authorized to inter alia formulate, administer and supervise the Scheme including framing of its terms and conditions of ESOS as permitted under the SEBI SBEB Regulations. All questions of interpretation, dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with the Scheme shall be referred to the NRC and shall be determined by the NRC and such determination/ decision/ interpretation shall be final and binding upon all persons having an interest in or affected by the Scheme.

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

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

c) Total number of options/shares to be granted under the Scheme

The Scheme comprises creation on an ESOP pool of 22,50,00,000 options entitling the grantees to subscribe to an aggregate of 22,50,00,000 equity shares of the Bank of the face value of ₹ 2/- each.

The aforementioned ESOP pool consists of the existing pool of 7,50,00,000 (Seven Crore Fifty Lakh) equity stock options enhanced by 15,00,00,000 (Fifteen crore) now proposed, thereby taking the total ESOP pool to 22,50,00,000 (Twenty-Two Crore Fifty Lakh) equity stock options.

The total issued and paid up capital of the Bank as on August 7, 2020 is ₹ 50,10,98,11,962 consisting of 25,05,49,05,981 Equity Shares of ₹ 2.00 each and the maximum dilution that could take place in future under the Scheme i.e. YBL ESOS – 2020 would not exceed 1.03%, after considering the expanded issued and paid-up share capital of the Bank and the outstanding options from earlier schemes.

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

d) Identification of classes of employees entitled to participate in the Scheme

The current and future employees of the Bank and its subsidiary companies in India and/or abroad, subject to regulatory guidelines, would be eligible for grants based on eligibility criteria including but not limited to the management band, performance, potential, and tenure of service of the employee. Employees include whole time directors but exclude promoters of the Bank and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Bank. The options may be granted to the employees as determined by NRC at its discretion.

e) Requirements of Vesting and Period of Vesting

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

The stock options could be granted in tranches and could vest in tranches or at one time and the vesting schedule for each tranche and conditions subject to which vesting would take place will be decided by the NRC and will be outlined in the grant letter which will be issued to each grantee employee.

f) Maximum period within which the options shall be vested

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

g) Exercise Price/Pricing Formula

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

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

h) Exercise period and the process of exercise

Exercise period is a period, as may be determined by NRC for each grant, commencing from the grant date and expiring on completion of such period not exceeding ten (10) years from the grant date.

The option grantee may exercise the options by submitting the exercise form to the Bank accompanied by payment, including applicable taxes, of an amount equivalent to the exercise price in respect of issue of equity shares. NRC may determine the procedure for exercise from time to time. Upon receipt of the exercise form and the payment of the exercise price along with applicable taxes in a form and manner as stipulated in the Scheme or by the NRC, the Bank shall issue and allot shares to the option grantee.

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

All tax liabilities, present and future, arising at the time of grant, exercise and sale of shares issued pursuant to exercise of options by the employee shall be borne by the employee.

i) Appraisal process for determining the eligibility of employees for the Scheme

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

j) Maximum number of options / quantum of benefits to be issued per employee and in aggregate under the Scheme:

The number of options that would be issued to each employee under the Scheme will be at the sole decision of the NRC. Provided always that, the maximum options per Employee will be fixed at 5 million options.

k) Implementation and administration of the Scheme whether by the Bank or through a trust

The Scheme shall be implemented and administered directly by the Bank/NRC. The Scheme involves grant of 22,50,00,000 options entitling the grantees to subscribe to an aggregate of 22,50,00,000 equity shares of the Bank of face value of ₹ 2/- each.

l) Whether the Scheme involves new issue of shares by the Bank or secondary acquisition by the trust or both

There will be new issuance of equity shares by the Bank as and when the options are exercised by the employees of the Bank and its subsidiaries.

m) The amount of loan to be provided for implementation of the Scheme by the Bank to the trust, its tenure, utilization, repayment terms, etc. : The Scheme is not administered through a trust - Not applicable

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Scheme: The Scheme is not administered through a trust - Not applicable

o) Disclosure and accounting policies

The Bank shall conform to the applicable accounting policies in accordance with and subject to Regulation 15 of the SEBI SBEB Regulations, prescribed by SEBI, RBI, and/or any other appropriate regulatory authority, from time to time.

p) Method for valuation of options

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

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

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

q) Listing of Equity Shares

In accordance with and subject to applicable law, the shares allotted pursuant to the exercise of options under the Scheme, shall be listed on BSE Limited and National Stock Exchange of India Limited.

Approval of the Members is sought in terms of Section 62(1)(b) of Companies Act, 2013 and any other applicable provisions of law, for the issue of equity stock options convertible into equity shares of the Bank to the eligible employees as defined under the Scheme. The resolutions and the terms stated therein as also the terms stated in this explanatory statement hereinabove shall be subject to the guidelines/regulations issued/to be issued by statutory authorities in that behalf and the Board of Directors/NRC shall have the absolute authority to vary or modify the terms hereinabove in accordance with and subject to all applicable guidelines which may be stipulated by SEBI or otherwise.

Your Directors, therefore, recommend the passing of the resolution(s) as set forth in Item No.15 of this Notice as Special Resolution(s).

Save and except Mr. Prashant Kumar, Managing Director and Chief Executive officer, Mr. Anurag Adlakha, Chief Financial Officer and Mr. Shivanand R. Shettigar, Group Company Secretary to the extent of the options & shareholding held and that may be granted to them from time to time under the Scheme and consequently their relatives, none of the other Directors and their relatives is or are, in any way, concerned or interested, directly or indirectly, financially or otherwise, in the proposed resolution(s).

By Order of the Board of Directors
For YES BANK Limited

Shivanand R. Shettigar
Group Company Secretary

Place: Mumbai
Dated: August 07, 2020

1. Mr. Sunil Mehta

Age	62
Date of first appointment on Board	March 26, 2020
Qualification	B Com (Honours), FCA-ICAI, AMP- Wharton School of Management, University of Pennsylvania, USA
Brief Resume including experience	Mr. Sunil Mehta has over three and a half decades of proven leadership experience in banking, financial services, insurance and investments with Citibank and AIG. In 2013, he left AIG where he was the Country Head & CEO for AIG India since 2000. Subsequently, he started SPM Capital Advisers Pvt. Ltd. Mr. Mehta is the Chairman and Managing Director of SPM Capital Advisers Pvt. Ltd., a leading business advisory and consulting firm in India.
	As Country Head & CEO for AIG in India, Mr. Mehta was responsible for all AIG businesses in India covering Insurance, Financial Services, Real Estate and Investments amongst other businesses. He set up AIG's insurance JVs with Tatas and was also responsible for expanding AIG's presence across ten businesses in India which included Life & Non-Life Insurance, Private Equity, Asset Management, Real Estate, Home Finance, Consumer Finance, Software Development, Mortgage Guaranty and Aircraft Leasing. He was on the Board of all AIG Companies in India and on the Board of IDFC Ltd. for several years.
	Prior to joining AIG, Mr. Mehta worked with Citibank for over 18 years where he held various senior positions covering operations, sales & risk process re-engineering, risk management, public sector business and corporate banking. His last assignment was Corporate Bank Head for Citibank India and Senior Credit Officer.
	Mr. Mehta was Non-Executive Chairman of Punjab National Bank from March 2017 till February 2020. He was an Independent Director on the Board of State Bank of India from June 2014 to March 2017. He is presently a Board Member of ACC Ltd. (A subsidiary of LafargeHolcim Group), Sashakt India Asset Management Ltd., Welmo Fintech Pvt. Ltd. and Bodytronix Fitness Pvt. Ltd. Mr. Mehta was on the Board of a startup digital non-life insurance company - Acko General Insurance Ltd. till October 2018.
	In addition, he is a Senior Advisor to notable international/domestic firms amongst his other business responsibilities at SPM Capital Advisers Pvt. Ltd.
	Mr. Mehta was asked to Chair the Committee on Resolution of Stressed Assets by the Honorable Finance Minister of India. Other Members of the Committee included the Chairman of State Bank of India, Managing Director of Bank of Baroda and Deputy Managing Director of SBI. The Committee presented the Sashakt Report on Resolution of Stressed Assets to the Finance Minister on July 2, 2018. The report is under implementation and made significant progress with adoption of the Inter Creditor Agreement (ICA) by the Regulator and all major Banks/NBFC's in addition to other recommendations.

	Mr. Mehta is closely engaged with various Think Tanks and Chambers of Commerce. He is the founding Board Member of the Asia Society India Centre and a Past Chairman of American Chamber of Commerce (AMCHAM India). He is currently on the India Advisory Board of US India Strategic Partnership Forum (USISPF).
	Mr. Mehta has strong interests in building sustainable communities and is the immediate Past Chairman of Action for Ability Development and Inclusion (Formerly The Spastics Society of North India). He is actively engaged with The United Way and on the Boards of United Way India and Mumbai. He was also the Chairman of both these organizations and also member of the Global Transition Board of United Way Worldwide.
	Mr. Mehta is a graduate from Shri Ram College of Commerce, Delhi University. He is a Fellow Member of the Institute of Chartered Accountants of India and an Alumni of the Wharton School of Management, University of Pennsylvania, USA.
Nature of his expertise in specific functional areas	Banking, Financial Services, Insurance, Real Estate and Investments, Consulting and Advisory
Other Directorship	1. ACC Limited
	2. Sashakt India Asset Management Limited
	3. Welmo Fintech Private Limited
	4. Bodytronix Fitness Private Limited
	5. SPM Capital Advisers Private Limited
	6. Asia Society India Centre
Chairmanship/Membership of Committees in companies in which position of Director is held	Chairman of Stakeholders Relationship Committee- ACC Limited Member of Audit Committee – ACC Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	1,92,000 equity shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Non-Executive Chairman of the Bank pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A.

2. Mr. Mahesh Krishnamurti

Age	64 years
Date of first appointment on Board	March 26, 2020
Qualification	MBA (Finance), B.Sc.(Economics)
Brief Resume including experience	Mr. Mahesh Krishnamurti has extensive experience in partnering closely with senior leadership teams in some of the most dynamic companies in the world. In December 2018, he left RGP, a leading Nasdaq-listed global consultancy ("RECN"), where he had been India MD & Country head and member of the Global Leadership Team since 2007. He was selected by the Board to establish and lead RGP India, and relocated to Mumbai from New York in 2007. At RGP, Mr. Krishnamurti advised large MNCs on operational and strategic initiatives. Prior to his India assignment, Mr. Krishnamurti's career in the US variously covered senior operational, sales, finance, planning, entrepreneurial, and consultancy roles at Digital Equipment Corporation, Symbol Technologies, Goldman Sachs, Worth Media, and RGP.
	He is also an LP and Advisor to the founders of Arka Venture Labs, a cross-border, B2B deep-tech seed fund focused on supporting early-stage technology ventures in India and transitioning them to the Silicon Valley ecosystem. Mr. Krishnamurti is a Supervisory Board member at MyCFO, a well-established consultancy with a large client portfolio that is adept at implementing practical solutions. As an Impact Advisor, he is deeply interested in Sustainability, and Environmental, Social, Governance (ESG) challenges. He is Advisor/ Partner with BuzzOnEarth Media, a fast-growing online media platform with a global audience that engages the masses and actively influences them towards positive action on Sustainability Development Goals. Mr. Krishnamurti is also advising various other promising social impact and technology start-ups.
	Mr. Krishnamurti is innately international and culturally versatile, having lived in Thailand (childhood), Switzerland (schooling), UK, US, and India. He is conversant in French, Thai, Tamil, Telugu, and Hindi, having been raised in a United Nations family.
	He has been Chairman, American Chamber of Commerce, India Western Region; Committee Member, Policy Research & Development, Bombay Chamber of Commerce; Charter Member TiE; BIMTECH Advisory Council Member; Rotarian.
	Mr. Krishnamurti holds a B.Sc. (Economics) from the London School of Economics and Political Science, and an MBA (Finance) from NYU, Stern School of Business. He has also attended management programs at the Wharton School, and MIT, Sloan School of Management.
Nature of his expertise in specific functional areas	Advising promising social impact and Technology start-ups and leading Business Initiatives at the highest levels Internationally, Operational, Sales, Finance, Planning, Entrepreneurial and Consultancy
Other Directorship	Nil
Chairmanship/Membership of Committees in companies in which position of Director is held	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	Nil

No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Non-Executive Director of the Bank pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

3. Mr. Atul Bheda

Age	56 years
Date of first appointment on Board	March 26, 2020
Qualification	BCom, LLB(Gen), FCA, DISA(ICA)
Brief Resume including experience	CA Atul Bheda is a practicing Chartered Accountant with a degree in law and Information Systems Audit (ISA). He is in practice since 34 years. He has experience in the areas of Tax, Bank and other Audits, Computer Software Development, Finance, Corporate laws etc.
	He has been a Member of the Central Council of the Institute of Chartered Accountants of India (ICAI) from 2007 to 2013 and has been contributing to the ICAI by chairing various committees like Information Technology (IT), Indirect Tax (IDTC), Ethical Standards Board (ESB), and the Expert Advisory Committee (EAC) and has represented ICAI on committees of SEBI, RBI, IRDA. and XBRL International. He was a member of Accounting Standards Board, Corporate Laws and Corporate Governance Committee, Internal Audit Standards Board, Committee on Banking, Insurance & Pension, Auditing and Assurance Standards Board of Studies, Examination Committee, Disciplinary Committee of ICAI.
	He has been the founder director of XBRL Limited in India. He was Chairman of Taxonomy Development and Review Committee of XBRL India.
	He was Chairman of The Western India Regional Council (WIRC of ICAI) which is the largest Regional Council of The Institute of Chartered Accountants of India (ICAI).
	He has also contributed to many Education and Charitable Organisations in various capacities.
Nature of his expertise in specific functional areas	Tax, Bank and other Audits, Computer Software Development, Finance, Corporate laws etc.
Other Directorship	Nil
Chairmanship/Membership of Committees in companies in which position of Director is held	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	15,150 equity shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Non-Executive Director of the Bank pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

4. Mr. Rama Subramaniam Gandhi

Age	64 years
Date of first appointment on Board	March 26, 2020
Qualification	Master's Degree in Economics 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 Certificate course in System Programming from the IBM Education, Sydney, Australia Certificate Course in Gandhian Thoughts from the Madurai University, Tamil Nadu, India
Brief Resume including experience	Mr. R. Gandhi is a financial sector policy expert and adviser. His expertise includes banking and non-banking regulation, payment systems, financial markets, FinTech and currency management. He served as a Deputy Governor of the Reserve Bank of India for three years from 2014 to 2017. With 37 years of experience, he has been a seasoned and accomplished central banker. He had a three year secondment to the Securities and Exchange Board of India (SEBI), the capital market regulator. He also held the charge of Director of the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad.
	In his long and illustrious career, Mr. Gandhi 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) and was a member of the Basel Committee on Banking Supervision (BCBS) and the Committee on Global Financial Systems (CGFS), Basel. At present, he advises banks, finance companies and fintech entities.
	Mr. Gandhi has a master's degree in Economics from the Annamalai University, in Tamil Nadu, India. He completed 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.
Nature of his expertise in specific functional areas	Banking, Finance, Information Technology, Payment & Settlement Systems and Risk Management
Other Directorship	1. BFSI Sector Skill Council of India 2. Electronic Payment and Services Private Limited 3. NESL Asset Data Limited 4. National E-Governance Services Limited 5. Clearcorp Dealing Systems (India) Limited 6. The Clearing Corporation of India Limited 7. Perfect Day India Private Limited 8. Perfios Software Solutions Private Limited

Chairmanship/Membership of Committees in companies in which position of Director is held	Chairmanship Nomination & Remuneration Committee, NESL Asset Data Limited Audit Committee and Risk Management Committee, NESL Asset Data Limited Regulatory Compliance Committee, Corporate Social Responsibility Committee and Human Resources Committee, The Clearing Corporation of India Limited Audit & Risk Committee, Electronic Payment and Services Private Limited
	Membership Nomination & Remuneration Committee, National E-Governance Services Limited Nomination & Remuneration Committee, The Clearing Corporation of India Limited Risk Management Committee The Clearing Corporation of India Limited Audit Committee, The Clearing Corporation of India Limited Technical Approval Committee, The Clearing Corporation of India Limited Committee for Bye-Laws, Rules and Regulations, The Clearing Corporation of India Limited Business & Operations Committee, Electronic Payment and Services Private Limited Finance Committee, Electronic Payment and Services Private Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	15,000 equity shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Additional Director (appointed by RBI) pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

5. Mr. Ananth Narayan Gopalakrishnan

Age	51 years
Date of first appointment on Board	March 26, 2020
Qualification	B. Tech (Electrical Engineering, IIT Bombay), PGDM (IIM Lucknow)
Brief Resume including experience	Mr. Ananth Narayan is an Associate Professor, SPJIMR and Senior India Analyst, Observatory Group LLC. He is an Independent Director on the boards of SBI Capital Markets Ltd., Clearcorp Dealing Systems Ltd., CARE Ratings Ltd., Agappe Diagnostics Ltd., Southern Ridges Macro Fund and Southern Ridges Master Macro Fund. He is a member of SEBI's Mutual Fund Advisory Committee, FICCI's Capital markets Committee and Kerala Infrastructure Fund Management Ltd.'s Investment Committee. He has over 24 years of experience in banking and financial markets – with Standard Chartered Bank, Deutsche Bank and Citibank. Till December 2017, he was MD & Regional Head of Financial Markets, ASEAN & South Asia with Standard Chartered Bank. Previously, he was SCB's Head of Financial Markets & Co-Head of Wholesale Banking for South Asia between 2012-15, and Regional Head of FX, Rates & Credit Trading South Asia, between 2009-12.

	Prior to Standard Chartered Bank he was with Citibank in Mumbai till 2005 (Director & Head of FICC Trading), and with Deutsche Bank in Mumbai (Managing Director & Head of Global Rates, South Asia – till August 2009). He served as the Chairman of the board of Standard Chartered Nepal Ltd. between 2016 – 2017. He was Vice Chairman on the board of Fixed Income Money Market and Dealers Association (FIMMDA) and Foreign Exchange Dealers Association of India (FEDAI), between 2012 and 2017.
	He was on the board of Central Depository Services Ltd. (CDSL) and Standard Chartered Securities India Ltd. (SCSI) between 2013 and 2017. He has been a part of various RBI committees (including the one that launched FX Options in India, Interest Rate Futures, Financial Stability, Financial Benchmarks etc). He has a B.Tech (Electrical) from IIT Bombay and a PGDM from IIM Lucknow.
Nature of his expertise in specific functional areas	Banking and Financial Markets
Other Directorship	1. SBI Capital Markets Limited
	2. Clearcorp Dealing Systems (India) Limited
	3. CARE Ratings Limited
	4. Agappe Diagnostics Limited
	5. Southern Ridges Macro Fund, Cayman Islands,
	6. Southern Ridges Master Macro Fund, Cayman Islands
	7. Dvara Research Foundation
Chairmanship/Membership of Committees in companies in which position of Director is held	Membership Nomination & Remuneration Committee, CARE Ratings Limited Audit Committee, CARE Ratings Limited Rating Sub Committee, CARE Ratings Limited Stakeholders Relationship Committee, CARE Ratings Limited Nomination & Remuneration Committee, SBI Capital Markets Limited Audit Committee, SBI Capital Markets Limited CSR Committee, ClearCorp Dealings Systems (India) Limited Audit Committee, Agappe Diagnostics Limited Nomination & Remuneration Committee, Agappe Diagnostics Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	15,000 equity shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Additional Director (appointed by RBI) pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

6. Mr. Swaminathan Janakirman

Age	56 years
Date of first appointment on Board	March 26, 2020
Qualification	B.Com from Madras University, Master's degree in Business Administration from National Institute of Business Management, India
Brief Resume including experience	Mr. Swaminathan Janakiraman is the Dy. Managing Director (Finance) of State Bank of India ('SBI'). Mr. Swaminathan, in a career spanning over 31 years with SBI, has held various assignments across Corporate and International Banking, Trade Finance, Retail and Digital Banking and Branch Management.

	In his current assignment as DMD Finance, he oversees Budgeting, Capital Planning, Financial Reporting, Taxation, Audit, Economic Research, Investor Relations and Secretarial Compliance. Prior to this as Chief Digital Officer of SBI, he served as the head of Digital & Transaction Banking verticals of the Bank. Prior to that, as a CGM, Mr. Swaminathan was the head of the SBI's Hyderabad Circle overseeing the Bank's business in the State of Telangana, handling a wide spectrum of Retail Banking under various customer segments, through its 1,150 branches.
	During his stint in SBI's International Banking Group, Mr Swaminathan served as General Manager (FIG), Corporate Centre Mumbai, which handles SBI's correspondent banking relationships including Institutional Sales, Trade Finance and Payments Products. As a DGM, he was head of Global Trade Services, responsible for Trade Finance business and Trade Operations of SBI's overseas offices. He was also Head of Trade Finance at SBI's Branch in New York. As SBI's nominee, he served on the Board of Bank of Bhutan, an SBI JV in Bhutan.
	As SBI's nominee, Mr. Swaminathan was a Director on the boards of NPCI, NPCI International and Jio Payments Bank. Mr Swaminathan is currently the SBI's nominee director and Chairman of the Board of SBI Payments Services Pvt Ltd, an SBI Hitachi JV. He is a Certified Anti-Money Laundering Specialist (CAMS) as well as Certified Documentary Credit Specialist (CDCS).
Nature of his expertise in specific functional areas	Corporate and International Banking, Trade Finance, Retail, Digital Banking and Branch Management, Digital & Transaction Banking
Other Directorship	1. SBI Payments Services Private Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	Chairmanship Business Strategy Committee, SBI Payments Services Private Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	800 Equity Shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Nominee Director appointed by State Bank of India pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

7. Mr. Partha Pratim Sengupta (Since Resigned w.e.f July 24, 2020)

Age	57 years
Date of first appointment on Board	March 26, 2020
Qualification	B.SC. (Physics, HONS), B.ED.,CATIB.
Brief Resume including experience	Mr. Partha Pratim Sengupta, Deputy Managing Director, SBI, a career banker, joined SBI as a Probationary Officer in February 1987. Before assuming charge as Deputy Managing Director & Chief Credit Officer in September 2018, he was the Chief General Manager of SBI, Kolkata Circle. Prior to this, he was General Manager at Mid Corporate Regional office, Pune and Deputy General Manager, IFB Mumbai. He has been instrumental in changing the Credit Underwriting and Monitoring Processes in SBI. He is also chairing the Corporate Centre Credit Committee of SBI, the highest committee in SBI.
Nature of his expertise in specific functional areas	Banker, Credit Underwriting and Monitoring Processes

Other Directorship	1. National E-Governance Services Limited; 2. Asset Reconstruction Company (India) Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	Membership Audit Committee, State Bank of India Risk Management Committee, State Bank of India Special Committee of the Board to monitor large value Frauds, State Bank of India Board Committee to Monitor Recovery, State Bank of India Audit Committee, National E- Governance Services Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on July 24, 2020)	Nil
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Nominee Director appointed by State Bank of India pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

8. Mr. V. S. Radhakrishnan (w.e.f. July 31, 2020)

Age	57 Years
Date of first appointment on Board	July 30, 2020
Qualification	M. Com., MBA
Brief Resume including experience	Shri V. S. Radhakrishnan joined State Bank of India ('SBI') as Probationary Officer in 1988. He has served SBI in various geographical locations both in India and abroad. He has rich experience in Corporate Banking and worked in both Corporate Accounts Group (CAG) and Commercial Client Group (CCG) verticals of the Bank, apart from Forex treasury and Retail Network. He has worked as General Manager & Regional Head, CAG, New Delhi and Chief General Manager (CAG), SBI Corporate Centre, Mumbai. Presently he is posted as Deputy Managing Director at State Bank of India, Corporate Centre, Mumbai.
Nature of his expertise in specific functional areas	Banking experience of 32 years
Other Directorship	SBI Macquarie Infrastructure Management Private Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	Nil
No. of board meetings attended during the year	N.A.
Terms and conditions of appointment or re-appointment including remuneration	Nominee Director appointed by State Bank of India pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

9. Mr. Prashant Kumar

Age	59
Date of first appointment on Board	March 26, 2020
Qualification	Science Graduate and Law Graduate from Delhi University
Brief Resume including experience	Mr. Prashant Kumar joined State Bank of India ('SBI') in 1983 as Probationary Officer and since then he held various important portfolios in SBI. He has over 35 years of experience in the Banking field. In his long service in SBI, he had the opportunity to work in various areas of banking such as Credit, Retail Banking, Human Resources & Strategic Training and Finance.
	He held the position of General Manager in Mumbai and Chief General Manager of Kolkata Circle in SBI. After elevation to the position of Deputy Managing Director, he held the position of Chief Operating Officer, Corporate Development Officer (HR) and Chief Financial Officer of SBI at its Corporate Office in Mumbai.
	He is a Science graduate and a law graduate from Delhi University.
Nature of his expertise in specific functional areas	Banking, Credit, Retail Banking, Human Resources & Strategic Training and Finance
Other Directorship	YES Securities (India) Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	15,040 equity shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Managing Director & CEO of Bank pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

commitment

A redefined **YES.**

transparency

promise

YES BANK

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HOW TO NAVIGATE THE REPORT

This is the navigation bar.

You can use this to switch to different chapters within a section or to a different section altogether. The blue colour will highlight the chapter you are currently in. You can directly access the chapters from this navigation.

More information in some cases will be provided by way of hyperlinks within the text. Alternatively, a read more button will guide you to the specific links.

ICONS USED IN THE REPORT

Financial Capital

Manufactured Capital

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About this report

OUR APPROACH TO REPORTING

This report is prepared in accordance with the International Integrated Reporting <IR> Framework, outlined by the International Integrated Reporting Council (IIRC). YES BANK voluntarily adopted the <IR> Framework in 2016 and has been publishing annual disclosures based on the same. With this framework, the Bank intends to provide its stakeholders a holistic picture of its operations, business model, strategy and risk management, together with its performance across financial and non-financial parameters. The report also strives to articulate the interconnectedness between various resources YES BANK consumes and its continued ability to create value for the stakeholders in the short, medium and long terms. These are collectively referred to as 'the capitals' and comprise financial capital, manufactured capital, intellectual capital, human capital, social & relationship capital and natural capital. Please refer to page number 29 for a snapshot.

BOARD AND MANAGEMENT ASSURANCE

As 'Those Charged With Governance', the Board and the Management of YES BANK together take responsibility for the integrity of the information presented in this report. In their opinion, this report addresses all the issues that are material to YES BANK's ability to create value and transparently presents its performance and future strategy.

REPORTING BOUNDARY AND PERIOD

The information presented in this report pertains to all business and non-business activities of YES BANK and its subsidiaries, recorded between April 1, 2019 and March 31, 2020, unless stated otherwise.

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Commitment. Transparency. Promise. A redefined **YES.**

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'.



Commitment

The Bank is committed to the interest of customers – 'customer' being the 'sole' focus and an uncompromising mandate through which the Bank intends to generate real and sustainable value for shareholders, thereby endeavouring to be a contributor to economic recovery.

- To all stakeholders
- To sustainable growth
- To good governance
- To organisational integrity

Transparency

Upholding transparency by conducting business with the highest degree of integrity, ethics and compliance with regulatory guidelines.

- By fostering a compliance culture
- By upholding stakeholder trust
- By effective and evolved risk management

Promise

The Bank is repositioning itself to fuel the aspirations of an India that is taking confident strides towards self-reliance. Leveraging on the two pillars of Commitment and Transparency will enable the Bank to fulfil its promise to all stakeholders in its journey forward.

- Delivering a differentiated banking experience
- Providing a truly digital experience
- To keep the customer at the centre
- Digital innovations to support customers

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Key highlights FY 2019-20

₹10,247 CRORE
Total Net Income

8.5%
Capital adequacy ratio^

2.2%
Net interest margin

5.03%
Net NPA

44%
Retail and MSME advances in total portfolio

26.6%
CASA ratio

^ Tier II ratio is capped at 2.0% in line with RBI Basel III Regulations.



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YES BANK at a glance

Redesigned to deliver quality **banking**

YES BANK is 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 inception, 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.

NEW AGE PRIVATE SECTOR BANK

Total Assets of **₹257,827 crore**, with Advances of **₹171,443 crore** (56% Corporate and 44% MSME and Retail)

DIFFERENTIATED TECHNOLOGY PLATFORM

Market leader within Payments
-#1 IMPS Remitter Bank
-#1 in UPI P2M transactions with **~31%** market share
-AePS **40%** market share in transaction volume^

YOUNG AND ENTERPRISING WORKFORCE

22,973 YES BANKers with an average age of **33 years**, with a vintage of **~8 years** for Top Management and **~7 years** for Senior Management#

PAN INDIA PRESENCE

1,135 Branches, **21** BC Manned Banking outlets and **1,423** ATMs*

As on March 31, 2020.
^ for FY 2019-20.
**Includes CRMs and BNA as on March 31, 2020.*

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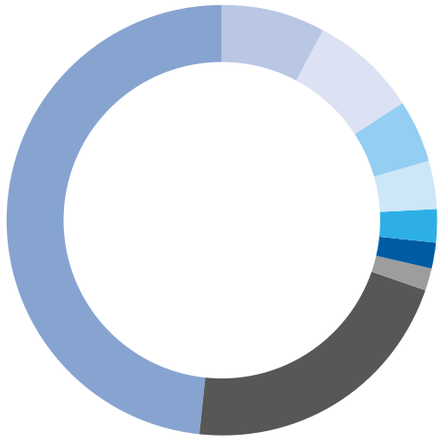
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YES BANK at a glance

BACKED BY MARQUEE FINANCIAL INSTITUTIONS

In March 2020, YES BANK underwent a reconstruction process under the guidance of the Reserve Bank of India. Today, the Bank has a unique public-private partnership model, supported by India's leading financial institutions as key shareholders.

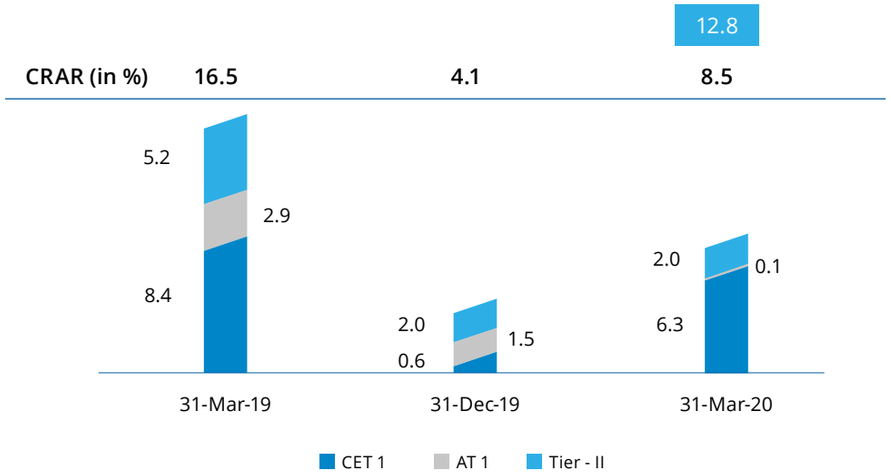
SHAREHOLDING MODEL AS ON MARCH 31, 2020



- State Bank of India - 48.21%
- ICICI Bank - 7.97%
- HDFC Limited - 7.97%
- Axis Bank - 4.78%
- Kotak Bank - 3.61%
- Bandhan Bank - 2.39%
- Federal Bank - 1.92%
- IDFC First Bank - 1.67%
- Others - 21.48%

CAPITAL ADEQUACY POST RECONSTRUCTION

Total CRAR as on March 31, 2020 after considering Total Tier II Capital Funds at 6.4%. However, Tier II ratio currently capped at 2% resulting in Total CRAR at 8.5%.



RWA	305,838 crore	252,243 crore	240,224 crore

ADVANCES MIX

56% Corporate Banking

8% Medium Enterprises

13% Small and Micro Enterprises

24% Retail Banking

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Products and services

Tailored to suit evolving **customer needs**

BRANCH BANKING
Read more / PG NO 85

INCLUSIVE & SOCIAL BANKING AND MICROFINANCE BANKING
Read more / PG NO 87

AGRIBUSINESS PRODUCT MANAGEMENT
Read more / PG NO 90

EMERGING LOCAL CORPORATES (ELC)
Read more / PG NO 91

TRANSACTION BANKING
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DIGITAL BANKING
Read more / PG NO 86

CREDIT CARDS
Read more / PG NO 89

CORPORATE BANKING
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GOVERNMENT BANKING
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FINANCIAL MARKETS
Read more / PG NO 93

GLOBAL INDIAN BANKING
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RETAIL BANKING ASSETS
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CORPORATE FINANCE - INFRASTRUCTURE BANKING (CFIB)
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INDIAN FINANCIAL INSTITUTIONS BANKING
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LOAN SYNDICATIONS
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RURAL BANKING GROUP
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SMALL ENTERPRISES BANKING
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MULTINATIONAL CORPORATE BANKING
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INTERNATIONAL BANKING
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ASSET RECONSTRUCTION AND MANAGEMENT GROUP
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Geographical presence

Optimising reach with omnichannel **delivery**

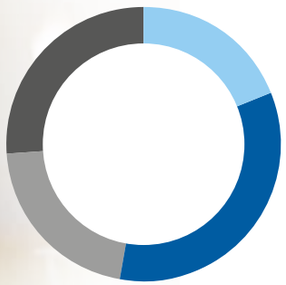
YES BANK has a wide network of branches and ATMs operated under a hub and spoke model, covering all states and union territories of India. Further, the Bank's physical reach is complemented by its robust digital channels to drive efficiency and enhance customer convenience and experience, and drive operational efficiency.



LOCATION-WISE FOCUS AREAS

- Asset-led acquisition in semi-urban/rural areas
- Liability-led acquisition in metro and urban areas targeting non-resident Indians (NRIs), senior citizens, high net worth individuals (HNIs), and trusts, associations, schools and clubs

LOCATION MIX



Rural - **19%**
Metro - **34%**
Urban - **21%**
Semi-urban - **26%**

1,423
ATMs*

PAN INDIA BRANCH NETWORK

1,135
Branches

~85%
of Branches with vintage > 3 years

850+
Spoke Branches

250+
Hub Branches

21
BC manned banking outlets

**Includes CRMs and BNA as on March 31, 2020.*

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Message from the Chairman

Navigating change with **conviction**



Dear Stakeholders,

As the newly appointed Chairman of the Board appointed under the YES Bank Reconstruction Scheme 2020, I take this opportunity to introduce to you a redefined YES BANK.

At the outset, on behalf of the Board, I thank the Government of India, Department of Financial Services in Ministry of Finance, Reserve Bank of India (RBI), State Bank of India, HDFC Limited, ICICI Bank, Axis Bank, Kotak Mahindra Bank, IDFC First Bank, Federal Bank and Bandhan Bank for their extraordinary and timely support through the YES BANK Reconstruction Scheme 2020, which was made effective March 13, 2020. It is the first such bank led restructuring plan in India's banking history. Further, the plan has been exceptionally well conceptualised and flawlessly executed by RBI and the investing banks. The Bank greatly appreciates the support extended. With the backing of India's largest financial institutions, YES BANK has been re-energised and is steering its way forward by leveraging on a unique opportunity to learn from past challenges and become stronger, while continuing to focus on supporting our customers and all stakeholders.

YES BANK has been re-energised and is steering its way forward by leveraging on a unique opportunity to learn from challenges and become stronger, while continuing to focus on supporting our customers and stakeholders.

The Bank's new Board had just embarked implementing the Reconstruction Scheme during difficult market conditions, when the COVID-19 situation erupted and swept across the world, forcing governments to impose nationwide lockdowns. This created an additional complexity to an existing difficult situation which the Bank faced on account of its legacy issues and its liquidity situation pre-implementation of the reconstruction scheme. Given the unprecedented situation, the Bank's management team under the able leadership of the new MD & CEO, Prashant Kumar, immediately re-positioned itself and dealt with market challenges admirably to restore customer and depositor confidence post lifting of the moratorium imposed by RBI. In addition to the Special Liquidity Facility (SLF) of ₹50,000 crore extended by RBI, the Bank has since then received strong customer liquidity inflows. I am pleased to report that the Bank has, as of date repaid ₹35,000 crore of SLF and the balance will be repaid within the timelines set by RBI.

Meanwhile, YES BANK has made significant progress. Most importantly, the Bank successfully raised equity funding of ₹15,000 crore through Follow-on Public Offering (FPO) within four months

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Message from the Chairman

of the restructuring scheme, amidst challenging market conditions, towards the end of July, 2020. It truly demonstrates the strong confidence of institutional and retail investors in the Bank's restructuring plan, action taken, future roadmap and professional leadership.

Pursuant to the encouraging developments in the Bank and equity capital raise of ₹15,000 crore, I am pleased to report that on August 03, 2020 Moody's Investors Service (Moody's) upgraded the Bank's rating to B3 with outlook stable. This is a testimony of the positive changes implemented in the Bank within a short time frame. The Moody's rating improvement rationale as reported, was due to a successful FPO which bolstered the Bank's solvency and improved financial strength. This will support depositor confidence. Following this capital increase, the Bank's Common Equity Tier (CET) 1 ratio has doubled to 13.4% from 6.6% at the end of June, 2020, bringing its capitalisation largely in line with the private sector peers. The significantly improved solvency ratio strengthens the Bank's resilience to potential asset quality risks resulting from the impact of the economic slowdown and COVID-19 related disruptions on India's economy.

TAKING STOCK OF FY 2019-20

FY 2019-20 has been a challenging year given the global and Indian macro-economic head-winds. India experienced moderate growth, demand contraction, low pace of investment and weaker credit offtake. The adverse impact of global political uncertainty arising from US and China trade war and Brexit related developments impacted external trade. In midst of a watchful turn of events on a global scale, COVID-19 was declared as a global health emergency by the World Health Organisation as the fiscal year came to an end. The imposition of a stringent nationwide lockdown to contain the spread of COVID-19, led to an economic slowdown, prompting series of conventional as well as unconventional policy responses from both RBI and the Government.

On the monetary policy front, the RBI cut the repo rate by a cumulative of 160 basis points during FY 2019-20, besides taking targeted steps to infuse liquidity and controlling term premium in the bond market. It upped its policy response by introducing targeted long term repurchases operation or TLTRO and increased the quantum of long-term repo purchases. The central government also responded by implementing counter cyclical measures and allowing the FY 2019-20 fiscal deficit to expand to 4.6% of GDP vis-à-vis the revised budget estimate of 3.8%. In addition, the government took several sectoral initiatives to support growth while lowering the corporate tax rate to improve sentiments. The total fiscal and monetary economic package amounted to ₹20.97 trillion under 'Atmanirbhar Bharat' program. Despite the support, the knock-on impact from global growth slowdown and the initial setback from domestic lockdowns resulted in India recording its slowest GDP growth in 11 years at 4.2% in FY 2019-20.

The Banking sector, as also emphasized by the RBI Governor, needs to create buffers to ensure effective credit flow to develop resilience in the financial system and cushion against the economic impact of the COVID-19 situation. Guided by RBI, the banking sector has responded by offering a loan moratorium to customers. Given the uncertainty and full economic impact of COVID-19 on key sectors, it is difficult to fully ascertain the implication of the moratorium in the short to medium term and will need close monitoring by Banks.

Embarking on a journey of transformation, we have and continue to make progress towards achieving the targets we had laid out for ourselves, which reflects the resilience of the Bank and its ability to bounce back, even in an unpredictable and complex economic environment

Looking ahead, FY 2020-21 will be a year of transition, as we battle health and economic impact of COVID-19 and simultaneously re-invent ourselves as a nation. India's fundamentals continue to remain strong — with its structural strengths of vast consumption base, young demographics and with an aspiring middle class, the potential is limitless. We must seize the opportunity and expeditiously move forward with structural and regulatory reforms that will facilitate seamless, strong and sustainable growth across sectors. Timely action to conceptualise and implement India's first bank led restructuring plan of YES BANK and the very positive developments thereafter, is a shining example of a well-coordinated and decisive initiative by the government and RBI.

In these difficult times, I must commend the coordinated efforts of the central and state governments, municipal authorities and regulatory

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Message from the Chairman

bodies, to insulate all of us from the larger health issues, livelihood, economic and financial fallout of COVID-19. I applaud the immense contribution of essential service providers including healthcare professionals, delivery, police personnel amongst many other selfless workers who tirelessly safeguarded the nation during this period of an extreme health and consequent economic crisis. Our compliments and gratitude to them.

RESTARTING WITH A RESOUNDING YES

Embarking on a journey of transformation, the Bank has made considerable progress towards achieving targets set by the new Board. It reflects the resilience, resolve and perseverance of the management team to bounce back despite enormous challenges and a complex economic environment. While successfully navigating transformation or change is daunting, I have immense faith in our reinvigorated team to rebuild the Bank, to its rightful position amongst leading domestic and global banking peers. The support received from all stakeholders, particularly the unwavering confidence of our customers has been most gratifying. It has enhanced the determination of the new Board and the Management to build an institution which has highest standards of governance, strong risk processes, financially strong, technologically powered to deliver best value to our customers. The Bank is working on three pillars of sustainable growth - driving operational excellence through digitisation; strong governance and risk frameworks; and sharing success with our stakeholders. These combined, lay the foundation of our transformation journey. Much work remains to be done. However, I am sanguine about our future and excited about the journey ahead.

The Board of Directors of the Bank recognise that we must continue to strengthen and augment our oversight along with governance and risk management practices. Acknowledging that strong Corporate Governance is key to success of an institution, the Board has identified 'Culture of Compliance' as a key asset that we need to nurture and cherish - a culture of transparency, integrity, trust, accountability and collaboration. The importance of good governance cannot be understated which was also emphasised by RBI in its recent discussion paper on improving the quality of governance and empowering the Board of Directors to set the culture and values of the institution, identify and manage conflicts of interest, manage risks while also endeavour to improve the supervisory oversight of Senior Management. In order to ensure effective risk management practices which benefit all stakeholders, in recent months, the Board has ensured efficient risk frameworks are put in place so that risks are identified, evaluated and addressed appropriately. Much of the work undertaken is not only to meet regulatory requirements, but to make the Bank stronger, agile and efficient.

The Bank's Board continues to work closely with the Management to identify and deal with impending issues vigorously and appropriately. We are closely monitoring the stress on our credit portfolio on account of legacy issues, current macro-economic and COVID-19 situation. Operating a revamped YES BANK, we are mindful of our fiduciary responsibilities to our customers, shareholders, employees and the regulator. We believe our coordinated efforts, together with stakeholder support, will help us honour them. This is also the time for the Bank to increase its focus on Environmental, Social and Governance (ESG) front, and continue to factor in new age risks that are becoming increasingly mainstream.

As we move forward and embrace the new normal, we aspire to be seen as a Bank, which is trusted for its integrity, practices highest standards of governance, is contemporary and continuously motivated to deliver value to its stakeholders. There is uncertainty about the depth and length of the current crisis. However, as the Bank embraces this transformation, I am confident that an adaptive and responsive business model that harnesses the power of digital and focuses on customer value, we will collectively drive positive outcomes for YES BANK.

The Board and I, feel a deep sense of pride to be a part of an institution which continues to show remarkable resolve and confidence towards delivering these positive outcomes. The achievements and the change would not have been possible without the incredible support of the Government of India, RBI, other regulators, investors, valued customers, my Board colleagues and over 21,000 enthusiastic YES BANK employees. Thank You all.

Best Regards,



SUNIL MEHTA
Chairman

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Message from the Managing Director and CEO

Revisiting purpose, promise and **potential**

Dear Shareholders,

It gives me immense pleasure to connect with you for the first time as MD & CEO of YES BANK. On behalf of the Bank, I take this opportunity to thank you for your unflinching support, which continues to provide inspiration and strength to all of us.

I thank the State Bank of India, HDFC Limited, ICICI Bank, Axis Bank, IDFC First Bank, Kotak Bank, Federal Bank, Bandhan Bank and our other shareholders for reposing faith in the institution. We recognize the commitment that you as investors in YES BANK, have made in the organisation. We are confident that the renewed focus, coupled with the changes we continue to make at the Bank, will enable us to continue to deliver on our commitment to provide customers a differentiated banking experience. It is unprecedented in the history of banking that top financial institutions in the country came together to provide support to another Bank. This has only been possible due to the strong belief and faith of customers and the banking fraternity alike in the franchise.

On our journey of transformation, we have completed our first crucial milestone within a quarter of restarting operations. The successful completion of our ₹15,000-crore follow-on public offering (FPO), India's largest fund raise in the financial services sector, against an extremely challenging socio-economic backdrop is a testament to the faith reposed by our investors. This is one of the first but a very crucial step in the Bank's journey of transformation into a 'Digital Bank' - a key milestone and a market endorsement of the efforts being made by the Bank. Moreover, this has further strengthened our foundation with reinforced liquidity, which is well above the required regulatory norms. We look forward to building on this momentum. I thank our new investors – both institutional and retail, for reposing faith in the institution and our future roadmap, despite global headwinds of the COVID-19 situation and its socio-economic impact.

While we work towards navigating through the economic headwinds, our first priority is to provide the best possible experience to our customers. Although, the Bank has seen tumultuous times in the recent past, we have taken decisive steps to ensure we continue to fulfil our commitment to our stakeholders. The tone has already been set by our reconstituted Board of Directors and leadership as well as independent control functions on enhancing governance and risk frameworks, translating into a culture of accountability to all our stakeholders. The Bank has made significant changes in the Risk framework to ensure that impending risks are identified, evaluated, and resolved before these convert into reputational risks. We have made foundational changes to strengthen our governance frameworks, identify and mitigate risks, with the objective of creating an authentic, empathetic Brand committed to ethical leadership and conducting business with integrity. While there is still more work to be done to reach this goal, I assure you that the Board of Directors and I are striving to deliver on the expectations of our customers, employees, communities, regulators and shareholders.

As I write this message, the world is traversing through a situation that has no precedence in recent history. The COVID-19 outbreak is a crisis for humanity as a whole with far-reaching effects. Apart from the social and human costs, the world is expected to face a severe economic downturn as the impact of nationwide lockdowns become apparent. The International Monetary Fund (IMF) forecasts global GDP to contract by 4.9% in 2020. That said, the Governments, the private sector and the civil society are collaborating to minimise the fallout.



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Message from the Managing Director and CEO

India too is working to tide over this unprecedented situation, prioritising life over livelihood initially and then looking to strike a balance at an acceptable cost. The Indian economy, which has been experiencing a cyclical slowdown before the outbreak, is likely to see its growth contract by 4.5% (IMF) in FY21. That said, the central government and the Reserve Bank of India (RBI) responded with a ₹20.97 lakh crore comprehensive policy package to revive demand, along with a clarion call for a self-reliant India. The package is expected to provide support to vulnerable population, farmers, Micro, Small and Medium Enterprises (MSMEs) and middle & low-income groups. RBI complemented the fiscal measures by announcing emergency rate cuts, liquidity infusion, targeted forbearance measures, and easing of macro-prudential guidelines.

Banking is a service essential to every community, be it customers, partners, vendors or the nation at large. Though, COVID-19 has undoubtedly created an extraordinary situation, which impacted all our functions, the extraordinary ownership, stamina and resilience displayed by the Bank's employees across branches, call centers and various teams towards helping weather this unforeseen situation and prepare the organization and customers to cope with it, is commendable. In the last four months, the Bank has launched various products and solutions to cater to the evolving needs of the customers in the COVID-19 induced new normal. As a Bank, we continue to focus our efforts on ensuring that our customers are supported every step of the way. While many of us have been working remotely from home or working in shifts across locations, we are and will be there to assist and serve, with commitment and dedication.

YES BANK 2.0

While we usher in a Bank that is recapitalised and recalibrated, it is gratifying to see that our stakeholders continue to show their faith in the brand, for which we are grateful.

As we look into to the future, we are committed to executing our long-term strategy, strengthening the market-leading position as a truly digital Bank, and investing for growth in our retail and SME businesses. Embarking on a transformational and inspiring new journey, I wish to lay down a clear roadmap for the first phase of this journey.

- Strong and sustained liabilities growth focus
- Create a more granular franchise and a balanced earnings mix between wholesale and retail
- Build and monetise new businesses through digital innovation
- Bring a sharp focus on cost optimisation while continuing to invest in growth opportunities
- Conform to the highest standards of risk management, compliance and governance
- Reinforce commitment to responsible banking and social engagement

You'll be pleased to learn that the building blocks for the execution of this strategy are already in place and monetising it does not entail a long build-out phase.

LOOKING FORWARD

I firmly believe that the emergence of a New India during the next decade would be marked by accelerated digital velocity across the financial payments space, state-of-the-art infrastructure facilities, ingrained banking behaviour across the country and fast-moving aspirations that would seek to bring closer the divide between the developing and the developed.

YES BANK has demonstrated organisational agility in catering to such diverse and evolving banking requirements. From bringing cutting-edge innovations in fintech to plain vanilla transactional banking, the Bank has set a paradigm in terms of customer experience, satisfaction, and overall productivity.

The current phase of COVID-19 outbreak could see some near-term disruptions in the economy. From a broader lens, the banking and financial sector would need policy support to tide over the temporary uncertainty. The policymakers could also use this window to push forward long-term structural reforms required to bolster financial stability.

While there are impending challenges, the growth opportunity for financial services remains most compelling.

To all our stakeholders, thank you for placing your trust in YES BANK and for your continued support. Our commitment to you is unwavering as we continue our transformation into a stronger institution.

Sincere Regards,

Prashant

PRASHANT KUMAR
MD & CEO

YES BANK

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Key performance indicators

A new baseline for future **growth**

TOTAL ASSETS

(₹ in crore)

(5-year CAGR)

13.6%

FY 2020	2,57,827
FY 2019	3,80,826
FY 2018	3,12,446
FY 2017	2,15,060
FY 2016	1,65,263
FY 2015	1,36,170

Balance sheet de-growth in line with bank's aim to conserve capital

SHAREHOLDERS FUNDS

(₹ in crore)

(5-year CAGR)

13.2%

FY 2020	21,726
FY 2019	26,904
FY 2018	25,758
FY 2017	22,054
FY 2016	13,787
FY 2015	11,680

DEPOSITS

(₹ in crore)

(5-year CAGR)

2.9%

FY 2020	1,05,364
FY 2019	2,27,610
FY 2018	2,00,738
FY 2017	1,42,874
FY 2016	1,11,720
FY 2015	91,176

CASA RATIO

(%)

(5-year CAGR)

5.9%

FY 2020	26.6
FY 2019	33.1
FY 2018	36.5
FY 2017	36.3
FY 2016	28.1
FY 2015	23.1

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Key performance indicators

ADVANCES

(₹ in crore)

(5-year CAGR)

17.8%

FY 2020	1,71,443
FY 2019	2,41,500
FY 2018	2,03,534
FY 2017	1,32,263
FY 2016	98,210
FY 2015	75,550

Granular Advances now contribute almost 44% of total advances

GROSS NPA

(%)

FY 2020	16.80
FY 2019	3.22
FY 2018	1.28
FY 2017	1.52
FY 2016	0.76
FY 2015	0.41

NPAs increased, however the bank has provided more than sufficient coverage on the same

NET NPA

(%)

FY 2020	5.03
FY 2019	1.86
FY 2018	0.64
FY 2017	0.81
FY 2016	0.29
FY 2015	0.12

Significant coverage on NPA accounts

CAPITAL ADEQUACY RATIO

(%)

FY 2020	8.5
FY 2019	16.5
FY 2018	18.4
FY 2017	17.0
FY 2016	16.5
FY 2015	15.6

High provisioning coverage ratio made by the bank on NPA and NPI accounts

NET INTEREST INCOME

(₹ in crore)

(5-year CAGR)

14.3%

FY 2020	6,805
FY 2019	9,809
FY 2018	7,737
FY 2017	5,797
FY 2016	4,567
FY 2015	3,488

Impacted by slippages in FY20

NON INTEREST INCOME

(₹ in crore)

(5-year CAGR)

11.0%

FY 2020	3,441
FY 2019	4,590
FY 2018	5,224
FY 2017	4,157
FY 2016	2,712
FY 2015	2,046

Impacted in FY20 due to sell downs in order to conserve capital; continued momentum in Retail and Transaction Banking Fee

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Key performance indicators

NET PROFIT

(₹ in crore)

FY 2020	(16,418)
FY 2019	1,720
FY 2018	4,225
FY 2017	3,330
FY 2016	2,539
FY 2015	2,005

Impacted by interest/ fee reversals, sell downs and slippages

NET INTEREST MARGIN

(%)

FY 2020	2.2
FY 2019	3.2
FY 2018	3.5
FY 2017	3.4
FY 2016	3.4
FY 2015	3.2

Impacted by slippages in FY20

COST TO INCOME RATIO

(%)

FY 2020	65.7
FY 2019	43.5
FY 2018	40.2
FY 2017	41.4
FY 2016	40.9
FY 2015	41.3

Impacted by decrease in income in FY20 on account of reversals, sell dwons and income

RETURN ON ANNUAL AVERAGE ASSETS

(%)

FY 2020	(5.1)
FY 2019	0.5
FY 2018	1.6
FY 2017	1.8
FY 2016	1.7
FY 2015	1.6

Impacted by interest/ fee reversals and slippages

RETURN ON EQUITY

(%)

FY 2020	(81.8)
FY 2019	6.5
FY 2018	17.7
FY 2017	21.5
FY 2016	19.9
FY 2015	19.0

Impacted by interest/ fee reversals and slippages

BASIC EARNINGS ER SHARE

(₹ in crore)

FY 2020	(56.1)
FY 2019	7.4
FY 2018	18.4
FY 2017	15.8
FY 2016	12.1
FY 2015	9.9

Impacted by interest/ fee reversals and slippages and dilution from equity infusion from the reconstruction scheme

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COVID-19 response

Adapting to the new **normal**

COVID-19 has had a significant socio-economic impact, altering our ways of interaction, service and life itself. The Bank has made concerted efforts to support employees, customers and communities, especially those most affected, in adapting to the new normal.



Once the lockdown was implemented, the Bank worked with agility to support employees, their families, and customers. The Bank's branches and call centres started operating with minimal staff while ensuring that customers had access to uninterrupted banking services from the safety of their homes, through the Bank's digital banking assets. A key tenet of the Bank's promise as a provider of essential services is helping customers navigate dynamic situations. Through continued digital outreach and efforts, the Bank urged customers to avail their banking needs through digital channels.

An 'Essential services' provider, the Bank's primary objective has been to ensure the safety of employees and customers while delivering uninterrupted banking services.

AS THE COUNTRY SLOWLY STARTS UNLOCKING AND RE-STARTING BUSINESS ACTIVITY IN A PHASED MANNER, YES BANK CONTINUES TO LAY EMPHASIS ON THE FOLLOWING AREAS:

- Prioritising health and well-being of employees, their families and customers
- Playing a constructive role as a responsible Bank in supporting Central and State Governments in their efforts to contain the spread of COVID-19
- Supporting customers and the community in tiding over the COVID-19 situation
- Extending special support to those most vulnerable to the socio-economic impact of COVID-19

While COVID-19 undoubtedly created an extraordinary situation, which impacted all functions, the Bank made significant interventions to support customers every step of the way while also embracing the time as an opportunity to review long term efforts, business focus and shift in perspective to cater to the evolving needs of customers by introducing innovative and relevant products.

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KEY INTERVENTIONS BY YES BANK

1. For employees

The Bank has implemented measures to provide a sanitised and disinfected work environment for the safety and wellbeing of employees. It formulated a clear SOP (standard operating procedure) outlining the necessary behavioral changes along with interventions needed at various touch points to contain the COVID-19 spread. Further, a Human Capital taskforce for COVID-19, along with medical helplines, has also been set up for employees. The Bank also supported employees in helping adapt to a remote working set up through training sessions.

2. For communities

The Bank remains committed to the needs of citizens and continues to work alongside the government and health authorities to further support customers and communities.

- The Bank contributed ₹10 crore to the PM CARES Fund
- Employees contributed a day's salary totalling ₹1.9 crore to the PM CARES Fund
- Partnered with Akshaya Patra to support their efforts in providing cooked meals to daily wage workers, migrant labourers, and the low income and marginalised sections of society, whose livelihood has been affected by the current lockdown
- Enabled contribution to these causes through redemption of accumulated Reward Points on YES BANK Debit and/or Credit Card using the online portal, YES Rewardz

3. For customers

- The Bank ensured availability of services in 95%+ branches and ATMs immediately
- All digital channels were available round the clock to provide uninterrupted banking services
- The Bank quickly ramped up remote access capability to cover critical activities from day one of the nationwide lockdown. At this stage, remote access was enabled for 10,000 users to support the business, with the option of scaling up as needed
- The Bank rolled out sequential planning of employees working in shifts with twin objectives – extending customer service windows at branches and avoiding employee travel at peak hours
- Critical and non-critical activities were immediately reviewed. Using agile digital innovation platforms, the Bank was also able to launch products and solutions enabling consumers to open accounts digitally and complete their KYC remotely via Video KYC. Understanding the need for easy access to liquidity, the Bank also enabled digital overdrafts on fixed deposits

The Bank is constantly monitoring the evolving macroeconomic environment and proactively working towards minimising the impact. With partners, customers and communities, the Bank is facilitating actions that contribute meaningfully to the ongoing efforts.

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Reinvigorating the **YES** experience

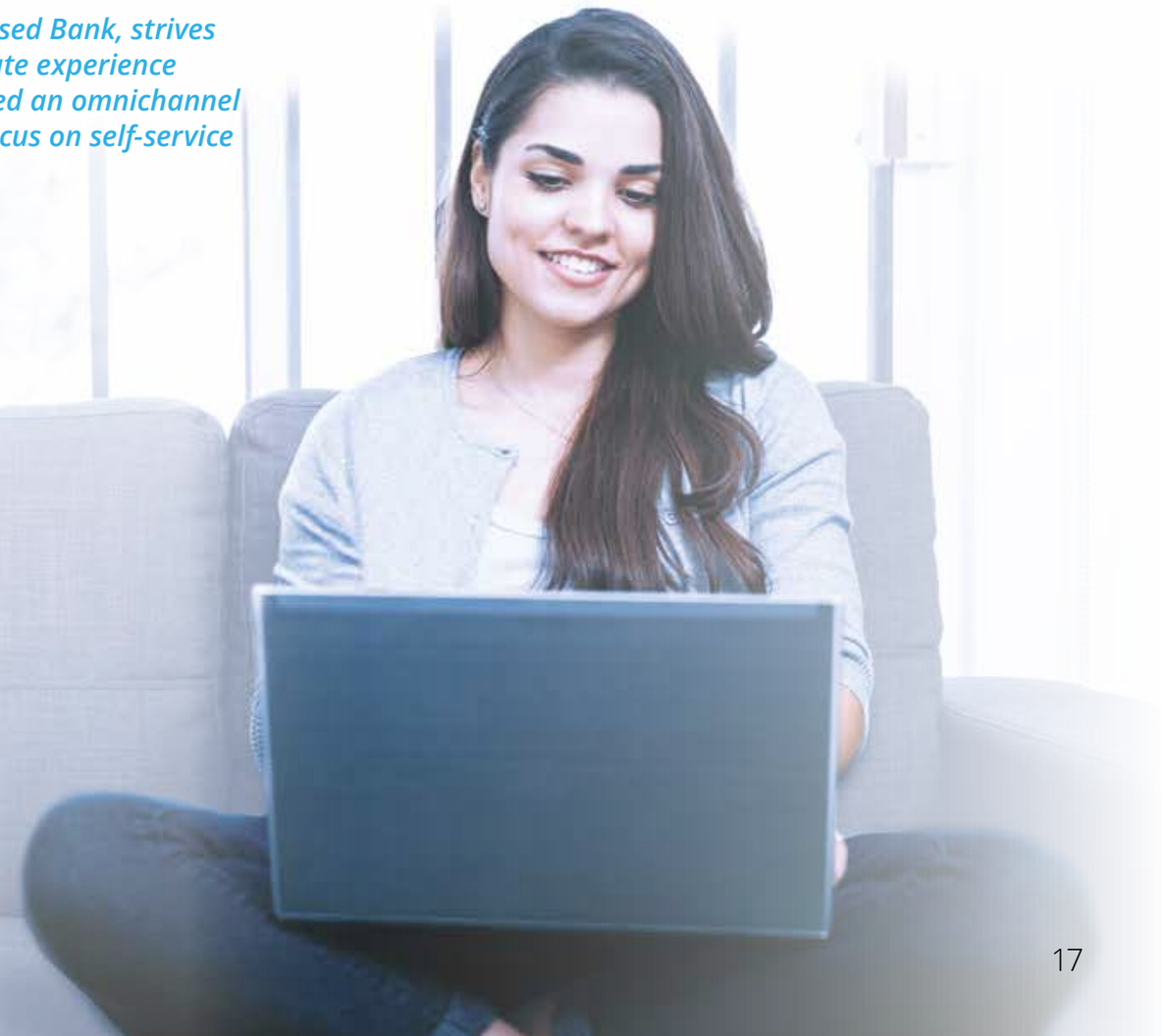
YES BANK, being a customer-driven and service-focused Bank, strives to simplify banking, increase convenience, and elevate experience throughout customer journeys. The Bank has adopted an omnichannel approach to connect with customers, with a clear focus on self-service channels as the primary mode of banking.

To make systems and processes more efficient, YES BANK continues to invest in strengthening IT infrastructure and digital platforms to complement its electronically linked physical branch network. This holistic approach enables the Bank to design better products & solutions and ensure seamless delivery, resulting in customer delight.

ISO 9001

Certified, 24x7 Inbound Contact Centre

Strengthened Business Continuity Management (ISO 22301 certified) framework and Information Security Management (ISO 27001 certified)



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BUSINESS PROCESSES – CREATING A QUALITY ORGANISATION

Service quality is integral to continued customer patronage. YES BANK continues to refine its operational processes to implement best practices, risk identification and mitigation, which drives operational efficiency in both corporate and retail businesses.

Key initiatives to elevate customer experience

- The Bank has deployed an enterprise-level, customer 360° service platform, YES Genie, which provides a single view for both corporate and retail customer segments. It is an advanced 360° analytical and intelligent system that enables the Bank to derive actionable insights towards improving service delivery
- The Bank operates centralised back-offices, National Operating Centres (NOCs) of various businesses in Mumbai, Gurgaon and Chennai, staffed with 9,000 people
- The Bank has a dedicated 24/7 inbound Contact Centre for Liability, Asset and Credit Card customers, which resolves queries, complaints and service requests in multiple languages. The Bank also has a dedicated 24/7 desk for Super Premium Credit Card, MasterCard World Elite and Concierge, providing bespoke services
- In compliance with regulatory directives, the Bank has set up a dedicated desk for customers looking to reach out to its Senior Management
- YES BANK has extended chat services to customers who contact the Bank through email. A centralised welcome calling desk was set up in August, 2018 to provide a seamless onboarding experience
- The Bank's Inbound Contact Centre is ISO 9001 certified. Further, the Inbound Contact Centre introduced TPIN on IVR to enable self-services for customers
- The Credit Card Contact Centre launched Credit Card PIN generation through IVR, which minimised the physical process in a cost-effective manner
- The Bank has successfully upgraded to the new ISO 9001 (Quality Management) standard and adopted risk-based thinking, thereby aligning itself with the Enterprise Risk Management (ERM) framework
- The Bank has strengthened its Business Continuity Management (ISO 22301 certified) framework and Information Security Management (ISO 27001 certified) framework by including two data centres, five branches, along with their ATMs, apart from the two existing NOCs
- Business excellence frameworks and quality management practices such as Five S, Lean and Six Sigma, and ISO 9001 standards established for back-office operations at National Operating Centres (NOCs) and 101 key branches. The Bank's Collections Unit for Micro Enterprise Banking, Retail Asset & ISB and Credit Card Risk Management and Operations have been certified under ISO 9001 (Quality Management System)
- The Bank's complaint management processes are certified under ISO 10002:2018 (Customer Service – Complaints Management system). It uses the Complaints and Query Management framework as a touchpoint to log, handle, escalate and resolve customer grievances



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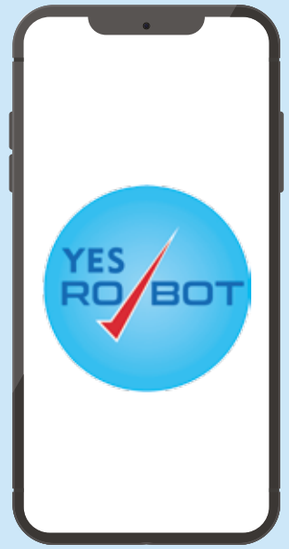
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Customer focus



- YES BANK consistently measures customer experience (internal and external) by analysing and acting upon feedback gathered at each touchpoint (including customer complaint registers, customer satisfaction surveys, transactional interactions, telephonic surveys and employee feedback)
- The Bank has implemented straight-through transaction processing in critical functions through digitisation
- It has leveraged social media as a channel to address queries or complaints, receive feedback and gather inputs on service (Voice of the Customer – VOC)
- The Bank adheres to the Banking Codes and Standards Board of India (BCSBI), Goiporia Committee recommendations, Damodaran Committee recommendations and the Committee on Procedures and Performance Audit of Public Services (CPPAPS) guidelines, thereby ensuring compliance across its critical functions
- As part of its spirit of instant service, the Bank has taken an initiative to fast-track processing (within two hours) of key customer requests
- The Bank has implemented 'Robotics Process Automation' to optimise internal processes with a view to provide faster, accurate and efficient services



YES BANK continues to leverage YES ROBOT, an AI driven intelligent chatbot which helps customers with various queries

- The Bank has launched YES ROBOT, an AI-driven chatbot which helps customers with various queries, apart from carrying out transactions, thereby allowing customers to access banking services from the convenience of their homes or offices
- The Bank has enabled the functionality of Aadhaar seeding across ATMs

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Customer focus

Service Excellence Deployment Model

The Bank has adopted a five-stage Service Excellence Deployment Model for continuous oversight and improvement across its products, services and channels. It is a comprehensive mechanism to deliver superior and consistent experience for both internal and external customers.

Service Excellence model



Delivery

The Service Excellence team supports customer facing and engagement channels with knowledge, skills, technology and process support to meet customers' expectations in a timely and accurate manner.



Adherence

The Bank has ensured that extant guidelines by the regulatory bodies, e.g., IBA, RBI, BCSBI and Banking Ombudsman are implemented in true spirit and has established mechanisms to ensure oversight and adherence. Third Party audits are conducted to prepare the branches for maintaining the service standards as expected by the regulators.



Recovery

The Bank has deployed a robust Grievance and Redressal (GR) policy for end-to-end customer complaints management. The procedure follows a conventional PDCA (plan-do–check–act) cycle of identifying the root cause before finalising the resolutions that are well supported by the Monitoring and Control mechanisms to avoid recurrence.



Experience

The Bank uses the Net Promoter Score model to gather customer feedback at regular intervals. The inputs are taken into account to improve internal products and processes.



Design

The inputs from each of the prior stages are shared with respective business and business leaders on an ongoing basis. The leadership of each business unit reviews existing processes, initiates improvement programmes and instils procedural orientation. Each service feedback from Complaints, VOC or Customer Engagement Programmes is analysed to develop new processes or modify existing processes and services.

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Technology and digital innovation

Leading to **inspire**

YES BANK has been at the forefront of technology-driven innovation in the Indian banking industry. The Bank leverages new-age digital technologies to optimise reach and offer differentiated products and services to customers across business segments. YES BANK's leadership in the online payments ecosystem bears testimony to its continued focus on leveraging its digital capabilities to make banking simple, secure and convenient.

By FY 2020-21, the Bank will roll out elements of the next-generation banking platform, which is expected to provide a unified experience across internet, mobile, voice and bot channels.

The Bank has pioneered the implementation of 'Bot' technology for customer acquisition, personal banking assistance, cross-selling and customer servicing for various businesses.

YES BANK ranks #3 in achieving digitisation targets set by MeitY in FY 2019-20



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Technology and digital innovation

DIGITAL PAYMENTS

YES BANK has emerged a leader in the Payments market by enabling millions of transactions. The Bank has close to one third of the market share in Aadhaar Enabled Payment System (AePS). It is among the top three players in Unified Payments Interface (UPI), Immediate Payment Service (IMPS) and continues to build use cases around both the systems.

#1 REMITTER BANK^
Immediate Payment Service (IMPS)

~40% TRANSACTION VOLUME MARKET SHARE^
Aadhaar Enabled Payment System (AePS)

#1 IN UPI P2M TRANSACTIONS^
with ~31% market share

^FY 2019-20

Transactions Processed in FY 2019-20

~450 CRORE
Unified Payments Interface (UPI)

~24 CRORE
Immediate Payment Service (IMPS)

~33 CRORE
Aadhaar Enabled Payment System (AePS)

#3 IN ACHIEVING
digitisation targets in FY 2019-20 set by MeitY



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Technology and digital innovation

DATA ANALYTICS BACKBONE

YES BANK's digital leadership is anchored in strong partnerships, trusted platforms and early investments in Banking 4.0.

Cloud Adoption

Partnership with Microsoft on Azure cloud for running multiple R&D initiatives

Platformisation

First Bank to set up microservices platform for development of reusable APIs to support Bank-wide applications

Graph Processing & Blockchain

Neo4j graph database to map a customer's banking ecosystem, first to issue CP on the Blockchain platform

Big Data processing with AI and Deep Learning models

Partnerships with industry leaders making YES BANK India's first Bank to use Hadoop Data Lake

Leverage Elastic framework to support real time analytics and IoT

ROBOTICS AND ANALYTICS

The Bank has been a pioneer in adopting BOTs for customer acquisition, personal banking assistance, cross-selling and customer servicing. Unlike other BOTs, which largely restrict users to explore services or seek product information, YES BANK's BOTs allow customers to transact over chat. The Bank has also implemented BOTs for Enterprise RMs (Relationship Managers) for sourcing deposits through this channel.

YES BANK is creating Centres of Excellence for Robotics and Analytics, which would play a pivotal role in reducing service time and enhancing customer interaction quality. Digital payments is another focus area for the Bank, wherein it plans to further scale other payment services like IMPS, Bharat Bill Payment System (BBPS), FASTag (NETC) and prepaid instruments.

POS

YES BANK's Merchant Services business has a comprehensive product suite catering to the needs of various merchant partners.

- Wide range of terminals: GPRS, Android, MPOS, PCPOS, PSTN, NFC-enabled, and Bharat QR code with UPI
- Acceptance of all popular payment instruments: American Express, Visa, MasterCard, RuPay, Diners and other supported schemes
- Segment specific solutions: Hospitals, educational institutions, and government with deep integration with the merchant partner's billing solution

With a solution centric approach, the business is poised to add incremental customers and capture maximum wallet share in FY 2020-21. The business aims to make a significant contribution in the liability growth of the Bank.



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Technology and digital innovation

API BANKING LEADERSHIP

YES BANK is the first Bank in India to digitise the B2B supply chain with the launch of application programming interface (API) banking. YES BANK, with its superior API offering, is the 'Banking Partner of Choice' across the fintech universe. Over the next 12-18 months, the Bank plans to leverage these partnerships to expand API banking beyond payments.

Throughput for FY 2019-20

₹4.3 LAKH CRORE
Total throughput

₹26.7 CRORE
Total volume

Customers onboarded

1,500+
implementations for customers so far, including unicorns and soonicorns

YES BANK's key API customers

ENABLING A 'DIGITAL INDIA'

With its digital infrastructure, YES BANK enables large-scale transactions and payment solutions, helping drive the Digital India agenda.

- Digital solutions for customers of cooperative banks
- Digital payment collections for IIT Jammu, IIT Roorkee, Karnavati University and Tamil Nadu Open University
- SmartCity App for Coimbatore Smart City initiative
- Providing offline payments across 6,300 Gram Panchayats in Karnataka
- Working capital management for MSMEs on the connected banking model
- Largest MF aggregator integrated for digitising receivables (SIF) through eNACH
- Enabling instant refund processing via MasterCard MoneySend for MakeMyTrip
- Enabling corporate bill payments
- Enabling credit card bill payments on multiple payments platforms including PhonePe
- Enabling instant reward payouts, driver payments and multiple other instant gratification use cases
- Enabling instant reconciliation and downstream action for inward credit on all modes



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Driving retailisation to reshape **future**

As part of its future roadmap, YES BANK views India's low retail finance penetration as a significant growth driver. The Bank is well positioned to capitalise on the opportunity with its expanding reach, robust technology capabilities and relentless focus on addressing evolving customer preferences. In the process, YES BANK envisages increased granularisation of advances, improved profitability and moderated portfolio risk.

- Target lower ticket sizes while maintaining asset quality
- Lower cost of acquisition by leveraging digital capabilities
- Deepen geographic penetration into Tier II/ III cities



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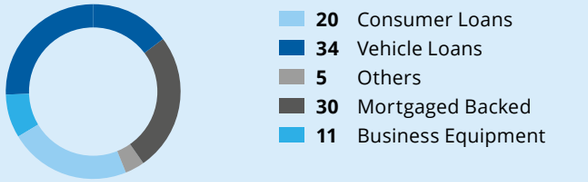
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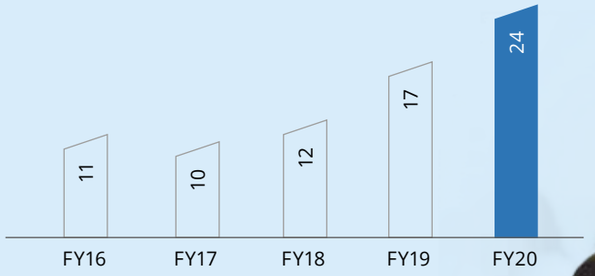
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KEY FOCUS AREAS:

YES BANK'S RETAIL ADVANCES MIX IN FY 2019-20 (%)



SHARE OF RETAIL IN YES BANK'S OVERALL ADVANCES (%)



BEST-IN-CLASS RETAIL ASSETS PLATFORM

YES BANK's retail suite of products are well attuned to the growing demand for formal financing in India. The Bank's retail segment is characterised by the following:

Asset quality

- Low risk portfolio with large proportion of cash flow-based financing with adequate collateral
- Focus on internal/salaried customers for unsecured products

Risk and yields

- Portfolio built on low risk at scale, offering room for higher yielding products
- Focus on building a more granular book, reducing concentration risk

Rural banking

- Business Correspondent (BC) model (~0.5 million)
- Tie-ups with fintech companies to identify potential geographies (YES Villages)
- Presence across Tier II–VI cities
- Agri focus with 409 branches across 120 districts in 9 focused states

Technology

- Usage of data analytics and fintech engines for risk mitigation
- Ensuring seamless service by leveraging digital capabilities

Customer strategy in the retail segment

- Targeting instead of tapping
- Focused on salaried and self-employed
- Utilise branch channel, leverage partnerships & technology aided service delivery



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CREDIT CARDS

Launched in 2016, YES BANK's Consumer, MSME and Commercial Credit Card products offer best-in-class features and services, complementing the lifestyle of the modern day consumer. The Bank plans to launch more innovative and differentiated products in FY 2020-21.

- Current suite consists of 13 products across Consumer, MSME and Commercial Cards
- Robust risk management resulting in one of the lowest delinquency rates in the industry

Technology

Leading with 'digital first' approach

Partnering fintechs to create future-ready platforms

Robust y-o-y growth in FY2019-20

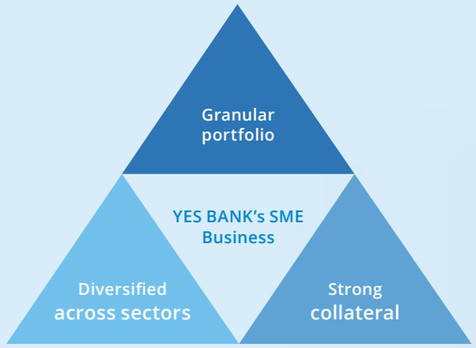
75%
Cards in force

64%
Card spends

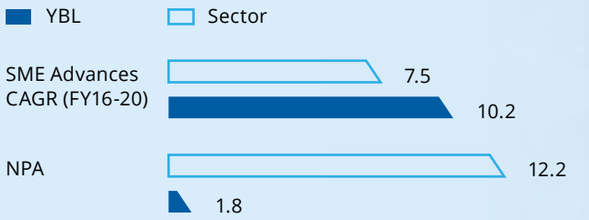
59%
Transactions

MSME FOCUS PROVIDES FAVOURABLE RISK-RETURN TRADE-OFF

YES BANK's MSME business is built on a robust risk management platform, with significant headroom for growth, given the high addressable credit cap in the segment.



HIGHER GROWTH AND BETTER ASSET QUALITY (%)



Sector Advances and NPA data sourced from TransUnion CIBIL's quarterly "SME Pulse" report; latest available report contains data as of September 30, 2019; Definition of "SME" however may vary between the Bank classification and TransUnion CIBIL

MSME at 20% of Advances

- Self-sourced without any intermediaries
- From 'Supply Chain Financing' to 'Ecosystem Banking'
- Digital handholding to scale up MSMEs from Tier II and III cities
- 50 dedicated SME branches in SME hubs



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ENHANCING MSME CAPABILITIES THROUGH PARTNERSHIPS

Supply chain banking

Financing vendors of corporates

- Strong corporate relationships
- Utilising technology and analytics to automate limit enhancement
- Market leader in electrical and electronic goods segment

Knowledge banking

Tie-ups with trade and industry associations

- Sector specialists with vast industry knowledge
- Collaboration with leading domestic and international institutions

Branch banking and CRM

Liability business through branches and CRM-based sourcing

- Cash flow-based underwriting
- Strong risk assessment framework ensuring adequate collaterals and risk-based pricing



YES BANK

Annual Report **2019-20**

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Value creation model

The value we **create**

Financial capital

Funds available with the Bank through customer deposits, shareholder's equity and market borrowings

₹10,247 CRORE
Total Net Income

₹257,827 CRORE
Balance sheet size

YES BANK's Key financial results

Read more / PG NO 12

Manufactured capital

Tangible and intangible infrastructure, including IT assets

1,135
Branches

1,423
Number of ATMs*

21
BC manned banking outlets

YES BANK's Footprint and presence

Read more / PG NO 6

Intellectual capital

Collective knowledge, research, thought leadership, brand management and intellectual property

25 ADVISORY MANDATES
- Food & Agribusiness Strategic Advisory & Research (FASAR)

YES BANK's Digital and technology focus

Read more / PG NO 21

Human capital

Employees' competencies, knowledge, experience, and training programmes

22,973
Total employees

812,744
Training hours

YES BANK's Human capital

Read more / PG NO 69

Social and relationship capital

Relationships the Bank creates and fosters with its customers, regulators, suppliers and the community at large

54,500
Lives touched through YES COMMUNITY

5,000
MSMEs trained

90,149
INDIVIDUALS COVERED
Livelihood & Water Security Programme

YES BANK's Social focus

Read more / PG NO 54

Natural capital

Natural resources used by the Bank for its operations and financing for natural resource preservation and climate risk mitigation

1.50 CO_2E PER FTE
Specific emissions

3,010 MW
Clean energy exposure

YES BANK's Environmental focus

Read more / PG NO 43

**Includes CRMs and BNA as on March 31, 2020.*

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Value creation model

The representation given below indicates how various capitals interact with each other during our activities to create value at YES BANK. For example, 'employee volunteering' draws from the Bank's human capital while enhancing outcomes for social and relationship capital.

THE INTERLINKAGES MATRIX FOR CAPITALS

Financial Capital

- A Digical infrastructure approach to achieve scale
- Manage supply-chain & procurement practices to improve efficiencies and lower costs
- Development and upkeep of branches, NOCs

- Drives business performance
- YES SCHOOL OF BANKING: capacity building
- 5 Cs Engagement model: Culture, Career, Communication, Connect and Care

- Advisory services like Strategic Government Advisory (SGA) and Food and Agribusiness Strategic Advisory and Research (FASAR) drive business performance; e.g e-vehicle policies
- Knowledge-based approach to provide clients with customised solutions
- Innovative products and services
- Forged ties with national and global thought leaders
- Developed thought pieces aimed at positively impacting industry and policy

- Investment in Natural Capital Conservation projects

- Deposits from customers and loans to customers
- Investments by shareholders and investors
- Responsible Banking ethos
- Unique scalable and sustainable projects e.g – Green Future Deposit, SDG Financing and Livelihood and Water Security

Manufactured Capital

- Supports daily operations

Intellectual Capital

- Forges strong ties with national and global thought leaders, multi-laterals, and governments to release knowledge reports
- Influences policy decisions, positively impacting the society, environment and industry at large.

Human Capital

- Contributes to operational environmental excellence through reduced consumption, improved recycling and management of e-waste

- Employee volunteering or donation e.g. Payroll Giving

Social and Relationship Capital

- Supports local outreach

- Avoiding emissions
- Awareness on sustainable practices

Natural Capital

- Major consumption of natural resources
- 732 ISO 140001 certified green facilities

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Our strategy

Repositioning to stay **ahead**

YES BANK has crafted a well-defined strategy to deliver sustainable returns to shareholders, thereby creating value for all stakeholders. The Bank has identified key focus areas with time-bound targets set to measure progress in a structured manner.

Enhance the trust factor amongst stakeholders

Medium Term Objectives

Reconstruct the foundation and calibrate growth (6-12 months)

- Focus on increasing liabilities and liquidity buffers
- Cost optimisation
- Stronger governance and underwriting frameworks
- Focused Stressed Assets Resolution

- Stable liability mix and lower cost of funds: CASA Ratio > 40%
- Granular Advances: Retail/MSME > 60%
- Corporate flows and cross sell through Transaction banking
- RoA greater than **1.0% (1-3 years)** **1.5% (3-5 years)**

Predictable and Sustainable Earnings

Return value to shareholders

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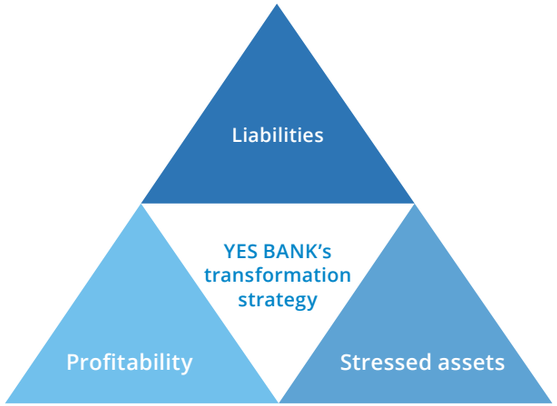
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Our strategy

YES BANK's transformation strategy focuses on three key result areas, with definite targets to measure their progress



Liabilities

- Liabilities drive, led by Retail & Transaction Banking, to recoup September 2019 levels
- Corporate Balance Sheet reduction through asset selldowns and stressed asset resolutions

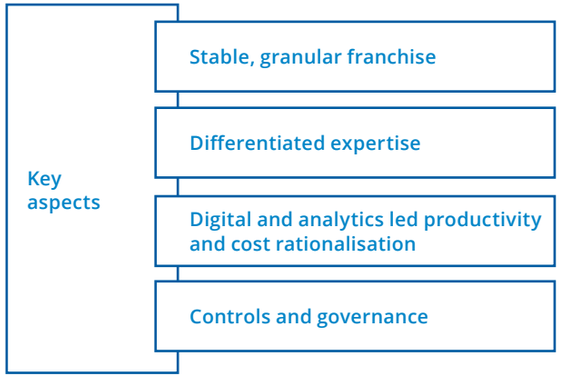
Profitability

- Reduction in operating expenses
- Sophisticated Data Analytics aimed at revenue generation and monetisable business intelligence

Stressed assets

- Structural shift to house all stressed Corporate book pools in a 'Bad Bank' unit, for focused resolution and / or a stake sale

...covering four key aspects, spanning 12-36 months



INITIAL 360 DAYS

Focus on building the foundation and drive productivity/cost reduction

360 TO 1,000 DAYS

Focus on asset growth

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Our strategy

YES BANK'S TRANSFORMATION EXECUTION ROADMAP

- **Digitalising the Bank**
- **Retail banking**
- **Transaction banking**
- **Corporate banking**
- **Cost management**

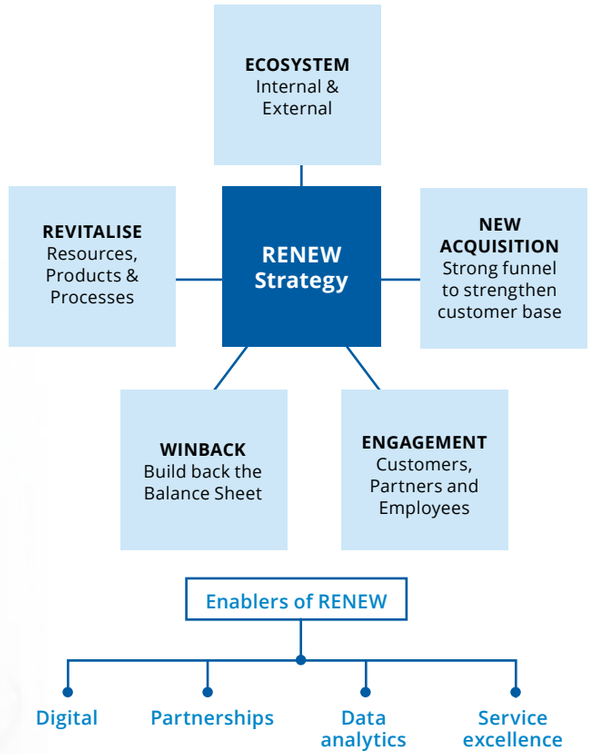
1. Digitalising the Bank

- Build on the payments ecosystem
- Optimise productivity with digital solutions and analytics
- Service digitisation
- Building digital and agile capabilities
- Partner with fintech companies for speed to market
- Streamline credit decisioning
- Leverage analytics to drive value through prioritised use cases



2. Retail banking

YES BANK's RENEW strategy is aimed at re-energising retail banking and regaining its leadership position.



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Our strategy



Key focus areas:

Granular liabilities via digital customer acquisition and servicing

YES BANK expects to achieve granularity in liabilities through short-term and medium-to long-term interventions, categorised under the following:

- **Digital assets for MSMEs**
  YES BANK plans to scale digital assets for micro, small and medium-sized enterprises (MSMEs) by focusing on origination, credit underwriting, best-in-class collection mechanisms and asset quality KPIs
- **Leveraging branch network**
  Retailisation will be driven by leveraging the extensive and diversified branch network of the Bank
- **Retail assets**
  YES BANK has articulated a three-pronged strategy of protect-prepare-propel, to be deployed across different time frames to capitalise on its retail assets
- **CASA focus**
  In the medium-to-long term, the Bank expects to significantly enhance its CASA (Current Accounts and Savings Accounts) portfolio by focusing on specific multiplier levers. These include:
  - Government banking
  - API banking
  - TASC (trusts, associations, societies and clubs)
  - Retail liability client segments
  - Fiduciary and capital markets
  - Ecosystem and connected banking

  The Bank is focusing on diversifying its revenue streams by increasing the share of fee income and other non-interest income in the overall mix

3. Transaction banking

Transaction Banking Group (TBG) covering Cash Management & Trade Finance related products is playing a crucial role in propelling the Bank's growth by providing a stable source of low-cost liquidity with added benefits of moderate cyclicality, relatively low risk and low capital requirement. TBG's strategy centers on building a granular and sustainable fee & liability business by creating market differentiators in key areas like data analytics, risk management, value added solutions and advisory services. TBG through its focus on digital innovation, smart technology investments and partnerships with Fintechs aims to create holistic solutions for a differentiated client experience and enhanced operational efficiencies.

4. Corporate banking

YES BANK is shifting focus to a granular transactional working capital lead book and liabilities from long term assets to reduce concentration, preserve asset quality and build capital buffer. The Bank is further strengthening its internal risk management framework to address existing stressed asset issues and mitigate future risks.

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Our strategy

5. Cost management

The Bank aims to control costs and boost overall profitability by focusing on five key themes.

Theme	Action areas
Human resources	• **Manpower optimisation through span of control and attrition management** • **Consolidated monitoring and management** of outsourced manpower and activities
Profitability	**ATM, branch, client, and product** profitability
Identifying changing trends of customer and employee engagement	**Work-force management and back-office as well as corporate office capacity**
Process improvement	• **Digitise credit sanction process** (e.g., loan application with external checks and validations to ensure high credit quality) • **Recalibrate bandwidth** through **technology process rationalisation in order** to prioritise key projects • End-user computing (EUC) management – holistically review end-user experience and consider all the systems required to accomplish daily workload
Operations and digitisation	• **Centralise credit monitoring operations** with automated trigger-based MIS generation and **analytics-led decision making** • **Analytics-led cost breakup** of key areas with higher than industry cost



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Risk management

Monitoring and mitigating **risks**

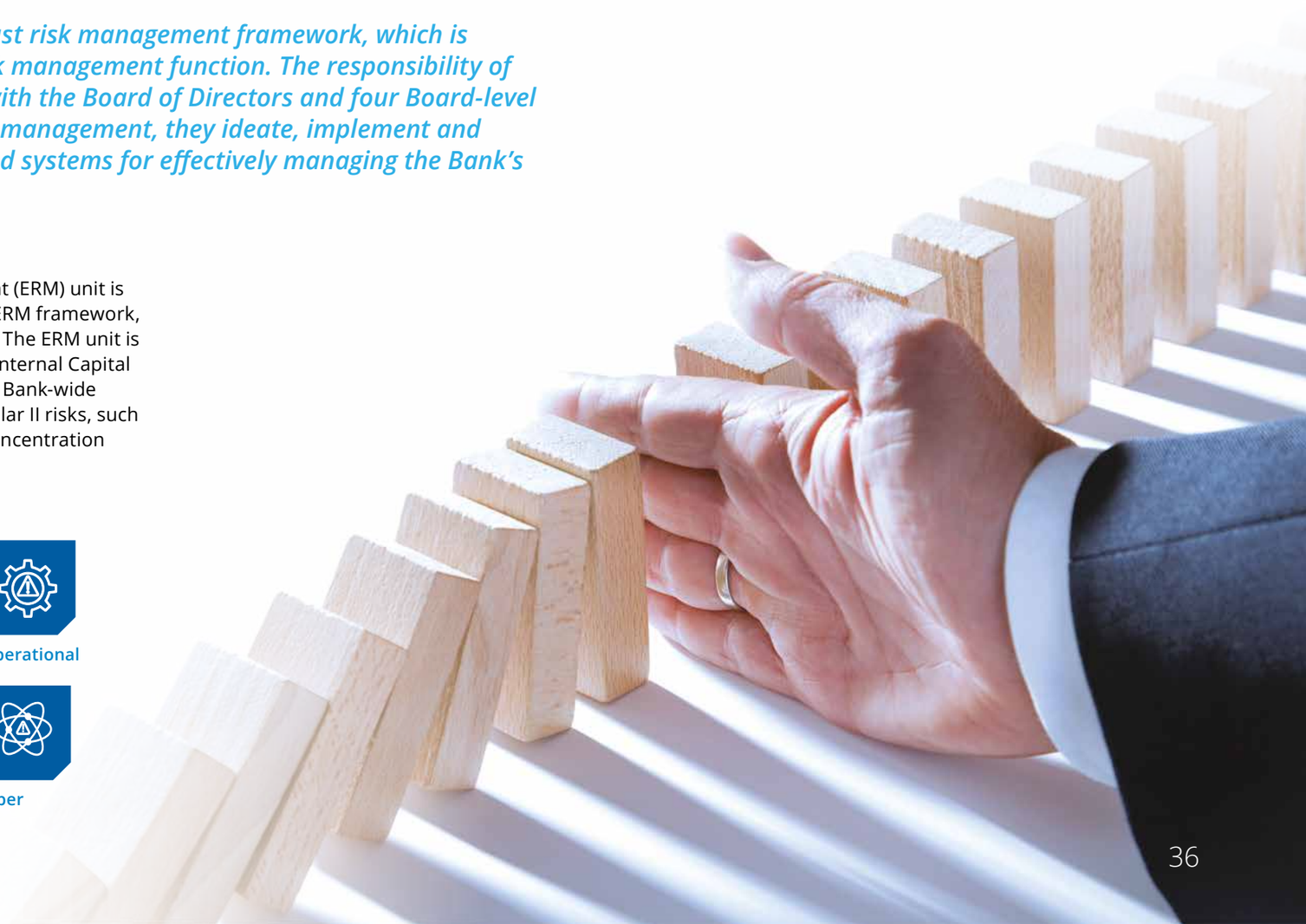
YES BANK has instituted a robust risk management framework, which is implemented by the Bank's risk management function. The responsibility of overall risk management lies with the Board of Directors and four Board-level committees. Together with the management, they ideate, implement and review policies, frameworks and systems for effectively managing the Bank's existing and emerging risks.

ENTERPRISE RISK MANAGEMENT

YES BANK's Enterprise Risk Management (ERM) unit is responsible for implementation of the ERM framework, risk aggregation and risk-based pricing. The ERM unit is also involved in Basel II/III compliance, Internal Capital Adequacy Assessment Process (ICAAP), Bank-wide stress testing and risk assessment of Pillar II risks, such as Reputation Risk, Compliance Risk, Concentration Risk, among others.

TYPES OF RISKS

- Credit
- Market
- Operational
- COVID-19
- Climate
- Cyber



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TYPES OF RISKS AND MITIGATION

CREDIT RISK

YES BANK's credit risk management is governed by a comprehensive and well-defined Board-approved Credit Policy. It encompasses credit approval processes for all business segments, along with guidelines for monitoring and mitigating the associated risks. All corporate credit proposals are approved either through a committee or through a Joint Delegation, based on exposure thresholds outlined in the Credit Policy. The appraisal process encompasses a detailed risk assessment and rating of obligors, using the Bank's internal rating models.

The Bank additionally has scorecards in place for specific schematic programmes for Retail and MSME borrowers. This function works in close coordination with various business segments to periodically review the individual borrower relationship and assess the overall health of borrowers. The Bank has a dedicated team in place, which uses an internal tracking system to ensure compliance with the sanctioned terms and conditions.

There is also an independent Portfolio Analytics Unit, which is responsible for monitoring the entire credit portfolio across segments, including identifying portfolio trends and generating portfolio-level MIS covering various credit quality indicators. Further, the Credit Risk Policy Unit is responsible for independently reviewing the Bank's credit policies and programmes, including validation and monitoring of rating models. The Unit is also responsible for migration to Internal Ratings Based (IRB) approach and IndAS 109 (IFRS 9) for Credit Risk.

The Bank has an independent Retail, MSME & Rural Policy and Portfolio Management Unit, which is responsible for the formulation, amendment and review of Credit Policy for the granular business segments within the risk appetite of the Bank. This Unit also manages portfolio distribution risk at product, segment, industry and geography levels, having set up a robust early warning mechanism. It also supports new product launches and digital initiatives of the Bank throughout the lifecycle of customers by implementing business rule engines and scorecards as well as enabling system changes to improve process efficiency through the use of risk models and analytical tools.

The Bank also has an active legal team that helps in assessing and managing Legal Risk. The team has developed a comprehensive set of standard documents for various types of credit products and is responsible for ensuring legal compliance of applicable laws and ensuring that the documentation entered into by the Bank is legally valid and enforceable.

MARKET RISK

YES BANK's market risk management is governed by comprehensive Board-approved policies such as Market Risk Policy, Asset Liability Management Policy, Investment Policy, Hedging Policy, Stress Testing Policy, Derivative Policy, Derivative Appropriateness Policy and Liquidity & Contingency Funding Policy. They ensure that risks underwritten across business activities are within the stipulated risk appetite of the Bank, and that similar risks are aggregated. These policies have been benchmarked with industry best practices and the RBI regulations.

The Bank has an integrated, straight-through processing and state-of-the-art treasury system for enabling better risk management. It measures liquidity, currency, and interest rate risks through various metrics, based on regulatory guidelines or using internal risk models. The Bank also regularly conducts stress testing to monitor its vulnerability to extreme, but plausible, unfavourable shocks.

The Bank monitors and controls its risks using various internal and regulatory risk limits for trading book and banking book, which are set according to a number of criteria, including economic scenario, business strategy, peer analysis and the Bank's risk appetite. The risk reporting mechanism comprises disclosures and reporting to the Asset Liability Committee and Board- level committees.

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Risk management

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational Risk includes legal risk but excludes strategic and reputational risks. It is inherent in the Bank's day-to-day business activities.

The Bank has implemented a comprehensive operational risk management framework, based on proactive and forward-looking practices to ensure superior customer service and minimal operational risk events and losses.

The objective of the Bank's operational risk management framework is to:

- Ensure compliance with regulatory guidelines on operational risk management issued from time to time
- Implement best practices to promote a culture of high risk awareness, continuous control improvement and risk mitigation. This, in turn, would help to create a flexible low operational risk profile organisation capable of rapid response to business opportunities
- Monitor net operational risk losses on a continual basis against an operating limit of 0.35% of gross annual income
- Ensure that operational risk events and losses arising from inadequate processes, systems, people and external events are identified, reported, escalated and resolved in a timely manner
- Implement methodology for computation and allocation of capital for Operational Risk
- Manage risks of the entire lifecycle of a vendor by outsourcing risk review development, implementation and monitoring of business continuity plans across the Bank

The Bank has constituted the Operational Risk Management Committee (ORMC), chaired by the Chief Risk Officer and consisting of members of the top and senior management.

The committee undertakes the following:

- Review implementation of the Operational Risk Framework
- Review Operational Risk profiles of business units, understand future changes and threats, and concur on areas of highest priority with related mitigation strategy
- Develop, implement, monitor and review the effectiveness of business continuity plans
- Review the effectiveness of the outsourcing policy and procedures besides ensuring effective due diligence and monitoring of outsourced activities on a continuous basis

In addition, the Bank has constituted a Product and Process Approval Committee (PPAC) for approval and risk evaluation of all new products or modifications to existing products.

COVID-19 RISK

It is the risk arising from the impact of the ongoing COVID-19 situation on the broader economy and sectors, which will affect operations and financials of companies, thereby translating into a credit risk for the Bank from the borrowers thus impacted.

Since 2020, there is an ongoing outbreak of the 2019 novel coronavirus ('COVID-19') which has affected countries globally. The impact of this has resulted in disruption with respect to production, supply chain, trade and tourism channels. Several countries' governments and numerous companies have imposed increasingly stringent restrictions to help avoid, or slow down, the spreading of COVID-19, including, for example, restrictions on international and local travel, public gatherings and participation in meetings, as well as imposition of lock-down measures. As a result of the lock-down, there has been a significant impact on the global as well as domestic economy. This will negatively affect various sectors of the economy, thereby resulting in financial stress on the banking system.

In order to mitigate COVID-19 Risk, the Bank shall closely monitor its exposure in such impacted sectors and initiate necessary actions as deemed necessary from time to time. Further, in line with the RBI requirements, the Bank holds necessary provisions against the assets where the asset classification benefit has been extended on account of standstill requirements.

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Risk management

CLIMATE RISK

YES BANK recognises climate risk and refers to the Financial Stability Board's (FSB) Taskforce on Climate-related Disclosures (TCFD) recommendations to address it. 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.

The Bank started aligning its annual disclosures to TCFD recommendations last year. This is helping the Bank analyse its lending activity to climate-related sectors and disclose financed emissions of some carbon-intensive sectors in a phased manner. The Bank has initiated these efforts to pre-empt investor and stakeholder demand for climate-related disclosures.

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). Due to these acute and chronic changes in climate, the Bank faces risk to its physical assets, which could result in service disruption. The Bank remains ISO 22301 certified, an International Business Continuity Standard, to effectively address these possible service disruptions. This certified and robust business continuity plan helps manage any potential service disruption at all its locations.

YES BANK broadly categorises climate risks into physical and transitional risks.

Transitional 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. Globally, there are many countries adopting climate related regulation. India is also expected to bring in more stringent regulations, which may impact the Bank's assets. The Bank remains future focused and is addressing this eventuality by educating its employees on climate risks and mitigation strategies through climate-related sector briefs.

The Bank is aiming to address technology transition by bridging the innovation gap in the industry. Further, the Bank is identifying and supporting the next generation of technologies through YES SCALE – a multi-sector innovation platform.

CYBER RISK

Over the last few years, the financial sector has witnessed a significant increase in adoption and investment in digitisation. This has led to the implementation of cutting-edge technologies. However, with the rise in digitisation, security risks have emerged, which could occur due to the breach of confidentiality, integrity and availability of classified data like customers' personal and financial information. Customer information is of critical importance to YES BANK.

The Bank is committed to protecting their privacy through its Information Security unit under the Risk Management Unit.

The Bank has a governance structure in place and a Board-level committee, which provides guidance and direction on information security. The Bank also has a Security Council, a management-level committee that is constituted with cross-functional representation at the leadership level, which 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 Policy and Cyber Security policy, as directives to protect its information assets.

The Bank has implemented a multi-layered defence to protect against cyber attacks. It has adopted a Cyber Security Resilient framework to manage cyber security risk. The framework rides on four pillars – Protect, Detect, Respond and Recover. To monitor Cyber Risks, the Bank has a Security Operations Centre (SOC), which keeps vigil on actionable threat intelligence, suspicious network traffic and events to timely detect any anomalies and help respond to potential incidents. Further, the Bank creates awareness among employees, customers, and other stakeholders on global cyber security threats, and issues guidance on using digital platforms in a safe and secure manner.

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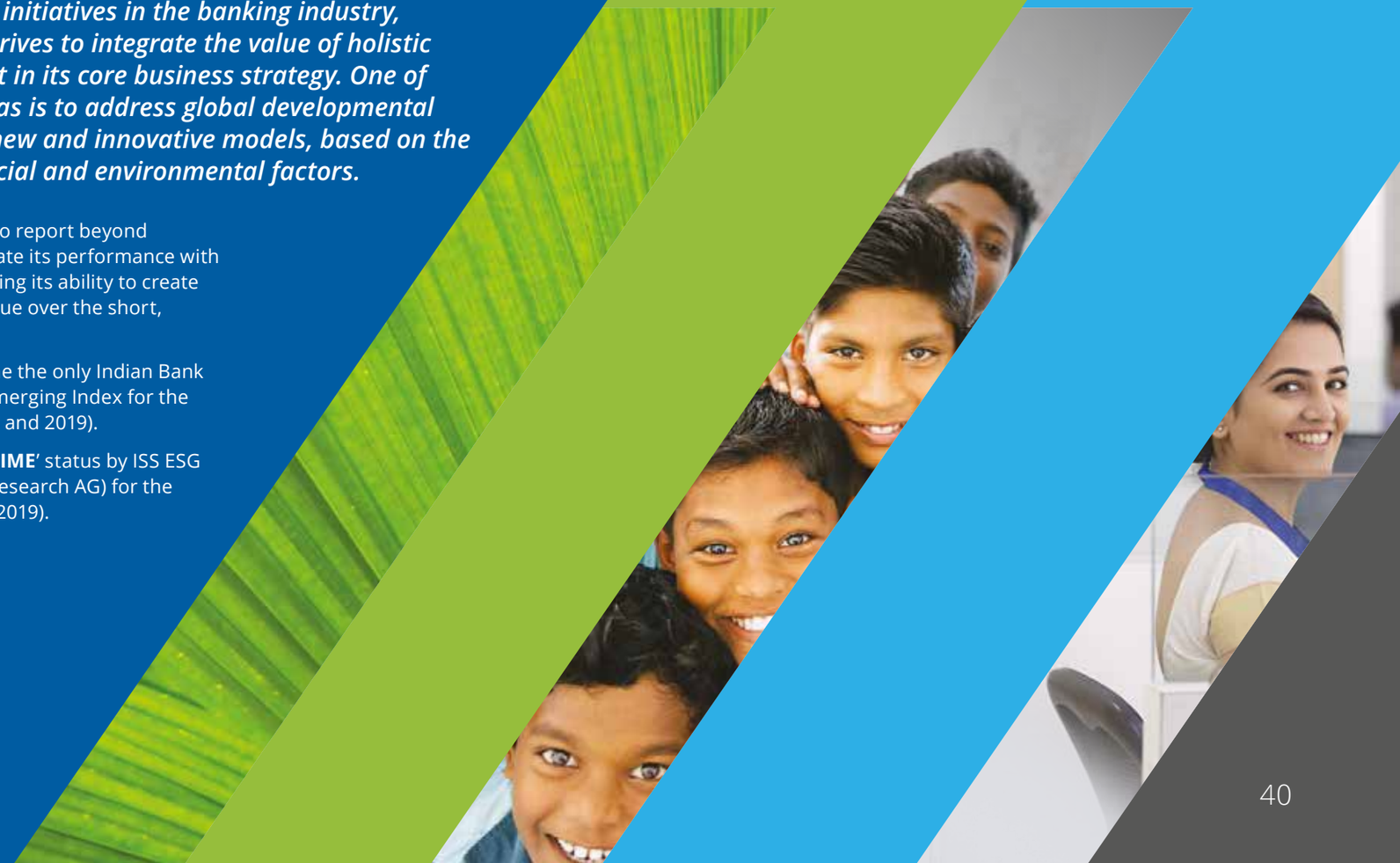
Mainstreaming sustainability in **banking**

A pioneer of sustainable initiatives in the banking industry, YES BANK consistently strives to integrate the value of holistic sustainable development in its core business strategy. One of the Bank's key focus areas is to address global developmental challenges by adopting new and innovative models, based on the bedrock of economic, social and environmental factors.

The Bank recognises the need to report beyond financial parameters and evaluate its performance with a broader perspective considering its ability to create and sustain key stakeholder value over the short, medium and long terms.

In FY 2019-20, YES BANK became the only Indian Bank to be included in FTSE4Good Emerging Index for the 3rd consecutive year (2017, 2018 and 2019).

The Bank was also awarded '**PRIME**' status by ISS ESG (previously known as OEKOM Research AG) for the 2nd consecutive year (2018 and 2019).



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HIGHLIGHTS OF FINANCIAL PERFORMANCE

Economic Value Generated, Distributed and Retained

Particulars	FY 2019-20 ₹ in '000	FY 2018-19 ₹ in '000	
Economic Value Generated			
Revenues	379,230,977	342,148,999	P&L Account, Annual Report 2019-20
TOTAL	**379,230,977**	**342,148,999**	A
Economic Value Distributed			
Operating costs#	41,293,397	37,945,115	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2019-20
Employee wages and benefits	25,998,717	24,697,653	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2019-20
Payments to providers of capital	197,247,642	204,381,149	Annexure A
Payments to government	(43,126,371)	7,650,336	Annexure B
Community investments	405,400	537,800	Annexure 1, Directors' Report, Annual Report 2019-20
TOTAL	**221,818,785**	**275,212,053**	B
Economic Value Retained*	**157,412,192**	**66,936,946**	A-B
ANNEXURE A			
Interest on deposits	120,052,790	136,871,140	Schedule 15 – Interest Expended, P&L Account, Annual Report 2019-20
Interest on RBI/Inter-bank borrowings/Tier I & Tier II debt instruments	66,661,229	60,764,723	Schedule 15 – Interest Expended, P&L Account, Annual Report 2019-20
Others	5,899,706	521,297	Schedule 15 – Interest Expended, P&L Account, Annual Report 2019-20
Dividend paid for last year	4,633,917	6,223,989	P&L Account, Annual Report 2019-20
Payments to providers of capital	**197,247,642**	**204,381,149**	
ANNEXURE B**			
Provisions made for income tax during the year	(44,078,887)	6,370,684	Schedule 17 - Provisions & Contingencies, Annual Report 2019-20
Tax on dividend paid last year	952,516	1,279,652	P&L Account, Annual Report 2019-20
Payments to Government	**(43,126,371)**	**7,650,336**	P&L Account, Annual Report 2019-20

** Calculated as per the GRI 201 Standards*
Excluding Employees Wages and Benefits, which has been shown separately

*** Only includes the taxes shown in the Bank's Statements of Accounts in its Annual Reports for 2019-20 and 2018-19, and does not include all the payments to government made by the Bank*

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HIGHLIGHTS OF ESG PERFORMANCE

ENVIRONMENTAL

- Rated A – (Leadership Band) by CDP for 2019 Climate Change disclosures
- First Bank globally to migrate to ISO 14001:2015; 732 locations being certified
- Continues to maintain 45,462 trees on a 40 km stretch along the Mumbai-Nashik Highway under 'Adopt a Green Highway' initiative
- First and only Indian banking signatory to Natural Capital Finance Alliance (NCFA) & Chair of Steering Committee
- Focused interventions to conserve endangered/ critically endangered species including Pangolin, Red Panda, Great Indian Bustard and House Sparrow

SOCIAL

- Reached 2.9 million+ families at the bottom-of-the-pyramid through Livelihood Enhancement Action Programme till FY 2019-20
- Provided financial literacy trainings to 230 thousands+ bottom-of-the-pyramid customers till FY 2019-20
- Continues to provide access to safe & clean drinking water across 1,005 semi-urban and rural railway stations in FY 2019-20
- Impacted 90,149 lives in rural geography through livelihood and water security initiative in FY 2019-20
- Provided Occupational Health & Safety and Energy Efficiency Training to 54,000+ MSMEs till FY 2019-20
- Conducted SDG literacy sessions in 292 schools, reaching out to 29,000+ students in FY 2019-20
- Launched India's 1st Green Retail Liability Product, Green Future Deposits in 2018
- Sole arranger and subscriber to India's First Social Bond in 2018, with proceeds allocated to Affordable Housing

GOVERNANCE

- First and only Indian Bank to be included as a constituent of the FTSE4Good Emerging Index for three consecutive years (2017-2019)
- Awarded 'Prime' Status by ISS ESG (previously OEKOM Research AG) (2018,2019)
- First and only Indian Bank to be listed on DJSI Emerging Markets for 4 years consecutively (2015-2018)
- Included in Vigeo Eiris Best Emerging Markets Performers Ranking in 2018
- Selected in MSCI ACWI ESG Leaders & SRI Indexes in 2017
- First Indian banking signatory to UNEP Finance Initiative, and a member of its Global Steering Committee
- First Indian Bank to be on Green Bond Principles – Social Bond Principles Advisory Council, International Capital Market Association
- First Indian Bank to launch Green Bond Impact Report
- First Indian Bank to support Task Force on Climate Related Financial Disclosure
- First and the only Indian Bank to be the founding member of UN Principles for Responsible Banking

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Environment

Conserving the natural **environment**

Natural capital has always been a critical focus area at YES BANK. Guided by its ethos of Responsible Banking, the Bank has always endeavoured to be conscious and responsible in optimising the use of natural resources and minimising the impact on natural ecosystems.

Its focus on natural capital conservation and climate action has led the Bank to garner one of the largest renewable energy lending portfolios among private-sector banks. The Bank has also taken a lead in reducing carbon footprint and continues to be ISO 14001:2015 certified for its robust Environmental Management System. Additionally, YES BANK has been at the forefront of mainstreaming the protection and conservation of India's rich natural capital by becoming the first Indian signatory to the Natural Capital Declaration; the first Indian Bank to join the Natural Capital Coalition (NCC); and a founder member of the UN Principles for Responsible Banking.

Natural capital

KEY HIGHLIGHTS

732
Locations ISO 14001:2015 certified

3,010 MW
Renewable energy sector exposure

5.51%
Reduction of GHG emission intensity

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POSITIVE IMPACT FINANCE

YES BANK believes that Financial Institutions (FIs) can play a major role in driving climate action by adopting proactive approaches towards climate finance.

The Bank's holistic climate strategy encompasses the launch of innovative green financial mechanisms, the integration of sustainability principles into operations, and establishing its credentials as a green Bank among sustainability-focused investors.

In February 2015, YES BANK committed to mobilise $ 5 billion toward climate action till 2020, with specific sector-wise targets. The Bank has already surpassed its target of financing 5 GW of Renewable Energy (RE) projects by an additional 1.8 GW.

With an aim to mainstream sustainable finance, YES BANK has, over the years, developed long-term partnerships with leading global development financial institutions such as International Finance Corporation; Overseas Private Investment Corporation; Asian Development Bank; Netherlands Development Finance Company; Development Bank of Austria and European Investment Bank, among others. These partnerships help the Bank in promoting financing opportunities in areas such as energy efficiency, renewable energy and gender financing.

6.8 GW

The Bank has already surpassed its target of financing Renewable Energy (RE) projects by an additional 1.8 GW.

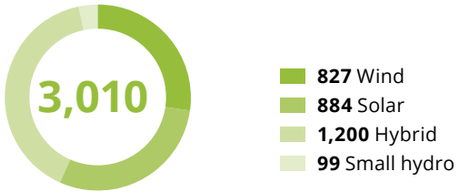


During FY 2019-20, the Bank's key transactions to support sustainable use of natural capital included financing 350 MW solar projects across geographies and clientele

RENEWABLE ENERGY LENDING & ADVISORY

The Government of India has expanded its Renewable Energy (RE) capacity target to 175 GW by 2022. YES BANK has financed 6.8 GW renewable energy capacity in the last five years. In FY 2019-20, the Bank's key transactions to support sustainable use of natural capital included financing 350 MW of solar and 250 MW of wind projects across geographies and clientele. Accounting for reduction in exposures due to syndication and repayments, as on March 31, 2020, the Bank has credit exposures to renewable projects aggregating to 3,010 MW, which is broadly categorised as:

POWER CAPACITY AS PER TECHNOLOGY (MW)



The Corporate Finance Infrastructure Banking (CFIB) Unit represented YES BANK's strong sector expertise and thought leadership in renewable energy sector at key conferences and seminars like WINDIA 2019- Wind Power Conclave (August, 2019), Intersolar Conference (November, 2019) and Energy Storage: Driving Demands and Investments Conference (November, 2019).
YES BANK was among the few banks to participate in the 2nd Assembly of ISA - an interaction of ministers and government officials of several countries.

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SUSTAINABLE INVESTMENT BANKING

Sustainable Investment Banking (SIB) is a knowledge-focused vertical at YES BANK. It provides investment banking and advisory services in the sustainability space, including renewable energy, clean technology, environmental services, healthcare, and education. SIB specialises in private equity fund raising, mergers & acquisitions, technology transfer, business advisory and corporate restructuring, among others. It has successfully executed over 37 transactions in the sustainability sector, cumulating to a transaction value of over $7.6 billion. During the reporting period, SIB successfully closed the following transactions:

- Acted as an exclusive advisor to Emami Group for sale of their 43 MW operational solar asset portfolio (spread across Gujarat, Uttarakhand, Tamil Nadu & Karnataka) to Brookfield Renewables. The deal further strengthens SIB's credentials and dominance in renewable energy asset M&A, having concluded 1,500 MW of Renewable M&A transactions over the last five years across 11 deals cumulating to over $1.2 billion (enterprise value)
- Further, SIB has got a mandate for sale of over 1 GW of renewable assets. The deal reinforces SIB's capability to execute transactions with large global financial investors

SIB represented YES BANK's strong sector expertise and thought leadership in the renewable energy and sustainability sectors at key conferences and seminars like Indian Wind Energy Forum 2019 (November, 2019) and Indian Rooftop Solar Congress 2020 (January, 2020).



ENVIRONMENT AND SOCIAL POLICY

YES BANK believes that it is imperative for banks to have a framework to recognise, evaluate, monitor and manage the environmental and social elements in its day-to-day decision-making. Besides, it is becoming increasingly imperative for banks to consider the 'sustainability dimension' while making credit decisions. In line with its Responsible Banking ethos, YES BANK has been adopting a proactive approach to address environmental and social impacts that could result from its lending activities. Towards this, 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 its Environment & Social Management System (ESMS), sets out the overarching framework for identification and management of potential and/or existing Environmental & 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, which goes beyond financial risk mitigation. It has voluntarily adopted the policy, based on international frameworks such as the Equator Principles and 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.

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ACHIEVING OPERATIONAL ENVIRONMENTAL EXCELLENCE

In 2014, YES BANK became the first Bank in India to receive the ISO 14001:2004 certification for bringing down resource usage, waste generation & disposal costs, energy consumption, and implementing environment friendly practices. In 2017, YES BANK became the first Bank globally to migrate to the ISO 14001:2015 standard for its Environmental Management System (EMS). The latest ISO 14001:2015 standard further expands the scope of the Bank's commitment to the environment through:

- Greater emphasis by leaders to implement EMS Better strategic fit to incorporate environmental risk mitigation
- Integrating environmental impacts in life cycle thinking
- Driving effective internal and external stakeholder communication

As on March 31, 2020, YES BANK is leading the BFSI sector globally with the highest number of ISO 14001 certified facilities with 732 certified locations, including five corporate offices, YES SECURITIES and the Abu Dhabi Representative Office. This marks the latest milestone achieved by YES BANK in its journey in becoming a leading environmentally-friendly Bank.

YES BANK is committed to continuously benchmark its environmental performance. This is done through strategic reduction of its carbon footprint intensity in order to fulfil its environmental obligations and stakeholder expectations towards supporting sustainable growth.

Digital & Paperless Banking

The Bank continued its efforts to gradually move towards paperless banking by digitising paper-based products and processes, wherever possible. Its key initiatives during the year included:

- **E-Statement of Accounts (SOA) & Income Tax (IT) Certificate**
  YES BANK's digital focus is on ensuring ease of transaction, and thereby winning and retaining customers by creating value. The Bank introduced paperless banking and developed digital solutions for providing E-SOAs and IT certificates. This initiative has avoided the potential use of approximately 14,38,358 A4 sheets and 2,22,612 envelopes (equivalent to avoiding 228.95 GJ of energy consumption) in FY 2019-20. The estimated savings for FY 2020-21 are 17,97,947 A4 sheets and 2,78,265 envelopes.

14,38,358
A4 sheets recycled in FY2019-20

2,22,612
Envelopes recycled in FY2019-20



- **Electronic Inventory Funding System (EIFS) KIA manufacturer integration**
  YES BANK's EIFS System has completely automated auto indent processing, balance reporting and eliminated user intervention. It has resulted in reduction of turnaround time by 30 minutes per transaction. The system auto generates the Management Information System (MIS) at defined frequency which is transferred to KIA's ERP system and basis the MIS, bills are placed. The EIFS system auto reads the billing and processes the indent payment. Further, the system ends payment confirmation MIS to KIA Motors automatically.

Key Features

- Vehicle Identification Number (VIN) wise disbursement for KIA Motors
- Documentation exception tracking and hold marking for defaulting dealers
- Penal interest calculation post expiry of ad-hoc limits

Key Benefits

- Improved operational efficiency
- Improved revenue realisation
- Improvement in reporting
- Enabled for future integration with other OEMs

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Environment

- **E-Letters**
  YES BANK continued with its E-letters service for Retail Asset Product. This has helped enhance service quality through the digital platform and provide seamless customer experience. It has also significantly reduced the turnaround time from 3 days to 1 day, thereby avoiding the potential use of approximately 13,02,963 A4 sheets and 4,56,037 envelopes (equivalent to avoiding 242.66 GJ of energy consumption) in FY 2019-20. The estimated savings from this initiative for FY 2020-21 are 16,28,704 A4 sheets and 5,70,046 envelopes

- **VAHAN Robotics**
  YES BANK's retail strategy for both lending and borrowing focuses on creating scalable models within sourcing, processing and last mile fulfilment through fungible tech-enabled platforms with digital interfaces. Over a period of time, the Bank has replaced outdated systems with cutting-edge innovations. Vehicle loans is one such example, where the Bank has demonstrated this successfully. A customer is required to submit the vehicle registration certificate post loan disbursement. YES BANK introduced Robotics platform for downloading available certificates through Government of India's VAHAN website. This has significantly reduced the turnaround time from 2 days to 1 day and avoided the potential use of approximately 62,835 A4 sheets (equivalent to avoiding 8.65 GJ of energy consumption) in FY 2019-20. The estimated savings for FY 2020-21 are to the tune of 78,543 A4 sheets

62,835
A4 sheets saved in FY2019-20

498.40 GJ
total reduction in energy requirements through all these initiatives is estimated



YES BANK introduced Robotics platform for downloading available certificates through Government of India's VAHAN website.

- **Digital Post Disbursal Document (PDD)**
  YES BANK continues to use its YES PDD application in collaboration with an outsourced partner, aiming to reduce paper used in post disbursal documents through digitisation of documentation and verification. It has saved over 1,08,545 A4 sheets (equivalent to avoiding 14.88 GJ of energy consumption) in the Bank's retail operations in FY 2019-20. The estimated savings for FY 2020-21 are ~1,35,681 A4 sheets

- **Click to Happiness**
  The Bank's digital personal loan system for employees processed 215 loan applications in FY 2019-20, thus avoiding the potential use of approximately 23,670 A4 sheets, equivalent to avoiding 3.26 GJ of energy consumption (based on the estimate that each manual loan sanction process requires an average 90 A4 sheets)

- **YES Approvals**
  A formalised, automated paperless workflow process for submitting, tracking, and collaborating on a variety of document types to make approval decisions fast. This also complements the Bank's decision standards (no delays), organisational needs and provides a complete trail of actions taken including time, date, and employee approval process stamp.

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Environment

Reduce, Reuse and Recycle

During the year, the Bank continued its focused efforts in resource consumption reduction:

3,998
batteries recycled across 217 locations

52,291 KG
of dry waste, resulting in 63 MT of carbon footprint reduction



GREEN NINJA

As part of the Phase VII ISO 14001 implementation process, the Bank launched an internal campaign called 'GREEN NINJA' to promote environmentally conscious behaviour amongst employees. The campaign was aimed at recognising employees who had taken proactive actions to reduce their environmental footprint. About 25 employees were recognised as GREEN NINJAs for their exemplary initiatives to reduce their own carbon footprint and that of the Bank.
The GREEN NINJAs received YES LEAGUE of Excellence Certificates, reward point and had their case-studies publicised across the organisation in an effort to promote best practices.

Managing E-Waste

Owing to its high dependence on technology, e-waste is a primary environmental concern for YES BANK. Thus, the Bank has empanelled Pollution Control Board authorised third-party e-waste handlers for disposal of e-waste from its locations across India. During FY 2019-20, the Bank responsibly disposed 1,479.5 kg of e-waste, which included desktops, printers and laptop hardware, UPS, and server hardware.

Water Footprint

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

Based on the assumption that approximately 45 litres of water is consumed per employee per day (Source: IS 1172:1993-Code of Basic Requirements for Water Supply, Drainage And Sanitation), the Bank has estimated that in FY 2019-20, the water consumption at all its facilities was approximately 221,321.925 m^{3*} in 2019- 20. The Bank encourages branches to lead their own mitigation initiatives and share best practices across other branches.

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

Climate Disclosure

YES BANK was the first Indian banking signatory to the CDP and has been reporting its carbon emissions since 2009. In FY 2019-20, YES BANK was rated 'A-' (Leadership Band) by CDP, for its 2019 Climate Change disclosures. The rating not only marks an upgrade for YES BANK from 'C' (Awareness band) to 'A-' (Leadership band), but also takes it ahead of the average for the global 'Financial Services' organisations and the Asia Region, which stand at 'C'. The Bank earned the 'Leadership Band' (A/ A-) in 7 out of 11 climate-related disclosure parameters including governance, risk management, opportunity disclosure, emission reduction initiatives, among others. The Bank shares this 'Leadership' band with 23% of the global 'Financial Services' organisations that reported through CDP's Climate Change 2019 disclosures.



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Infrastructure – Key Steps to Enhance Resource & Energy Conservation

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

- The Bank has been migrating to LED lighting in phases. In the present financial year, YES BANK has replaced 3,700 LED units. They are estimated to save 671.32 GJ of energy consumption, every year. The estimated annual reduction in electricity consumption that may be attributed to these LEDs is 186.48 MWh, helping the Bank avoid 154.21 t CO_2e emissions
- The Bank is in the process of phasing out air conditioning systems that use ozone depleting coolants, and in the current reporting cycle, the Bank has replaced 648 tonnage of R22 air conditioners in 96 branches with energy efficient (star rated) systems that use eco-friendly coolants, thus reducing its environmental footprint, which have potential saving of 10 to 15%
- YES BANK's energy management initiatives aim at reducing 15-20% energy consumption by introducing Energy management system, wherein the consumption will be monitored centrally using IoT
- YES BANK has explored the potential of using alternative sources of energy by installing 5 kVA solar power system at Pune Bund Garden branch. In FY 2019-20, the branch drew an estimated 4.5 Mwh of electricity (16.2 GJ of energy consumption) through this system, avoiding 3.72 t CO_2e emissions. YES BANK would continue to explore alternative sources of energy in future

YES BANK GHG Inventory	FY 2017-18	FY 2018-19	FY 2019-20
Scope 1 emissions - Diesel Consumption (tCO_2e)#	**921.03**	**905.38**	**876.07**
Diesel Consumption (Litre)	348,263.61	342,345.83	331,262.93
Scope 1 emissions - Refrigerant Leakage (tCO_2e)#	**2,059.04**	**2,172.92**	**2,569.08**
Scope 2 emissions - Grid Electricity Consumption (tCO_2e)##	**29,668.27**	**30,453.16**	**30,993.69**
Grid Electricity Consumption (Mwh)	36,180.82	37,138.00	37,477.26
Total Emissions (Scope 1+2) (tCO_2e)*	32,648.34	33,531.46	34,438.84
Total FTE as on March 31	**18,238**	**21,136**	**22,973**
Emission Intensity (tCO_2e/FTE)	**1.79**	**1.59**	**1.50**
% Reduction of Emission Intensity y-o-y	**1.35**	**11.38**	**5.51**
Scope 3 Emissions### (tCO_2e)	**4,420.89**	**45,823.67**	**48,596.25**

In FY 2019-20, the Bank's estimated energy consumption and energy intensity, within its operational boundaries were 146.76 TJ (an increment of 824.98 GJ of energy consumption over the last financial year) and 6.38 GJ/FTE respectively. The energy consumed by its outsourced data centres is estimated at 179.35 TJ.

Scope 1 emissions include 10% refrigerant leakage from the AC systems (as suggested in the Default IPCC Values section of the "Refrigeration and Air-Conditioning Equipment" Worksheet by GHG Protocol, dated January 2015). The emission factors and GWP (Global Warming Potential) values have been taken from the GHG protocol. The estimated ODS emissions from HCFC-22 is estimated at 78.06 Kgs of CFC-11 equivalent. The equivalent NOx and SOx emissions through diesel consumption are 26.31 kg and 13.70 kg respectively. Like 2012-13 (base year), the operational control approach has been used for measuring and managing these emissions.

Scope 2 emissions include CO_2 emissions from electricity consumed by YES BANK. The emission factors have been taken from CEA's (Central Electrical Authority) CO_2 Baseline Database, Version 15. Grid Electricity Consumed has been estimated from the facility-wise electricity bills and state-wise tariffs (fixed tariff components have not been included in the estimations). The year-on-year reduction in emission intensity is estimated for the Bank's Scope 1 and Scope 2 emissions (within operational boundaries) only.

Scope 3 emissions for FY 2019-20 include emissions from business air travel (3,301.35 tCO_2e), daily employee commute (1,131.56 tCO_2e), paper consumption including inbound and outbound couriers - assuming 1 A4 envelope and 1 A4 paper per courier (2,961.95 tCO_2e) and outsourced data centres (41,201.39 tCO_2e). Environmental impact estimates (for paper consumption) were made using the Environmental Paper Network Paper Calculator Version 4.0. For more information visit www.papercalculator.org Given the unavoidable circumstances during the lockdowns, the emissions through daily employee commute have been estimated basis the primary pan-bank survey conducted in FY 2018-19 (estimated using the framework suggested by WRI) and the corresponding change in the employee strength in FY 2019-20. Emissions through electricity consumption at off-site ATMs have not been included due to the unavailability of reliable data.

**Substantial changes in the total emissions are also a result of the continual improvements in the adoption of emission estimation methodologies. FTE includes all full-time employees across YES BANK's pan-India and Abu Dhabi facilities. Emissions through currency chests and YES Securities (India) Limited (YSIL) (a subsidiary of YBL) which operates from NOC Mumbai (YES BANK premises) are also included. Resource consumption data for a percentage of facilities was unavailable and hence not included in the estimates.*

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ACCREDITATION BY GREEN CLIMATE FUND

During the year, the Bank received approval as the accredited entity with Green Climate Fund (GCF). With this accreditation, the Bank would work on developing and implementing projects that can address climate change with the support of GCF funding. This development is a testament to the commitment of the Bank in playing its part as a catalyst in the sustainable, low emission and climate resilient transformation of the Indian economy.

YES 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 (general management, financial management, control frameworks, transparency and accountability), fiduciary capacities (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 has begun exploring a potential project pipeline in climate change sectors like e-mobility, water & waste management, green real estate & energy efficiency, and climate smart agriculture.

GREEN CLIMATE FUND

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 proud to partner with Green Climate Fund and remains committed to playing a pivotal role in stimulating finance for India's transition towards a low-emission and climate resilient future.

Set up by the United Nations Framework Convention on Climate Change (UNFCCC) in 2010, the Green Climate Fund fosters transformative impact in developing countries by unlocking the power of climate-friendly investment for low-emission, climate resilient development. To achieve maximum impact, GCF catalyses funds, multiplying the effect of its initial financing by opening markets to new investments and de-risking projects to make them bankable. GCF enables countries to realise their Nationally Determined Contributions under the Paris agreement by supporting climate mitigation and adaptation actions and driving climate finance to where it is needed most - in Least Developed Countries, Small Island Developing States, and African States.

ENVIRONMENTAL SUSTAINABILITY

With a relentless commitment to protecting the environment and reducing the negative impact of human activities on the planet, YES BANK has made climate action and environmental sustainability a core focus area.

Biodiversity Conservation

As a financial institution, YES BANK has taken focused measures to ensure conservation of biodiversity and endangered species, while mitigating the factors affecting them.

The Bank has steadily worked towards preventing extinction of critically endangered species by supporting science based research, habitat restoration (protected & potential) and community-led interventions across Madhya Pradesh, NCR, Rajasthan and Sikkim.

The Bank has steadily worked towards preventing extinction of endangered/critically endangered species by supporting science based research, habitat restoration (protected & potential) and community-led interventions across Madhya Pradesh, NCR, Rajasthan and Sikkim. Through such initiatives, the Bank assists in creating a holistic local ecosystem for promoting conservation and preservation of natural capital.

Ensuring water security, improving the quality of education and health, promoting responsible tourism, increasing the forest cover, reducing dependence on fuel wood, preventing forest fires, adjusting to changing rainfall patterns, enhancing awareness on legal protection status and building capacity, are part of such conservation project activities for long-term survival.

Engagement with relevant stakeholders by imparting trainings, conducting workshops, organising special camps, empowering forest guards and providing material support, identifying local stewards, strengthening anti-poaching activities, diversifying livelihood opportunities and enabling local communities to become partners, are included under the conservation plan depending on geography and species.

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Environment

During the FY 2019-20, the following initiatives were taken:

- Habitat Conservation for Sparrows: Nest making workshops for conserving House Sparrows were conducted in 110 schools of NCR covering 39,292 students, along with Eco Roots Foundation
- Baseline Data Collection for Pangolin Conservation: Two pangolins were successfully tagged for monitoring and data collection. Camera trappings and field surveys by detection dogs were initiated by Wildlife Conservation Trust in Madhya Pradesh
- Red Panda Conservation: 78 villagers were trained through three training sessions to reduce fuel wood consumption. Villages have been identified for promotion of responsible tourism and facilitation of local tourism licenses by World Wide Fund for Nature–India for conservation of Red Panda in Sikkim
- Conservation of Great Indian Bustard: One habitat restoration site of 30 hectares has been developed for the Great Indian Bustard at Khetolai village of Rajasthan by Bombay Natural History Society

Tree Plantation Initiative

YES BANK is the first Indian private sector Bank to collaborate with the National Highways Authority of India (NHAI), and work towards the vision of creating green highways. Under the Ministry of Road Transport and Highways' 'Adopt a Green Highway' initiative, the Bank has adopted a 40-kilometer stretch along the Mumbai – Nashik Highway. The Bank continues to maintain 45,462 trees along the stretch for a five-year period. This endeavour will contribute towards achieving India's commitment to creating an additional carbon sink of 2.5 to 3 billion tonnes of CO_2 equivalent by 2030 and YES BANK's COP21 commitment of planting 2 million saplings by 2020.


Villages have been identified for promotion of responsible tourism for conservation of Red Panda in Sikkim

GLOBAL ENGAGEMENT ON SUSTAINABLE DEVELOPMENT

YES BANK was invited to share its views and insights at various national and international events bringing together experts from the government, select financial institutions, private and institutional investors. Through these platforms, the Bank enhanced its knowledge about the climate-aligned sectors as well as forged new alliances and partnerships to further accelerate action towards achieving the sustainable development agenda of the country.

YES BANK also participated in key events during the year like the United Nations Climate Action Summit 2019, United Nations Youth Climate Summit 2019, Signing Ceremony and Global Launch of United Nations Principles for Responsible Banking, United Nations Environment Programme Finance Initiative European Regional Roundtable, Institute of International Finance Sustainable Finance Workshop, Asia [RE]volution, Task Force on Climate-related Financial Disclosures Good Practice Handbook Launch, Expert Workshop on Paris Alignment, India Initiative on Decentralised Renewable Energy Financing, Economic Times Sustainable Development Goals Impact Summit 2019, Expert workshop on Closing the Investment Gap (CIG) Initiative.

On all these forums, YES BANK presented and catalysed discussions centred around the need for enabling policy frameworks, innovative business models and financial mechanisms to achieve the global goals, need for scaling up corporate ambition to achieve the targets set by the landmark Paris Agreement, and the mission critical role of financial community in scaling finance to meet the climate action targets.

Given YES BANK's industry-first sustainability initiatives and unprecedented leadership in driving positive changes at a financial sector level, the Bank continues to be a signatory and active participant to key protocols focused on climate action and sustainable development, including the UN Environment Program Finance Initiative (UNEP FI), Carbon Pricing Leadership Coalition, UN Global Compact (UNGC), Carbon Disclosure Project (CDP), Natural Capital Finance Alliance (NCFA).

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NATURAL CAPITAL FINANCE ALLIANCE

In 2013, YES BANK became the first Indian signatory to the Natural Capital Declaration [now a part of the Natural Capital Finance Alliance (NCFA), a joint initiative of the UNEP FI and Global Canopy Programme].

As a signatory, the Bank remains committed to bringing together an ecosystem that would help develop an appropriate regulatory infrastructure, disclosure mechanisms, and reporting measures to integrate, value, and account for natural capital. As the Chair of the Steering Committee of NCFA, YES BANK continues to oversee NCFA's strategy and provide direction and oversight for the Working Groups and the Secretariat.

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

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

The Bank has actively collaborated with UNEP FI and 29 other global banks in formulating the 'Principles of Responsible Banking', to align their business practices with the objectives of the SDGs and the Paris Climate Agreement. The Principles were officially launched at the UN General Assembly, ahead of the UN Climate Action Summit in New York in September 2019. A total of 130 global banks became the 'Founding Signatories',

130

Global banks became the 'Founding Signatories', with YES BANK being one of them

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

collectively holding $47 trillion in assets, representing one third of the global banking sector.

YES BANK, as a member of the Positive Impact Initiative, was involved in the development of Corporate Impact Analysis Tool and Portfolio Impact Analysis Tool. YES BANK was the only Indian Bank as part of the Working Group, which comprised global banks, investors and management consulting firms.

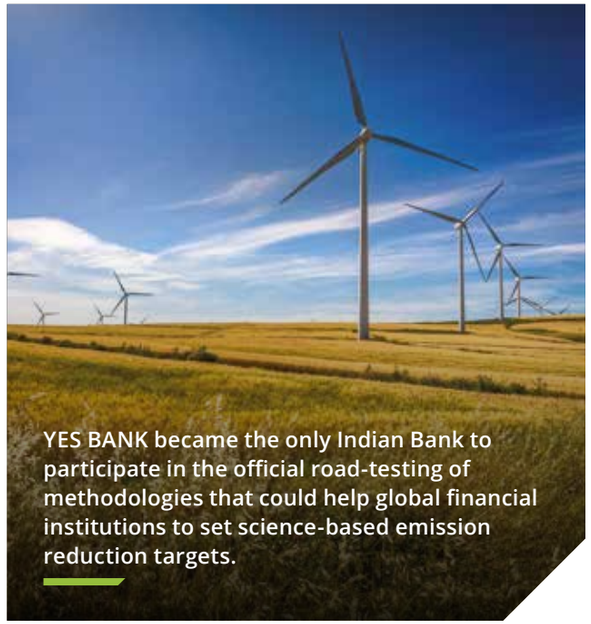
Climate Resilience Risks and Opportunities Coalition (Climate-RROC)

With the support of UNEP FI and Global Center on Adaptation, Climate-RROC was conceptualised to build finance sector resilience by promoting financial institutions to measure and disclose risks and opportunities linked to physical impacts of climate change.

YES BANK, Standard Chartered Bank, Rabobank, European Bank of Reconstruction and Development and Rockefeller Asset Management became the core members of Climate-RROC and committed to disclosing physical risks arising out of climate change. This leadership group is working towards mobilising support for public policies to encourage climate-related physical risk disclosure across the financial sector, as well as engaging with other financial firms to ensure that a critical mass of institutions commits to disclosure.

Science Based Targets initiative (SBTi)

The SBTi aims to provide the private sector with a clearly defined pathway to future-proof growth, by specifying extent of reduction of GHG emissions and the timelines. In September 2018, YES BANK committed to developing a science-based emission reduction target, in line with the SBTi definition and Call to Action criteria. In FY 2019-20, YES BANK became the only Indian Bank to participate in the official road-testing of methodologies that could help global financial institutions to set science-based emission reduction targets.



YES BANK became the only Indian Bank to participate in the official road-testing of methodologies that could help global financial institutions to set science-based emission reduction targets.

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Co-creating an Ecosystem to Mobilise Sustainable Finance in India

YES BANK believes that a focus on incorporating Environmental, Social and Governance (ESG) parameters in investment-decision making is important from a risk-return perspective. While globally a growing number of investors are decarbonising their portfolios and divesting from carbon-intensive sectors, the Indian landscape too is evolving rapidly, with about $240 billion of ESG aligned investments expected in the next 10 years.

Given the relevance of the topic for the Indian financial sector, YES BANK organised a high-level convening 'Scaling ESG Investments in India', which brought together a targeted group of leading financial institutions, investment community, policy makers and ESG leaders, for a focused discussion on ESG integration. The convening saw participation of Mr Sudarshan Sen (Former Executive Director, Reserve Bank of India); Ms Franciska Decuypere (Head of Territory – India, BNP Paribas); Mr Abhay Laijawala (MD, Avendus); Mr Chandresh Nigam (MD & CEO, Axis Mutual Fund); Mr Amit Tandon (Founder & MD, Institutional Investor Advisory Services); Mr Ajit Dayal (Founder, Quantum Advisors); Mr Lalit Bhandari (Senior Environmental and Social Development Specialist, IFC) and Mr Bhuvan Srinivasan (Principal, Private Equity, KKR). The convening also witnessed launch of the YES BANK knowledge report 'ESG Investing Scenario in India'. The report presents a situational analysis of the emerging India landscape by identifying the barriers, highlighting the opportunities and benefits of aligning investments with ESG. The report suggests a set of recommendations to institutionalise an ESG-aligned approach at an organisational level.





The convening also witnessed launch of the YES BANK knowledge report 'ESG Investing Scenario in India'.

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Social

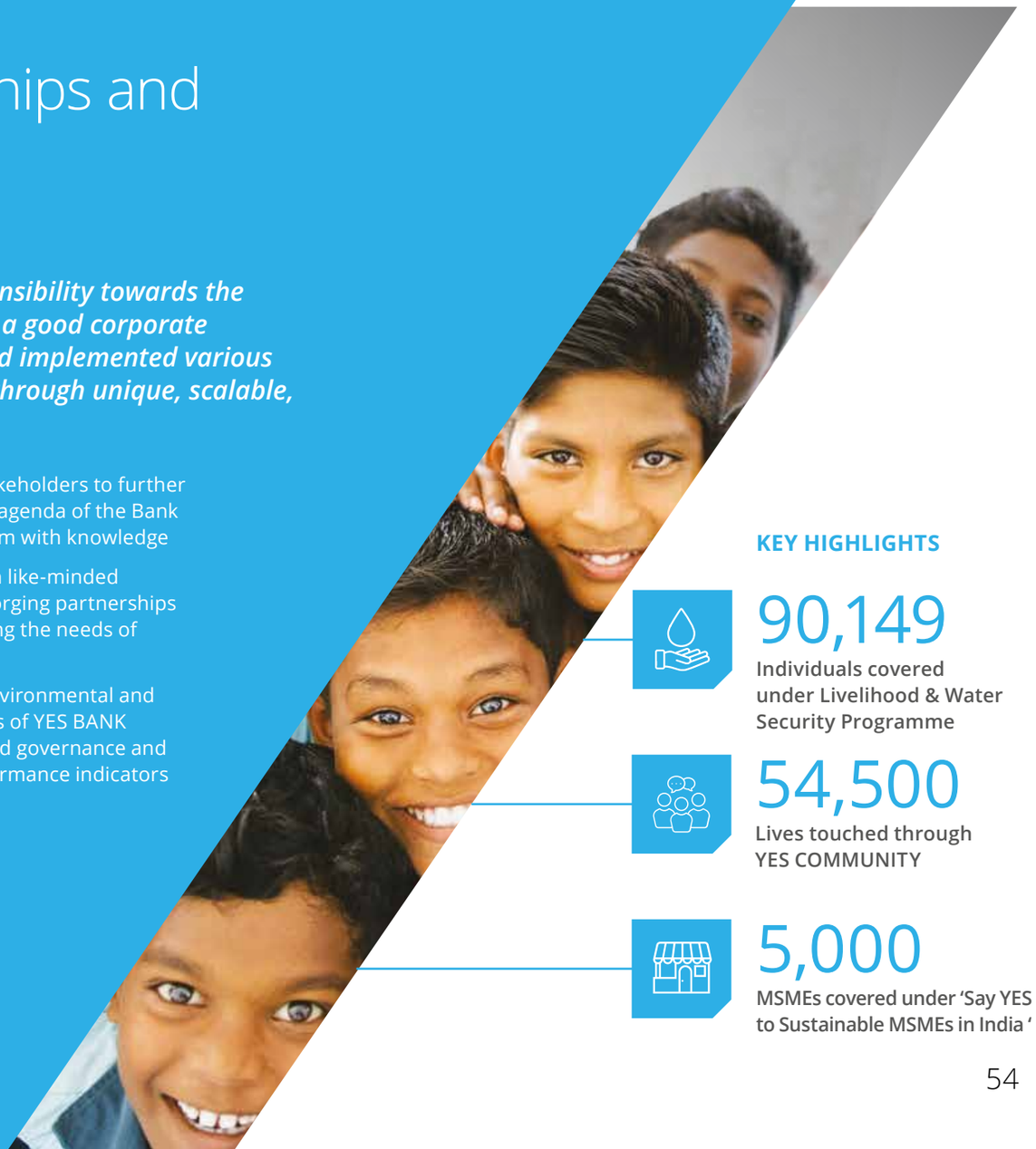
Building lasting relationships and **empowered societies**

Since inception, YES BANK has recognised its responsibility towards the society and has remained committed to its role as a good corporate citizen. Over the years, the Bank has developed and implemented various programmes to create and enhance shared value through unique, scalable, and sustainable models to achieve this objective.

YES BANK's Corporate Social Responsibility (CSR) policy guides the Bank to deliver internal and external positive socio-environmental impact by following a unique approach, which focuses on:

- Promoting principles of social responsibility and inclusive growth through awareness and support
- Investing in socially and environmentally responsible activities to create positive impact
- Engaging with stakeholders to further the sustainability agenda of the Bank and empower them with knowledge
- Collaborating with like-minded institutions and forging partnerships towards addressing the needs of stakeholders
- Monitoring the environmental and social investments of YES BANK through structured governance and transparent performance indicators

Social and relationship capital



KEY HIGHLIGHTS

90,149
Individuals covered under Livelihood & Water Security Programme

54,500
Lives touched through YES COMMUNITY

5,000
MSMEs covered under 'Say YES to Sustainable MSMEs in India '

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Social

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 and deliver exponential impact.

With the view of actualising and concentrating its efforts towards Sustainable Development Goals (SDGs), the Bank undertook various programme and initiatives during FY 2019-20 in line with its CSR focus areas:



Livelihood and Water Security

70,000

Villagers benefitted through the membrane-based water purification systems installed in 48 villages of Maharashtra

Employability and Entrepreneurship

721

Youth trained for employability in Karnataka and Telangana in partnership with Deshpande Foundation

Social Transformation

3.1 Lakh

Customers given financial literacy training

Environmental Sustainability

29,000

Students experientially trained on climate action and UN SDGs

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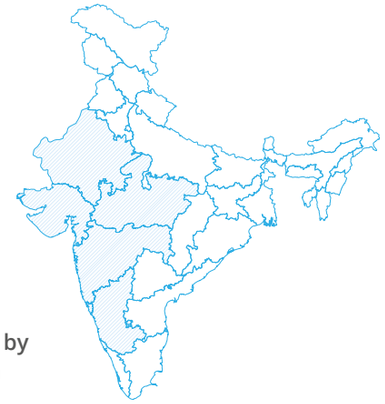
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LIVELIHOOD AND WATER SECURITY

'SDG 6 – Clean Water and Sanitation' sets out to 'ensure availability and sustainable management of water and sanitation for all'. Water, being at the core of sustainable development, has strong linkages with other developmental parameters such as education, health, food security and livelihoods. In the Indian context, access to safe and clean drinking water is extremely critical to ensure survival and progress of rural, underprivileged and marginalised sections of the society. In concurrence with SDG 6, YES BANK launched its Livelihood and Water Security initiative in 2014, with the aim to provide access to safe, clean and affordable drinking water to urban, rural and semi-rural communities. The plethora of initiatives undertaken by the Bank over the years has positively impacted the community members and improved their health and welfare.

Providing access to safe and clean drinking water

The Bank is addressing the issue of water security in the states of Maharashtra, Madhya Pradesh, Rajasthan, Gujarat, Karnataka and Goa. In FY 2015-16, YES BANK joined hands with the Indian Railways to provide safe and clean drinking water at 1,000 'D' and 'E' category railway stations across India. In line with this commitment, the Bank continues to provide safe and clean drinking water across 1,005 'D' and 'E' category railway stations through 1,025 water filtration systems, which were installed by the Bank between 2015 and 2019.



1,025

Water filtration systems, installed by the Bank between 2015 and 2019.

In FY 2019-20, YES BANK undertook installation of membrane-based water purification systems to provide safe and clean drinking water to locations where there is an assured water source and a delivery mechanism that includes an overhead tank and pipe network for distribution. The innovative membrane-based water purification technology requires zero electricity and no chemical dosing for the purification process, resulting in zero water wastage. Further, these innovative filters have the capability to purify water from any freshwater source and can be easily installed at community centres such as schools and public buildings, requiring minimum maintenance. Such purification systems were installed in 48 villages of Maharashtra, benefitting over 70,000 villagers.

The Bank has also taken conscious efforts in providing water for livelihood through its interventions focusing on providing and increasing capacity for water availability by construction, restoration and rejuvenation of water bodies. In FY 2019-20, conservation structures, including 17 Pagaras (an overflow structure) and 1 Pokhar (community farm pond) were constructed in Karauli district of Rajasthan, with an aim to reduce the vulnerability of farmers. These measures facilitate water availability for irrigation purpose. To ensure the sustainability of the programme, the Bank continues to engage with stakeholders and impart training to community members on maintenance of the built structures.

During the year, the Bank launched an initiative to develop a robust drinking water distribution network for rural households in Maharashtra by developing and retrofitting water sources in villages.



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With this initiative, 1,390 individuals from 278 households will get up to 200 litres of potable water supply on a daily basis through improved supply and distribution infrastructure, switching from electric pumps to solar pumps and construction of rainwater harvesting structures. The sustainability of water infrastructure will be ensured by the formation of Water Management Committees (WMC), which are mainly established to manage local water infrastructure, supply water to entitled water users, and to implement management decisions agreed between the members on maintenance and usage of infrastructure. The participatory approach adopted in this initiative has led to community involvement and ownership, making it a self-sufficient project and resulting in water security throughout the year, including dry summers.

Enhancing Rural Livelihoods

To support rural and tribal farmers below the poverty line through agriculture based interventions, the Bank took up a new initiative in FY 2019-20 to promote sustainable livelihoods. These interventions focused on building strong community institutions, agri-market linkages and value chain for better price realisation, improving access to finance and developing inclusive supply chain solutions. The initiative aims to improve farm productivity, leading to increased household income and enhanced quality of life.

2,000

Farmers from Madhya Pradesh and Maharashtra were provided training to form farmer development groups

During the year, over 9,000 farmers from Gujarat, Madhya Pradesh, and Rajasthan were engaged through training and capacity building sessions, market linkage modules and productivity enhancement initiatives for crops like maize, gram and wheat. Additionally, 2,000 farmers from Madhya Pradesh and Maharashtra were provided training to form farmer development groups and were facilitated in securing access to agriculture credit and financial management services.

Menstrual Hygiene Management Programme

In India, young girls often miss their schools during their menstrual cycle, owing to lack of access to hygienic infrastructure, lack of sanitary products and little or no awareness about menstruation, before reaching adolescence. Given the lack of sanitary products, women use home-grown alternatives such as rags, old fabric, dried leaves and even old newspapers as absorbents. As a result of such unhygienic practices, women are highly susceptible to major health risks, which also affect their productivity at school or workplace. Safe and effective menstrual hygiene management, or 'MHM' plays an instrumental role in ensuring holistic development for adolescent girls and women. To support 'SDG 3 - Good Health and Well Being', and promote women empowerment, YES BANK launched menstrual hygiene management programme in 40 villages of Jaipur and Tonk districts of Rajasthan, with a focus on creating awareness, addressing stereotypes and breaking taboos on various aspects of female menstrual hygiene.

Through this programme, the Bank also strives to create awareness on safe disposal of sanitary napkins and encourage the use of environment friendly bio-degradable menstrual hygiene products amongst last mile users. The programme is driven by 40 rural women entrepreneurs, who are trained to create awareness amongst adolescent school girls and women of reproductive age. The programme has provided these entrepreneurs with an opportunity to earn their livelihood by promoting adoption and usage of reusable and biodegradable sanitary napkins.



These women entrepreneurs have reached out to 2,222 community women by conducting awareness activities in rural localities and 3,800 adolescent girls through various school orientation sessions. The programme aims to effectively engage rural women and school girls through snake and ladder placards, flipbooks, leaflets and videos to enhance understanding of the cause of monthly cycles, physiological and biological changes in a female's body and the ways to manage menstruation in a safe and hygienic manner.

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EMPLOYABILITY & ENTREPRENEURSHIP

Employability Skill Training for Youth and Women

YES BANK partnered with Deshpande Foundation to provide employability training to 721 youths in Karnataka and Telangana under various focus sectors such as agriculture, accountancy, electrical works, BPO, soft skills and primary teachers' training. The programme had a significant impact on the lives of these youth, thereby enabling them to earn a living or start an independent business. A substantial number of beneficiaries also opted for higher education.

The Bank also partnered with Trust for Retailers & Retail Associates of India (TRRAIN) to impart training to 410 underprivileged women (including women with disabilities) and enable them to pursue a career in the retail sector. The comprehensive industry training and mentorship programme addresses the recruitment challenges of corporate retailers in India.

Say YES to Sustainable MSMEs in India

The micro, small and medium-sized enterprises (MSME) segment is the largest contributor to Indian manufacturing sector and one of the biggest employers in the country. MSMEs play a critical role in India's economic growth by realising the 'Make in India' mission. However, the sector also accounts for a significant portion of India's total industrial pollution, largely due to the use of obsolete technologies and poor management practices.

54,000 MSMEs

Supported through the 'Say YES to Sustainable MSMEs in India' initiative

YES BANK's CSR initiative 'Say YES to Sustainable MSMEs in India', was conceptualised to support MSMEs in adopting best practices in Energy Efficiency (EE) and Occupational Health & Safety (OHS). The initiative has helped SMEs integrate sustainability into operations, reduce overall carbon footprint, enhance global competitiveness in terms of output and efficiency, and contribute to India's 'Zero Defect, Zero Effect' vision.

The intervention was launched as a pilot project in FY 2014-15 as part of the European Union's 'Scaling Up Sustainable Development of MSME Clusters in India' initiative. Other partners to the initiative included the United Nations Industrial Development Organization (UNIDO), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Global Reporting Initiative (GRI), Indian Institute of Corporate Affairs (IICA) and Small Industries Development Bank of India (SIDBI) in Punjab.

In partnership with the Foundation for MSME Clusters (FMC), Entrepreneurship Development Institute of India (EDII) and Society for Energy Engineers and Managers (SEEM), the project has grown its focus from foundry sector to cover 17 MSME sectors.

Since inception, the initiative has supported over 54,000 MSMEs and benefitted more than 1,00,000 workers across 57 cluster locations. The initiative has also helped MSMEs reduce carbon emissions and improve occupational health and safety systems through multifaceted interventions including:

- Workshops on promoting energy efficiency, renewable energy (RE), and clean technology
- Empowering SMEs through financial literacy camps, including GST transition support
- Energy audits of MSMEs
- Structured Occupational Health and Safety (OHS) interventions, including health camps, first-aid trainings and safety trainings

Skills Training of Homestay Owners

Over the past few years, tourism has grown from conventional geographies to areas offering pristine natural and cultural environments, creating opportunities in associated hospitality services. In coastal destinations such as Sindhudurg district in Maharashtra, the concept of homestays has gained popularity as a means of accommodation over the years. Unfortunately, not all homestays are listed on travel websites which results in skewed customer booking at such beautiful accommodations. YES BANK trained around 118 homestay owners in hospitality standards and on-boarding process to an online platform. As many as 61 homestay owners were successfully on-boarded and listed on online platforms. Due to YES BANK's initiative, homestay owners of Malvan, Tarkali, Vengurla and Devgarh in Sindhudurg have been introduced to new ways of marketing through online platforms, which have a better guest list and lower commission rate.

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CREATING POSITIVE IMPACT THROUGH YES COMMUNITY

TOGETHER FOR A BETTER TOMORROW

YES COMMUNITY is the Bank's unique branch-led community engagement platform through which the Bank undertakes social and environmental initiatives in the neighbourhoods and communities around its branches. YES BANK branches work closely with not-for-profit organisations, government bodies and citizen groups to address key day-to-day challenges in the locality, enabling the Bank to play a more active community role and advance its relationships beyond the transactional.



In FY 2019-20, the Bank touched over 54,500 lives through unique initiatives under YES COMMUNITY

SDG Champions - Training students on SDG Literacy

Building a sustainable future requires the youth to be educated, aware and in tune with the environmental and developmental challenges of our times. Keeping this in mind, in 2018, YES BANK began an SDG Literacy programme, wherein students from schools around YES BANK branches in Delhi were imparted experiential training on climate action and SDGs. This year, the programme reached out to 292 schools in Mumbai, Delhi and Bengaluru, covering over 29,000 students from Grades 4-8 who were trained on four critical SDGs (SDG 3 – Good Health and Well-Being; SDG 4 – Quality Education; SDG 5 – Gender Equality; and SDG 13 – Climate Action). Schools and students were encouraged to take action through SDG projects and competitions with winners being awarded the title of SDG Champions.



Waste-No-Waste: Training Housing Societies on Waste Management

To address the enormous challenge of waste in urban areas, and reduce the quantum of reject waste sent to landfills, YES BANK reached out to 500 housing societies around its branches in Mumbai, to understand their waste management needs and train them on waste segregation and onsite-composting.

Training to Farmers on Financial Literacy and Climate- smart Technologies

YES BANK designed a unique financial literacy training programme to educate farmers on the costs and benefits of investing in and adopting eight climate-smart technologies such as mulching, drip irrigation and paddy thresher, amongst others. The programme will help train 3,000 farmers in neighbourhoods around the Bank's rural branches in Haryana and Rajasthan by FY 2020-21.

Cyclone Fani Relief

In May 2019, Odisha was ravaged by Cyclone Fani which caused extensive damage to life and property in the state. YES BANK joined hands with two of its local BC partners, Mahashakti and Adhikar to support the rehabilitation effort and provide relief kits to 25,000 families in the worst-affected areas. The Bank also organised a material collection drive in its offices in partnership with Goonj to collect food and other essential items. Employees contributed over 5,000 kgs of dry ration towards the relief effort.

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SOCIAL TRANSFORMATION

The developmental challenges faced by India require innovative and inclusive solutions with a potential to create a multiplier effect, addressing both scale and impact. Towards this, YES BANK through its social development arm, YES FOUNDATION, adopted a differentiated approach focusing on stimulating entrepreneurship and building responsible youth citizenship. The initiatives undertaken by the Foundation aim to address the gaps in the development sector by strengthening Design and Innovation-led Creative Entrepreneurship (DICE) solutions, thereby contributing towards building of an empowered and equitable India.

Grant & Accelerator Programme

The YES FOUNDATION (YF) Grant & Accelerator programme aims to help existing social impact organisations improve quality of operations, adapt to management best practices, scale up impact and emerge as benchmark organisations in the sector.

As many as NGOs and social enterprises were selected as part of the first cohort of the programme in 2018 through a competitive application process. YES FOUNDATION is focusing on capacity building of the grantee organisations via activities such as workshops and mentorship sessions.

The primary areas of intervention under the programme include Governance, Compliance, Controls, Performance and Risk Management. A multidisciplinary mentoring was organised to provide handholding support to the grantee partners to address their organisation-specific challenges. The outlined objectives from the mentorship phase were to provide functional and sector mentorship, advisory support, and relevant industry connections to the grantee organisations.

To strengthen and promote best practices in financial management, each grantee organisation was assigned an individual functional/sector mentor on the basis of the challenges expressed. The mentorship spun over 3 months - from December 2019 to February 2020 and was delivered virtually, primarily through phone/ video calls.

Employee Payroll Giving

YES BANK continues a payroll giving initiative for its employees. Employees registered under the programme contribute a stipulated amount from their salary every month, toward a cause of their choice from options shared by the partner who, in turn, shares a progress report with the employee along with details of impact created through the funds. During the reporting period, an amount of ₹11,36,978 was received as donations from employees.



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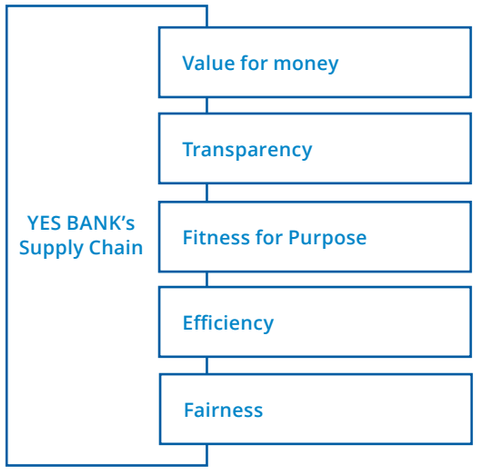
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YES BANK'S SUPPLY CHAIN

The Bank's procurement practices continue to be driven by Centre-led operating model through Strategic Procurement Unit (SPU). The Bank's procurement model is to ensure the right level of centralisation to ensure adequate cost and governance controls during the procurement activities. The Bank is focused on its roadmap to further its procurement process maturity and vendor management framework in line with the best practices. Accordingly, the sourcing activity and procurement operations are respectively managed by experts who have higher order skills in sourcing, negotiations and operations respectively. The focus on ensuring proactive management of strategic supplier partners and adequate risk management continues. The Bank continues to strengthen its supply chain based on the following principles:



Supplier Base: The Bank has a diverse supplier base, comprising 11,500+ large, medium and small suppliers who also include providers of key platforms and services on which the Bank operates. The Bank has transacted with 7,200+ suppliers in FY 2019-20 for provision of goods and services. The Bank has formed strategic relationships with eminent Indian and global companies, which not only widen business platforms but also lay the foundation for a sustainable future. As the Bank is spread across the country, it also procures from local vendors for localised consumption of products and services. Being in the services sector with significant focus on technology, a large set of vendors are providing services required to create and maintain technology and physical infrastructure while others are required to provide goods and materials to create the infrastructure.

Ensuring Transparency and Greater Accountability: In order to strengthen governance and facilitate communication, information is publicly provided on YES BANK website for suppliers and partners. (https://www.yesbank.in/strategic-procurement-unit)

The Bank has clearly defined the risk management framework for its suppliers, based on the risk profile of the service. In order to mitigate the risks for the Bank, control and governance parameters have been constructed, implemented and reviewed on a periodic basis. Additionally, a robust Vendor Performance Management Framework has been implemented wherein the Bank has implemented a mechanism for segregating its vendors into four categories: Strategic, Critical, Core and Tactical. Based on this categorisation, the Bank implements its periodic vendor performance review. YES BANK has put in place processes to ensure vendor redundancy/ Business Continuity Planning (BCP) for critical spends.

YES BANK has well-established vendor guidelines, outlining its vendor selection criteria in compliance with the law, in addition to assessing vendors' credibility, capability and cost to deliver. This has been further enhanced with the introduction of SAP Ariba e-Sourcing Platform. The e-sourcing platform is helping the Bank bring in fair and transparent sourcing processes. While this has already become an integral part of the sourcing process, the Bank intends to increase institutionalisation of the implemented processes. One of the key focus areas this year has been skill development within the procurement team wherein the team has collectively clocked more than 125 man-days of learning and development engagements. This also includes participation in conferences and seminars for knowledge enhancement.



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Social



As part of the Bank's stated objective and commitment to implement best practices in Corporate Governance, the Bank has a Whistle-blower Portal viz. 'Corporate Whistle-blower Initiative' (CWI) which is an independent online reporting service aimed at facilitating secure and confidential communication of any concerns faced by its vendors to the designated and independent Whistle-blower Committee constituted by the Bank.

During FY 2019-20, the Bank continued with its efforts of increasing its Spend Penetration (Spends Influenced/ Addressable Spends) and several cost management initiatives were identified based on spend analytics to optimise cost structures. To meet the goal, the procurement team, in collaboration with various operations/ functional units, looks for opportunities for value engineering and innovative solutions. To maximise sustainable sourcing practices, various initiatives have been identified to reduce power consumption and use paper products.

In line with YES BANK's vision of digitisation of processes and further strengthening sourcing, the Bank is now in the process of implementing Procure to Pay solution, which will digitise its entire Sourcing to Procure to Payment process. The Bank has initiated steps to encourage e-Invoice with key suppliers to enhance its digital procurement journey.

Supply Chain Sustainability

As India's first banking signatory to the UN Global Compact, YES BANK continues to abide by the 10 principles of the compact comprising human rights, labour, environment, and anti-corruption. The Bank uses these principles as a foundation for building its sustainable supply chain practices.

The Bank believes that its suppliers are integral to its ecosystem and optimises its strengths with the competencies of its supply chain partners.

In FY 2017-18, YES BANK adopted a Supplier Code of Conduct, based on Environmental, Social and Governance (ESG) parameters, defining the Bank's commitment to human rights, fair labour practices, environmental progress, and anti-corruption policies.

Through this initiative, the Bank continues to encourage its suppliers to support its sustainability agenda; and expects its supply chain partners to comply with the land's applicable laws and adhere to globally recognised ESG standards. The Bank has also promoted the use of an ESG self-assessment tool among its suppliers to help them understand their current practices and identify improvement areas.

Inclusive and Social Banking

Read more *PG NO 87*

₹983 CRORE

Microfinance Banking portfolio through 39 major MFIs

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CUSTOMERS

Agribusiness Product Management

The Bank's Agribusiness Product Management (APM) unit comprises experienced banking and industry professionals with an in-depth knowledge of the priority sector and delivers efficient and customised banking solutions for the agri-value chains. For a detailed overview of the activities of APM unit.

Read more / PG NO 90

Digital Banking

YES BANK continues to maintain a laser-sharp focus on fostering innovation and leveraging technological developments to enhance the banking experience for its customers. It has adopted a holistic approach towards going digital and has integrated this strategy across its banking ecosystem.

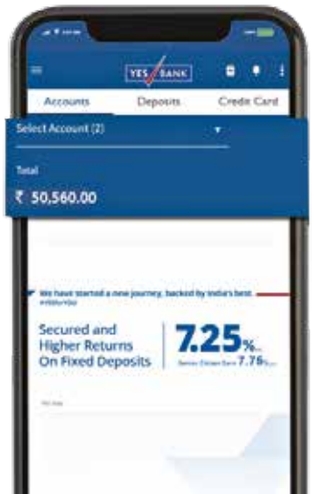
The size and volume of digital banking transactions done through YES BANK's products and services continued to scale up rapidly in FY 2019-20.

- **Unified Interface Payment (UPI)** transactions witnessed y-o-y growth of around 212% in terms of volume and 218% in terms of value. The Bank processed overall 4.5 billion transactions with value of ₹749,768 crore, capturing 35.7% market share in the ecosystem for the FY 2019-20
- **Immediate Payment Service (IMPS)** witnessed y-o-y growth of 71% in terms of transaction volumes and 102% in terms of transaction value. The Bank processed overall 24 crore transactions with value of ₹1,65,991 crore in FY 2019-20
- **Aadhaar Enabled Payment Scheme (AEPS)** has enabled ~3.5 lakh active BC agents to fulfil financial requirements of urban and rural customers. It has successfully processed transactions worth ₹43,378 crore in FY 2019-20 and achieved 134% growth y-o-y in terms of transaction value. The Bank has also captured 36.5% market share in terms of transaction value in the ecosystem for FY 2019-20
- The registered user base for **Retail Net Banking** increased to 66.02% (of the eligible base), compared to 54.74% in FY 2018-19 and reached 16 lakh users (as of March 31, 2020). About 2.136 crore transactions worth ₹381,302 crore were done through Retail Net Banking in FY 2019-20; NEFT transactions increased by 34.15% in volume and 46.34% in value vis-à-vis FY 2018-19. A total of 71.7 lakh bill payment and e-commerce transactions worth ₹10,424 crore were processed through Retail Net Banking in FY 2019-20
- The registered user base of **YES Mobile** (mobile banking application) witnessed 46% y-o-y growth and reached 15.2 lakh (as of March 31, 2020). YES Mobile is the second highest rated mobile banking application on Google Play Store (as of March 31, 2020). A total of 14.35 crore financial transactions worth ₹78,841.17 crore were conducted through YES Mobile in FY 2019-20, an increase of 288% in volume and 78% in value vis-à-vis FY 2018-19
- **YES ROBOT** (a comprehensive, secure, AI-enabled 24*7 Personal Banking Assistant for customers) witnessed 1.12 crore interactions in FY 2019-20, a growth of 129% as compared to FY 2018-19. In total, the BOT platform has received 1.75 crore interactions since inception. About 1.7 lakh deposits

4.5 BILLION
Transactions with a value of ₹749,767 crore, capturing 35.7% market share in the ecosystem for FY 2019-20

24 CRORE
Transactions with a value of ₹1,65,991 crore processed in FY 2019-20

36.5%
Market share captured by the Bank in terms of transaction value in the ecosystem for FY 2019-20



46% Y-O-Y
Growth and reached 15.2 lakh (as of March 31, 2020)

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worth ₹2,861 crore were booked via YES ROBOT in FY 2019-20 and the BOT became the preferred digital channel for booking deposits in the latter half of FY 2019-20, contributing ~40% of deposits booked every month through digital channels. YES ROBOT responded to over 43 lakh customer queries raised on Facebook messenger and website in FY 2019-20. Several industry first functionalities were introduced in FY 2019-20, such as email and PAN update, add/view/modify/delete nominees in CASA and deposits account, FD for joint account holders and non-resident customers, generate TDS certificate, manage MMID for retail customers and managing dealer accounts for corporates

- **Internet Payment Gateway** registered a y-o-y growth of 122.24% by contributing total volume of ₹10,641.32 crore. MasterCard Send and Visa Direct were launched in June 2019, and in 10 months the transaction volume reached ₹2,463.33 crore. Within few months of the launch, YES BANK was the top volume contributing and acquiring together bank for MasterCard Send for two months and 2nd highest volume contributor for Visa Direct
- YES BANK launched Co-branded **Multi Currency Travel Card (MCTC)/Forex Card** with three partners on sponsorship model. The Bank has already issued over 19,000 MCTCs with over $62 million uploads, thereby acquiring over 2% market share (in terms of load value) in just five months of the launch

19,000 MCTCs
Issued acquiring over 2% market share in five months



FASTAG solution for a potential of 20 lakh fleet operators

Other digital banking initiatives spearheaded by the Bank include:

- Launching FASTAG in partnership with programme partners to offer FASTAG solution for a potential of 20 lakh fleet operators
- Launching digital payment collections under the 'Cashless Campus' initiative with educational institutions such as IIT Jammu, Karnavati University, Tamil Nadu Open University and Karnataka Examination Authority
- Launching the Smart City mobile application for Coimbatore City Municipal Corporation, a part of Coimbatore Smart City initiative. The application is one stop shop for citizens to register and track complaints as well as digital payments for water tax, waste management, property tax and other government receivables
- Partnering with 'Slicepay' to provide card based credit limits and lending to their customers. Till March 31, 2020, over 40,000 Cards had been issued and it continues to grow. UPI based collection has also been enabled for EMI collections
- Partnering with 'UDMA Technologies' for Yuvapay solution - a digital offline payment solution aimed at the Gram Panchayats across Karnataka for all government payments. Over 6,300 Gram panchayat shall be enabled with digital wallet that has the capability to work offline (a patent pending technology of UDMA)
- Partnering with 'Finly' for enabling corporates to make bill payments of all their multiple offices and outlets on one platform with once click of a button. Swiggy is one of the first corporates to be made live on this platform

Digital Banking Centre of Excellence

- The Digital Banking Centre of Excellence (DB COE) was formed in November 2018 to harmonise the retail Bank's digital initiatives with a view to create formidable levers that will be difficult for competition to replicate in the short term. Creation of the DB COE was aimed at building a central digital think tank, with the vision and intent of synergising innovations and initiatives that would cut horizontally across myriad business functions. The DB COE is instrumental in paving the way for drawing up a holistic digital blue print that would strive to create an unparalled and enhanced experience for YES BANK customers.

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Some of the initiatives undertaken include:

- **Laurel & Hardy:** This project was undertaken to completely re-build short data entry (Laurel) and detailed data entry (Hardy) modules in the core processing system for retail loans to facilitate efficient data entry, customer on-boarding and seamless image based loan application processing for EMI backed Retail Assets
- **COLORS (Corporate Loan Origination System):** An application processing system created by YES BANK for the Micro Enterprise Banking for onboarding of a customer, risk assessment including automated calculation of various financial ratios, Risk Management Unit, legal and valuation checks with numerous child/approval/deviation workflows. The application is also integrated with credit bureau and National Securities Depository Limited
- **YES Samadhan:** Core processing workflow for Micro Enterprise Finance, Kisaan Credit Card and Dairy equipment
- **Auto-BOT:** Facility and loan account status queries for inventory funding dealers on YES BANK ROBOT
- **YES PRIME Suite:**
  - **m-FI:** Mobility for Field Investigation (FI) agencies and agents that plugs in to FinnOne Application Processing System (APS)
  - **m-CAPS:** Mobility solution for collection agencies that can write call memos and receipt payments; seamlessly integrated with FinnOne APS (APS - Collections Module)

m-Source: Mobility solution for front-end teams and channel partners to facilitate digital onboarding of loan applications and image based processing

THOUGHT LEADERSHIP

Food and Agribusiness Strategic Advisory and Research (FASAR)

YES BANK's specialised Food and Agribusiness Strategic Advisory and Research (FASAR) unit houses industry specialists with sectoral knowledge and experience. FASAR generates banking opportunities on the back of knowledge services, with a focus on acquiring New To Bank clients.

The unit works closely with the corporate sector, MSMEs, multinationals, Central Government, state governments and multilateral agencies and has executed multiple project finance advisory, strategic advisory and policy advisory projects across diverse sub sectoral and thematic areas, including agri exports, agri inputs, agricultural marketing, agri policy, agri value chain, dairy, food processing, food services, food safety, farm mechanisation, horticulture, marine, organic food, poultry, plantations, start-ups, warehousing and cold chain, amongst others.

FASAR also regularly publishes knowledge reports and research papers on key trends and developments in the sector.

In FY 2019-20, FASAR took up 25 new advisory mandates and executed projects on Agri Infrastructure, Export Policy, Food Processing, Sericulture, Food Safety, Fisheries, Spices and Dairy amongst others. In the reporting period, FASAR also released multiple publications on Frozen food, Climate smart technologies, Agritech and Dairy in partnership with various industry stakeholders.



On the back of the Government of India's Agricultural Export Policy (2018) towards actualising the $60 billion agri exports target for India, YES BANK partnered with Agricultural and Processed Food Products Export Development Authority, Ministry of Commerce & Industry and the Federation of Indian Export Organisations to organise a series of industry workshops to engage with key industry players in focus sectors including seafood, animal husbandry, horticulture amongst others.

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As part of supporting the entire food and agri value-chain, the Bank has led various sectoral knowledge initiatives in key global and domestic industry forums.

- YES BANK was a 'knowledge partner' to the India International Cooperative Trade Fair organised by the National Cooperative Development Corporation and contributed thematic papers on 'Agri-Tech and Climate Smart Agri' and 'Dairy Cooperative Opportunities for Value Addition and Trade'
- YES BANK also partnered with the apex industry body, Confederation of Indian Industry to publish a knowledge paper on 'Indian Frozen Food Industry' with a focus on promoting investments in frozen food industry in Maharashtra
- YES BANK conceptualised an Investor Booklet on Food Processing Opportunities for the Vibrant Goa Summit

To deepen its engagement with the food processing sector, YES BANK has partnered with Council of Scientific & Industrial Research to focus on commercialising innovative technologies in key areas such as nutrition, packaging, food safety, traceability, logistics and digital to bring in more synergy between the research institutes and food industry.

YES BANK continues to support the Government of India's policies for the development of the Indian food processing sector through its valued strategic advisory services and financing offering to both domestic and international players investing in India.



The team is working on supporting the accelerated adoption and deployment of EV charging infrastructure

Strategic Government Advisory (SGA)

To further YES BANK's commitment towards a journey of holistic and inclusive growth, the Strategic Government Advisory (SGA) group works across key and emerging sectors of the Indian 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 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 focused and sector-oriented approach across sectors such as e-mobility & logistics, smart cities & urban infrastructure, tourism & hospitality, healthcare & wellness, and education, among others has led to creation of new avenues of banking opportunities and deepening of relationship across key customer segments.

Electric Vehicles: Clean Mobility for Sustainable Future

Globally, there is a paradigm shift and growing call for transition from fossil-powered vehicles to cleaner and sustainable mobility alternatives. India is also witnessing a budding e-mobility revolution led by the government's push towards increasing adoption and creation of electric mobility infrastructure. SGA is at the front of this revolution and is working with various state governments and their entities to support them in their sustainable mobility initiatives. The team is working on the State Electric Vehicle (EV) Policy of Punjab, Rajasthan, Telangana and Goa, and also supporting few others in accelerating adoption and deployment of EV charging infrastructure.

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Tourism: Engine for Socio-economic Growth

SGA has championed several initiatives in the tourism sector and strongly believes in the sector and its multiplier impact on key socio-economic pillars. The sector has the potential to catalyse the holistic development of regions and livelihood generation for communities. Over the last five years, SGA has engaged with nearly 15 state governments through various policy and project advisory initiatives and knowledge partnerships such as tourism policies, homestay policies and development projects.

On September 1, 2019, the 'Tourism Policy for the Union Territory of Daman and Diu and Dadra & Nagar Haveli 2019-2024' prepared by SGA was released by Hon'ble Union Home Minister, Shri Amit Shah.

SGA offered strategic project advisory services to a leading online player in the tourism sector to assist in the development of the tourism ecosystem in Sindhudurg region in Maharashtra. SGA conducted a resource mapping study through screening of villages/ clusters based on tourism potential and accessibility parameters. SGA also engaged a training service provider for capacity building and financial literacy.

Business Economic Banking (BEB)

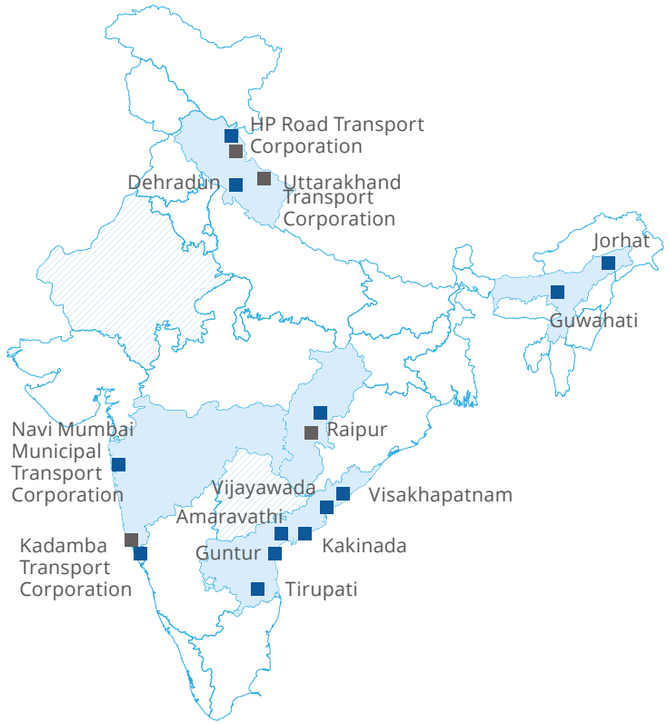
With a view of developing a comprehensive understanding of all trends and nuances of the Indian economy, Business Economics Banking (BEB) acts as the research and knowledge-driven team of YES BANK. The team provides authoritative, cutting-edge macro/ markets outlook and sector-specific research content for both the Bank's clients and internal business verticals. The team aims to further deepen YES BANK's mindshare, through active participation in client meetings and engagements with policymakers and multilateral institutions.

The BEB team publishes periodic reports covering macroeconomic data and events along with thematic reports on key economic trends. Over the years, research and reports published by BEB have been referred to and cited by key stakeholders, including the government, global investors, media and top clients. As a validation of its expertise, the team consistently remains among the top five forecasters for the Indian economy according to Bloomberg rankings.

In FY 2019-20, BEB shared its outlook on the Indian economy and impact on businesses at several events under the aegis of Institute of International Finance-G20 Conference, NITI Aayog, US-India Business Council, Federation of Indian Chambers of Commerce & Industry and Indian Chamber of Commerce and Industry, Coimbatore, besides engaging with several corporates at curated thought sessions.

Rural Development: Rejuvenating the Rural Economy

In order to harness the true economic potential of rural India, developmental initiatives for community engagement and livelihood generation are implemented on a massive scale. SGA is working with the West Bengal State Rural Livelihood Mission to conduct a study on developing comprehensive strategy for livelihoods and convergence in three blocks of the South 24 Parganas district (Jaynagar-I, Budge Budge-I and Kultali).



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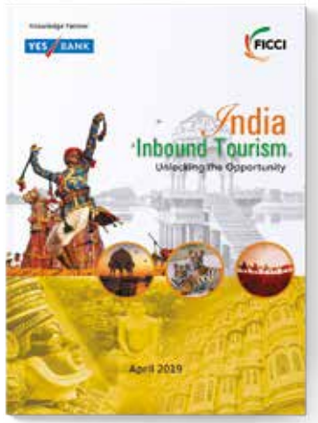
Social

Some of the key engagements in FY 2019-20 include:

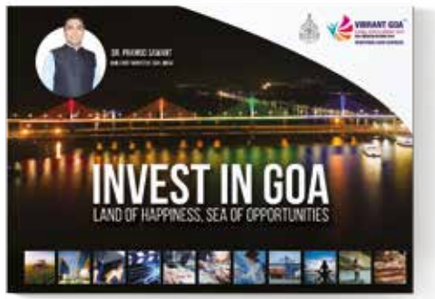
- Development of State Electric Vehicle Policy:
  - Department of Transport, Government of Punjab
  - Kadamba Transport Corporation, Government of Goa
  - Department of Transport, Government of Rajasthan
- Review of Telangana Electric Vehicle Policy for Department of Industries, Government of Telangana
- Release of Tourism Policy for the Union Territory of Daman & Diu and Dadra & Nagar Haveli 2019-2024 prepared for Department of Tourism, Union Territory of Daman & Diu and Dadra & Nagar Haveli
- Preparation of response to EoI by the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises for deployment of Electric Buses:
  - Uttarakhand Transport Corporation, Government of Uttarakhand
  - Raipur Smart City Limited
  - Himachal Pradesh Road Transport Corporation
  - Kadamba Transport Corporation, Government of Goa
- Preparation of response to EoI by the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises for deployment of Electric Vehicle Charging Infrastructure:
  - Guwahati Smart City Limited
  - Dehradun Smart City Limited
  - Himachal Pradesh Road Transport Corporation
  - Raipur Smart City Limited
  - Jorhat Municipal Board
  - Kadamba Transport Corporation, Government of Goa
  - Navi Mumbai Municipal Transport (NMMT) Corporation
  - New & Renewable Energy Development Corporation of Andhra Pradesh Limited: Vishakhapatnam, Vijayawada, Amravati, Guntur, Kakinada and Tirupati
- MoU with Meghalaya State Olympic Association to extend superior advisory, knowledge and banking services to promote sports and tourism in Meghalaya, with focus on upcoming National Games 2022, signed on November 19, 2019 in Shillong
- Knowledge Partner for The Great Indian Travel Bazaar 2019 organised by FICCI on April 28 – 30, 2019 in Jaipur; authored knowledge report 'India Inbound Tourism: Unlocking the Opportunity'
- Knowledge Partner for the 'Vibrant Goa Global Expo & Summit 2019' organised by the Vibrant Goa Foundation and Government of Goa on October 17-19, 2019; prepared investor handbook 'Invest in Goa: Land of Happiness, Sea of Opportunities' and background papers on Tourism, Pharma & Healthcare, Startup & E-mobility, and Agro & Food Processing sectors in the state
- Session partner for 'Towards a Carbon Neutral Transport Sector' theme during the India Smart Utility Week 2020 organised by India Smart Grid Forum on March 3 – 7, 2020 in New Delhi

Knowledge Reports released during the FY 2019-20

- FICCI The Great Indian Travel Bazaar 2019: YES BANK - FICCI knowledge report 'India Inbound Tourism: Unlocking the Opportunity'



- Vibrant Goa Global Expo & Summit 2019: Flagship investor handbook 'Invest in Goa: Land of Happiness, Sea of Opportunities'



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People

Enriching our **people**

YES BANK's Human Capital philosophy focuses on recruiting 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.

The YES BANK Human Capital philosophy is implemented through the 5C Engagement Model which covers focused initiatives addressing Culture, Communication, Connect, Career and Care

Human capital



KEY HIGHLIGHTS

22,973
Total employees

5,044
Training programmes

8,12,744
Training hours

22,751
Employees trained

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HUMAN CAPITAL POLICIES

Conflict of Interest Guidelines

The Bank has introduced Conflict of Interest Guidelines, which facilitate employees to identify plausible conflict of interest areas within the Bank. The policy suggests various approaches to manage situations by providing insights on types of conflict of interest. The guidelines explicitly chart out responsibilities for senior management, employees and employees in supervisory capacities so that they can identify and manage conflict of interest situations effectively.

Equal Opportunity Employer

The Bank has put in place a policy to promote equal employment opportunities, without any discrimination on the grounds of age, gender, disability, marital status, nationality, race, religion, sex, sexual orientation or any other form of discrimination. The policy defines the procedure to be followed in case of a grievance related to discrimination and ensures that the workplace is free from any discrimination.

HUMAN CAPITAL INITIATIVES

ENCOURAGING GENDER RESPECT: SAY YES TO G.R.A.C.E

Through the robust 'Say YES to G.R.A.C.E' (Gender Respect And Commitment to Equality) framework, the Bank creates awareness while periodically disseminating and reiterating the Bank's policy for Prevention of Sexual Harassment, which is in line with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act & Rules, 2013. G.R.A.C.E also reaffirms the Bank's commitment to being an equal opportunity employer. The Bank has internal committees to investigate and inquire into sexual harassment complaints in line with The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

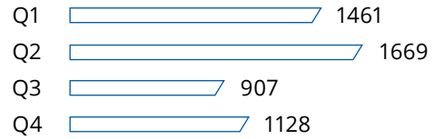
LISTENING TO EMPLOYEES

The 'HCM HelpDesk' was set up with the Bank's objective to provide a consistent and superior service experience to its employees. It is a simple and easy-to-use platform that allows employees to raise all HCM-related (Human Capital Management) queries and concerns through email, voice call (Interactive Voice Response) and a query management system. The platform then offers satisfactory closure to these concerns.

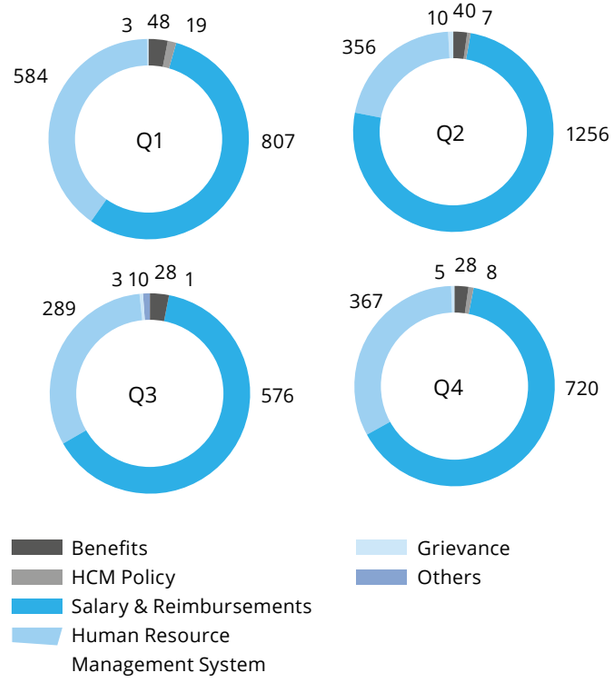
A unique toll-free Interactive Voice Response (HCM IVR) facility (1800 2000 515) was launched for all YES BANKers, as part of the Bank's continued efforts to improve human capital service delivery. It enables employees to address all Human Capital Management related enquiries. An Employee Query Management System (EQMS) was also launched to leverage technologies and further enhance HCM service delivery through structured and timely query resolution.

HCM HelpDesk aims at providing employees a direct access to the Bank's HCM team. The following charts depict the extensive use of the tool for various categories for FY 2019-20.

TOTAL NO. OF QUERIES (Nos.)



COUNT OF CATEGORY QUERIES – CATEGORY-WISE DISTRIBUTION



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YES CLUB

YES CLUB was launched across the Bank's hub branches with the objective of encouraging an atmosphere of fun, camaraderie and providing YES BANKers a platform to showcase their talent and creativity. It facilitates participation in activities around three broad themes: social, cultural and sports.

Since its launch in FY 2017-18, YES BANKers across the Bank's 262 hub branches have organised and participated in activities such as sports tournaments, adventure sports and trekking, arts and crafts exhibitions, photography contests, and employee volunteering activities. YES CLUB is also the primary driver of initiatives focused on building a culture of holistic well-being among YES BANKers. YES Club Wellness Centre with state-of-the-art gym facilities, regular Yoga and Zumba classes and a gaming zone for employee engagement was set up.

DIGITALISATION INITIATIVES

YES for YOU Fusion to Mobile Responsive Environment: The HCM portal for employees is aimed at providing employees with mobility, accessibility, convenience and a superior interface. Hence, the portal was moved to a mobile responsive design and is accessible through Citrix security permissions on mobile.

Online Leave System for UAE based employees on Fusion: Leave balance accruals and laws around it work differently in UAE and hence, the leave management needs to be managed separately on Fusion, along with those in India. This was made live in FY 2019-20.

244

Requests were automated during the pre-screening conversations between candidates and recruiters

YES Talent Buddy chatbot was launched to automate the interaction with prospective recruits and to assist candidates in completing their applications. Using this feature, over 244 requests were automated during the pre-screening conversation between candidates and recruiter.

Enhanced Insurance Regulatory and Development Authority of India (IRDAI) Certification Process: IRDAI certification is a very important requisite for insurance business. The same was moved to online documentation and processing, from the offline process of gathering documents and follow-ups.

Data Visualisation: To drive a data culture across HCM, the Bank migrated the existing reports and dashboards to Business Intelligence data visualisation tool. Key benefit of this mobile app-based tool is to enable decision-making using up-to-the-minute data visualisation and analytics.

Corporate Business Attrition Predictor Model: The churn model was successfully developed for employees in Corporate Business units with the help of Machine Learning algorithms in R Programming Tool. It predicts employees who may leave the organisation in the next six months with the help of churn model and initiates proactive steps to enhance retention.

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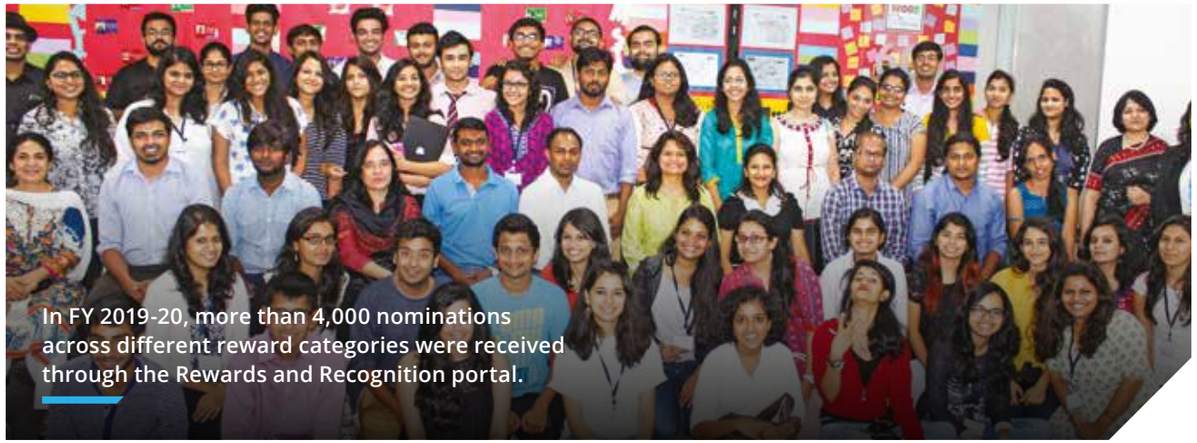
Vendor Staff Management System (VSMS) – an end-to-end staff life cycle management for vendors at YES BANK. This application enables monitoring of budget, faster and more effective hiring processes, simpler onboarding, simplified within or across department transfer process, end-to-end integrated automation from hire to exit.

YES CORE Learning – GIEOM – an application for online simulation, digitised SOPs, work flow diagrams that are easy to understand and train employees. The following were some of the programmes launched.

- Training on processes for Retail Asset Operations
- Knowledge documents for Clearing Operations
- Clearing Operations process flow diagram
- CCCS – Credit Card Customer Service - simulation training
- IT simulation trainings for YES Approvals
- Rural Banking - KCC workflow moved to Production

EMPLOYEE PERFORMANCE MANAGEMENT

To promote a culture of meritocracy, the Bank manages the performance of executives, ensuring timely, unbiased and transparent appraisal process for all executives. The Bank follows an annual performance review cycle, with eligible executives undergoing a multi-level performance evaluation.


In FY 2019-20, more than 4,000 nominations across different reward categories were received through the Rewards and Recognition portal.

REWARDS AND RECOGNITION: YES LEAGUE OF EXCELLENCE

At YES BANK, rewards and recognition is driven digitally through an online portal called the **'YES LEAGUE OF EXCELLENCE'**. It provides a formal recognition platform to recognise and reward excellence at YES BANK and, in turn, creates a culture of appreciation. Reporting managers can nominate team members for rewards on the basis of performance. In FY 2019-20, more than 4,000 nominations across different reward categories were received through the Yes League of Excellence portal.

The category-wise spread of awards

2,446
SPOT ON

774
Y-Star of the Month

467
One for All for One (Quarter)

276
Rising Star of the Quarter

52
YES Personality

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LEARNING & DEVELOPMENT



YES SCHOOL OF BANKING (YSB)

YES BANK has always emphasised on a knowledge-driven approach for focusing on building capacity and capability, thereby nurturing the brightest and best talent from the industry. This is one of the building blocks of YES BANK's evolution as the 'Professionals' Bank of India'. Orgainsational Learning and Development initiatives at YES BANK are domiciled under the aegis of the YES SCHOOL OF BANKING (YSB). Institutionalised in 2007, YSB was created with a vision to build a 'Centre of Excellence' for learning solutions in banking and related areas. YSB initiatives cover all aspects of employee training, including Induction, Products & Process Training, Compliance & Mandatory Trainings, Sales & Service Trainings and Leadership & Behavioural Trainings. YSB is accredited with ISO Certification (ISO 9001:2015) on Quality Management System.

ONLINE LEARNING MANAGEMENT SYSTEM

My Learning@YES is the Bank's online Learning Management System (LMS) which supports digital learning in partnership with Cornerstone On Demand. My Learning@YES provides learners with increased access to learning content (in-house courses and content partners like Coursera), learning scorecards to measure actualisation against learning paths and assigns learning credits to learners.

The system offers social learning, advanced reporting & analytics, conducting and managing of classroom trainings, attendance tracking and training schedule management in addition to accessing the e-learning modules.

The LMS also has a mobile first approach, enabling learning on the go, allowing users to go through modules and appear for tests from the app ensuring better time utilisation and higher learning engagement for employees. Additionally, the system has features like training calendar and schedule management, feedback mechanism and management information system.

Since its adoption, the LMS has helped to create, deploy and track learning to build capacity, capability, and confidence among employees to increase performance. Most online curriculums offer quizzes that enhance learning absorption and recall. Sophisticated real-time reporting and tracking features have provided insights into employee learning patterns, thus enabling ease of customisation to specific learner needs.

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The functionalities of the LMS have also simplified the process for tracking and monitoring of the compliance and regulatory parameters, thus reducing human errors for better operational control. The LMS enables a variety of digital learning solutions, aligned to the Bank's evolution as a digital work place, thereby developing key digital skills among the Bank's workforce.

Major Learning Modules

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

Regulatory / Compliance Mandatory Programmes

- **RBI mandate**
  Implementation of Board approved policy on:
  - RBI Capacity Building in Banks and AIFIs for existing employees and new hires
  - IT and Cyber Security Certification for Board Members, CXOs and top management
- **Risk management trainings**
  - Credit Skills Assessment – CRISIL
  - Exposure to best-in-class industry knowledge and subject matter expertise: Centre for Advanced Financial Research and Learning (CAFRAL), National Institute of Bank Management (NIBM), National Institute of Securities Markets (NISM), College of Agricultural Banking (CAB), Indian Institute of Banking and Finance (IIBF), Foreign Exchange Dealers' Association of India (FEDAI) and Fixed Income Money Market and Derivatives Association of India (FIMMDA), among others
- **Compliance initiatives:**
  - Classroom and Digital workshops on various topics mentioned in RBI Master Circular
  - Supervisory Programme for Assessment of Risk and Capital/ Risk Based Supervision / Governance sessions
  - Awareness Sessions (Classroom and E Learning) on Information Security/ Business continuity planning/Operational Risk Management / Enterprise risk management
  - Training on codes of Banking Codes and Standards Board of India
- **Collecting successfully through partners**
  A two-day classroom initiative launched for the Retail Collections team to encourage standardisation of collections processes and to build customer-centricity by equipping the team with tools and techniques for managing the collections portfolio better

Key Retail Training initiatives:

- **Rural Banking Group (RBG) ORIENTATION WORKSHOP:** Given the convergence of Rural and Inclusive Branch Banking (RIBB) and Retail Rural Banking (RBB) into a single unit from April 2019 to form RURAL BANKING GROUP, it was critical for the Rural Banking team to continue garnering CASA and build a strong assets business line by fully utilising the strength, scale and reach of our branch network, exploring and converting business from local communities in the branch BSA and maintaining laser sharp focus on our stated rural banking sales strategy. This workshop focused on orienting the team towards the same
- **Retail Banking (RB) SKILL BUILDER WORKSHOP:** RB Skill Builder Workshop was launched for Sales Managers of Retail Banking team on enhancing business effectiveness by refreshing Products knowledge and how cross selling leads can be generated through important interactions
- **CREDIT CARD SKILL BUILDER WORKSHOP:** Credit Card Skill Builder Workshop was launched for Acquisition Managers of the Credit Card team. The objective was to reiterate important Product USPs and equip participants with selling skills to enhance productivity

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LEADERSHIP AND BEHAVIOURAL PROGRAMMES – PAN BANK

Leadership Development Program (LEADVANTAGE): LEADVANTAGE is a sustained Leadership Development Initiative for Top, Senior and Middle Management levels focusing on inspirational leadership, productive collaboration, managing change with agility, building resilience and developing people.

Leadership Effectiveness Program: Managing Business & Developing People - The programme focuses on understanding various leadership styles, learning the art and skill of giving feedback, coaching for team development and driving performance to achieve results.

Leadership Catalyst Program: Leading Performance & Managing Conflicts - The programme focuses on relevant managerial challenges such as managing stakeholder expectations, delegating and giving feedback.

Creating Leadership Impact: Adaptive Leadership & Managing Change - The programme focuses on identifying personal leadership drivers, driving adaptive leadership, understanding the change management model and influencing change.

YESsentials; continues to be the Bank's high-impact induction programme that enculturates the new joinee on the Bank's Code of Conduct, Information Security Guidelines, KYC and AML policies, Operational Risk Management, POSH policy of the Bank, HCM policies and various other products and processes relevant to the business. For the reporting period, 261 YESsentials workshops were conducted for 5,696 executives and 9,888 executives inducted through e-learning modules.



261
YESsentials workshops

5,696
Executives

9,888
Executives inducted through E-learning

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KEY LEARNING MATRIX

EMPLOYEE TRAINING – PROGRAMME-WISE BREAKUP

Particulars	FY 2019-20	FY 2018-19	FY 2017-18
Total classroom-training programmes conducted	5,044	5,410	5,035
Total executives trained in programmes above	17,161	16,132	15,568
Total executives trained (E -Learning)	**22,691**	**20,306**	**16,108**

EMPLOYEES TRAINING (CLASSROOM) – GENDER-WISE BREAKUP

Particulars	FY 2019-20	FY 2018-19	FY 2017-18
Male	13,906	13,117	12,811
Female	3,255	3,015	2,757
Total	**17,161**	**16,132**	**15,568**

EMPLOYEES TRAINING (CLASSROOM) – MANAGEMENT CATEGORY-WISE BREAKUP

Particulars	FY 2019-20	FY 2018-19	FY 2017-18
Top management	38	57	99
Senior management	107	163	245
Middle management	**1,902**	**1,960**	**2,958**
Junior management	**6,336**	**5,824**	**7,620**
General management	**8,778**	**8,128**	**4,646**
Total	**17,161**	**16,132**	**15,568**

TRAINING PROGRAMMES (CLASSROOM) – CATEGORY-WISE BREAKUP

Particulars	FY 2019-20	FY 2018-19	FY 2017-18
Behavioural and leadership skills	400	639	839
Employee induction	261	241	318
Mandatory policies and compliance	**163**	**476**	**1,428**
Process training	**677**	**553**	**600**
Product training	**3,543**	**3501**	**1,850**
Total	**5,044**	**5,410**	**5,035**

TRAINING HOURS (CLASSROOM & E-LEARNING)

Particulars	FY 2019-20	FY 2018-19	FY 2017-18
Participant man-hours (Classroom)	3,53,374	2,97,871	3,89,159
Participant man-hours (E-Learning Room)	4,59,370	4,11,303	3,39,446
Participant man-hours (Classroom & E-Leaning)	**8,12,744**	**7,09,174**	**7,28,605**
Participant man-hours per executive	**35.38**	**33.55**	**39.95**

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

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EFFECTIVENESS OF TRAINING PROGRAMMES

The training programme effectiveness is measured by using the Kirkpatrick's four levels of evaluation model:

Level 1

For programmes (with duration more than or equal to 1 day), 'Reaction' is measured by way of administering a survey which gives quantifiable metrics.

Level 2

For certain product, process, sales, service, certification programs etc. 'Learning' is measured by way of administering post training assessment tests.

Level 3

For leadership programmes, implementation of key learnings from the session within 30 days of attending the programmes (duly documented) and transfer of learnings from 'workshop' to 'workplace' are ensured.

Level 4

For learning initiatives viz. Productivity Enhancement programmes, 'Results' are measured by comparing targeted outcomes pre & post training.

TRAINING TARGET/ PLANS FOR NEXT YEAR

Role Based Certifications (mandatory) on Capacity Building, IT and Cyber Security for select BUs; in addition to BU specific certifications for select roles.

Role Based Developmental Frameworks for various Corporate Business Units with focus on products, process, compliance, soft skills and sectoral insights.

Leadership & Professional Development Framework for all management bands across all BUs focused on leadership role transitions and to support skill-building.

Professional Technology Programmes in partnership with best-in-class external training partners to equip select YES BANK Executives on 'Emerging Technologies' in the banking ecosystem.



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UNIVERSITY AND SCHOOL RELATIONSHIP MANAGEMENT (USRM)

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

YES BANK TRANSFORMATION SERIES

YES Transformation Series is a national level case study competition that is conducted across under-graduate and post-graudate colleges. The 2019 edition of the competition saw participation from 32 business schools across the country. More than 8,000 students registered to compete for the title of the Winner of the YES Transformation Series 2019. Seven case partners in IBM, Dunzo, Instamojo, Blackbuck, Bounce, Quikr and MakeMyTrip provided us with case studies: 32 teams were chosen to move to the second round that featured a YES BANK business case: 10 teams from different business schools participated in the Finale. IIM Ahmedabad was the winner followed by XLRI Jamshedpur and the third place went to MICA, Ahmedabad. The finale was conducted in the YSB Learning Centre in IFC Mumbai. The event was a confluence of the industry and students, where ideas were exchanged.

YES PROFESSIONAL ENTREPRENEURSHIP PROGRAMME (Y-PEP)



The Y-PEP programme is YES BANK's flagship campus recruitment programme that endeavours to hire the most sought-after talent from the best business schools in India. The programme established in 2007, positions YES BANK as an 'Employer of Choice' across premium business school campuses and helps develop a robust talent pool to drive the Bank's future growth. The Bank has a strong legacy of onboarding premium talent through the programme. More than 1,000 Y-PEPs have been recruited over the years. For the batch of 2020, the Bank has recruited 19 Y-PEPs from the Top 25 business schools of the country.

YES FUTURE READY SCHOLARSHIP PROGRAMME



YES FUTURE READY is a unique scholarship programme that identifies 30 students from different B-schools and Technology schools and awards them a scholarship of ₹2 lakh for consistent academic and co-curricular excellence. The programme not only offers structured mentorship for the students to help them transition smoothly from a student to a well-rounded professional, but also offers critical learning interventions through e-courses that can help them augment their skills significantly. With this programme, YES BANK inducts the scholars into the agile and collaborative culture of the Bank. YES Future Ready 2019 saw more than 5,000 enthusiastic students apply for the opportunity. A significant feather in the programme's cap has been the increase in application from technology schools which grew to 31% of the total applications. After a rigorous selection process, 30 scholars were chosen as the YES Future Ready scholars. The scholars spent four months working on various virtual projects across the Bank, making the whole experience rewarding.

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KEY METRICS AND PERFORMANCE INDICATORS

As on March 31, 2020, the Human Capital strength of the Bank was 22,973 employees which is an approximately 9% increase compared to previous year. With increased number of employees, there has been renewed focus on adding to the diversity of the workforce during the year. Gender diversity was reflected with female executives numbering 21% and male executives 79% by the financial year end. The key areas of the Human Capital towards the people demographics, attrition and hiring are as follows:

A. People Demographics

FY 2019-20

Particulars	Under 30		30-50		Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	45	8	27	3	**83**
Senior Management	0	0	204	16	6	1	**227**
Middle Management	5	1	2,382	327	33	3	**2,751**
Junior Management	1,063	343	6,094	922	4	1	**8,427**
General Management	4,863	1,869	3,990	761	1	1	**11,485**
Total	**5,931**	**2,213**	**12,715**	**2,034**	**71**	**9**	**22,973**

B. Total Attrition during the Year

FY 2019-20

Particulars	Under 30		30-50		Above 50		Attrition Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	9	0	5	0	**16.87%**
Senior Management	0	0	23	4	4	0	**13.66%**
Middle Management	0	0	329	53	1	0	**13.92%**
Junior Management	329	117	1,586	238	1	0	**26.95%**
General Management	2,803	1,066	1,698	285	0	0	**50.95%**
Total	**3,132**	**1,183**	**3,645**	**580**	**11**	**0**	**37.22%**
Attrition Rates	**52.81%**	**53.46%**	**28.67%**	**28.52%**	**15.49%**	**0.00%**	

Note: Attrition is based on Head Count as on March 31, 2020 and includes only voluntary exits.

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

C. Total Hires during the Year

FY 2019-20

Particulars	Under 30		30-50		Above 50		Hire Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	0	2	5	2	**10.84%**
Senior Management	0	0	16	3	1	0	**8.81%**
Middle Management	4	1	350	49	3	2	**14.87%**
Junior Management	695	218	2170	310	0	0	**40.26%**
General Management	3824	1415	1375	218	0	0	**59.49%**
Total	**4523**	**1634**	**3911**	**582**	**9**	**4**	**46.42%**
Hire Rates	**76.26%**	**73.84%**	**30.76%**	**28.61%**	**12.68%**	**44.44%**	

Note: Data does not include employees of YES BANK's subsidiaries.

D. Parental leaves

PARENTAL LEAVE INITIATIVES

The Bank provides maternity benefit of 26 weeks to female executives to celebrate motherhood and bonding. In addition, the Bank also provides access to crèche facilities as per the statutes, paternity leave to male executives to celebrate the special moments of fatherhood. The Bank presents gift vouchers for the new-borns to all new mothers resuming duty post maternity leave. The analysis of return to work after parental leaves is presented below:

Particulars	FY 2019 – 20		FY 2018 – 19	
	Maternal	Paternal#	Maternal	Paternal#
Employees taking parental leave	224	1,238	204	1,118
Employees resuming work	221	1,238	198	1,118
Employees retained after resuming work in the reporting period	214	1,238	188	1,118
Return to Work Rate	**95.5%**	**100.0%**	**92.2%**	**100.0%**
Employees retained 12 months after resuming work	NA*	NA*	117	802
Retention Rate (after 12 months)^	**N/A***	**N/A***	**57.4%**	**71.7%**

** To be reported in FY 2020-21 reporting cycle*
No causal relationship has been determined between paternal leave and voluntary exits.
^ The percentage of employees retained 12 months after returning to work following a period of parental leave.

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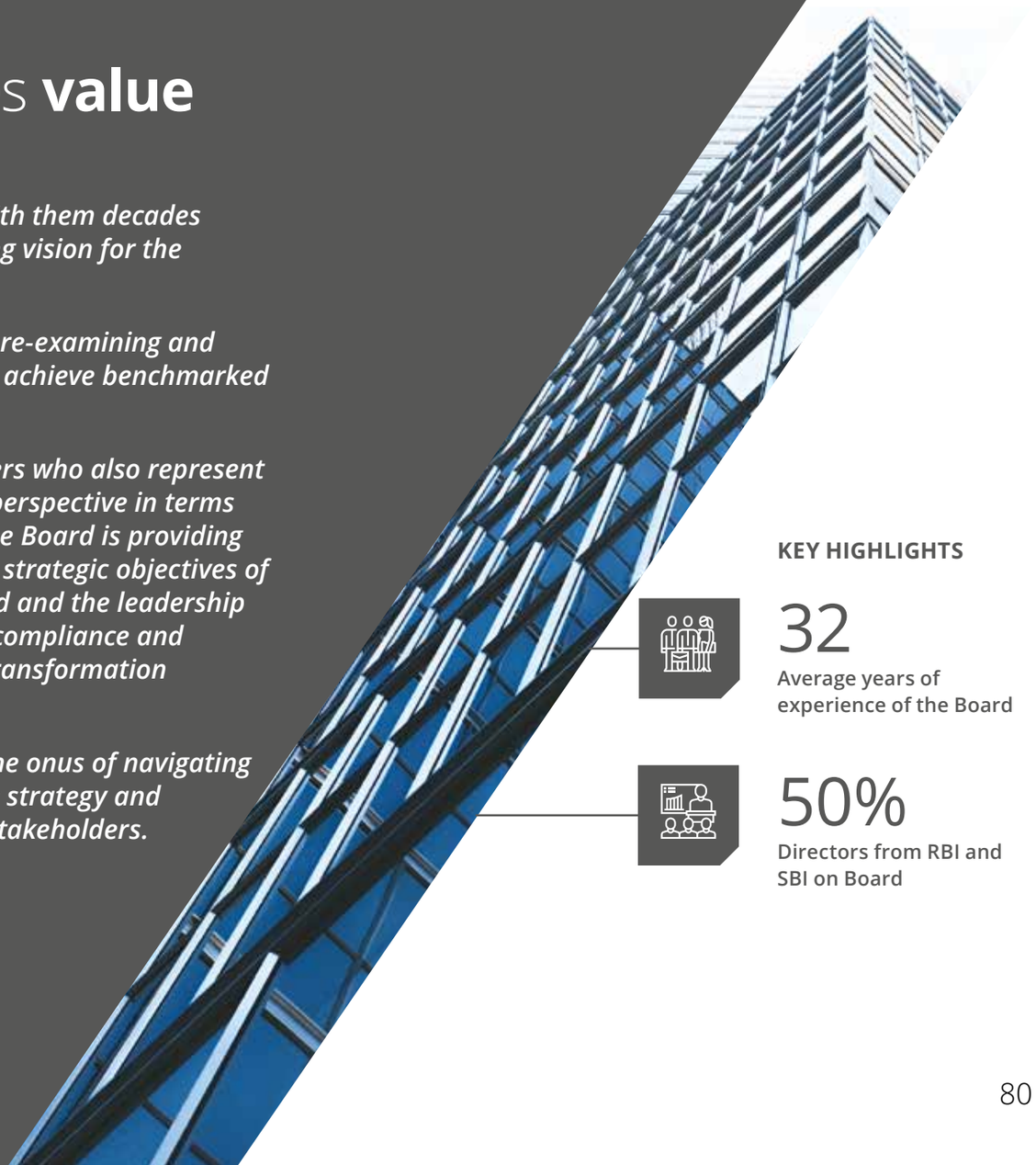
Accountability that guides **value**

YES BANK is led by a group of leaders who bring with them decades of experience, a varied set of expertise and a strong vision for the future of the Bank.

Under the aegis of its new leadership, YES BANK is re-examining and recalibrating its internal systems and processes to achieve benchmarked standards of good governance.

YES BANK's newly formed Board comprises members who also represent different institutions, which helps bring a diverse perspective in terms of guiding the Bank towards a redefined future. The Board is providing direction and guidance to the management on the strategic objectives of the Bank for the near and medium term. The Board and the leadership are also setting highest standards of governance, compliance and risk management to form the foundation for the transformation journey at YES BANK.

Together with the management, the Board takes the onus of navigating the imminent challenges for the Bank, pursuing its strategy and creating, retaining and delivering value for all its stakeholders.



KEY HIGHLIGHTS

32
Average years of experience of the Board

50%
Directors from RBI and SBI on Board

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BOARD OF DIRECTORS



Mr. Sunil Mehta
Non- Executive Chairman



Mr. Prashant Kumar
Managing Director & Chief Executive Officer



Mr. Mahesh Krishnamurti
Non-Executive Director



Mr. Atul Bheda
Non-Executive Director



Mr. R. Gandhi
Additional Director appointed by RBI



Mr. Ananth Narayan Gopalakrishnan
Additional Director appointed by RBI



Mr. Partha Pratim Sengupta
SBI Nominee Director*



Mr. Swaminathan Janakiraman
SBI Nominee Director



Mr. V.S. Radhakrishnan
SBI Nominee Director^

Note:

1. Except Mr. Radhakrishnan, all the above Directors on Board have been appointed w.e.f March 26, 2020

2. Detailed profiles of all Directors can be found on Page 148 of the Corporate Governance Report

3. The present composition of the Board is as per the Yes Bank Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India

** Resigned w.e.f. July 24, 2020*

^ Appointed w.e.f. July 31, 2020

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Governance

MANAGEMENT TEAM



Prashant Kumar
MD & CEO



Anurag Adlakha
Group Chief Financial Officer



Neeraj Dhawan
Chief Risk Officer (CRO)



Parag Gorakshakar [2]
Chief Credit Officer (CCO)



Anita Pai
Chief Operating Officer (COO)



Rajeev Uberoi
Head, Governance & Controls



Deodutta R. Kurane
Head, Human Capital Management



Ashish Agarwal [1]
Global Head, Wholesale Banking



Rajan Pental
Global Head, Branch and Retail Lending



Rajanish Prabhu
Business Head, Credit Cards & Payments



Amit Sureka
Head, Financial Markets



Vinod Bahety
Global Head, Corporate Finance Infrastructure Banking



Akash Suri
Head, Stress Asset Management



Shivanand Shettigar
Group Company Secretary

1. Mr. Ashish Agarwal, erstwhile CRO, is now the Global Head of Wholesale Banking (8 Corporate Segment heads to directly report to him)

2. Responsibilities of erstwhile CRO have been split between CCO and CRO

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CORPORATE INFORMATION

Committees of Directors

Audit Committee

Mr. Atul Bheda, Chairman
Mr. R. Gandhi, Member
Mr. Ananth Narayan Gopalakrishnan, Member
Mr. Partha Pratim Sengupta*, Member
Mr. Swaminathan Janakiraman#, Member

Corporate Social Responsibility Committee

Mr. Atul Bheda, Chairman
Mr. Mahesh Krishnamurti, Member
Mr. Swaminathan Janakiraman, Member

IT Strategy Committee

Mr. Mahesh Krishnamurti, Chairman
Mr. Sunil Mehta, Member
Mr. Partha Pratim Sengupta*, Member
Mr. Prashant Kumar, Member
Mr. Swaminathan Janakiraman†, Member

Nomination and Remuneration Committee

Mr. Mahesh Krishnamurti, Chairman
Mr. Sunil Mehta, Member
Mr. Atul Bheda, Member
Mr. Swaminathan Janakiraman, Member

Risk Management Committee

Mr. Sunil Mehta, Chairman
Mr. Atul Bheda, Member
Mr. Partha Pratim Sengupta*, Member
Mr. Swaminathan Janakiraman, Member
Mr. Prashant Kumar, Member
Mr. V. S. Radhakrishnan†, Member

Fraud, Willful Defaulters and Non-Cooperative Borrowers Monitoring Committee

Mr. Prashant Kumar, Chairman
Mr. Atul Bheda, Member
Mr. Partha Pratim Sengupta*, Member
Mr. Swaminathan Janakiraman, Member
Mr. V. S. Radhakrishnan†, Member

Stakeholders Relationship & Customer Service Committee

Mr. Mahesh Krishnamurti, Chairman
Mr. Atul Bheda, Member
Mr. Partha Pratim Sengupta*, Member
Mr. Swaminathan Janakiraman, Member
Mr. V. S. Radhakrishnan†, Member

Board Credit Committee

Mr. Sunil Mehta, Chairman
Mr. Mahesh Krishnamurti, Member
Mr. Swaminathan Janakiraman*, Member
Mr. Prashant Kumar, Member
Mr. V. S. Radhakrishnan†, Member

Capital Raising Committee

Mr. Sunil Mehta, Chairman
Mr. Mahesh Krishnamurti, Member
Mr. Atul Bheda, Member
Mr. Swaminathan Janakiraman, Member
Mr. Prashant Kumar, Member

** Resigned w.e.f. July 24, 2020*
† Appointed w.e.f. August 07, 2020
Appointed w.e.f. July 28, 2020

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EXECUTIVE OVERVIEW

Macro-Economic and Industry Overview

Global economic activity became subdued in the second half of 2019 amidst US-China trade tensions and Brexit-related uncertainty casting doubts over global supply chains. However, the early part of 2020 saw de-escalation of the US and China trade tensions and reduced possibility of a hard Brexit, thereby providing a breather to the global markets. The early signs of stabilisation in economic activity at the start of 2020 withered away with the outbreak of COVID-19 on a global scale.

The Indian economy, which has been undergoing a cyclical slowdown, recorded its slowest growth in 11 years at 4.2% in FY 2019-20, down from 6.1% in FY 2018-19, as per the National Statistical Office. The average CPI inflation settled at 4.8% vis-à-vis 3.4% in FY 2018-19. Looking at the inflation trajectory, the headline number for the last two quarters in FY 2019-20 stayed above the Reserve Bank of India's (RBI) medium-term target, primarily on the back of spike in food prices. Of late, the easing food prices, along with a sharp correction in global crude oil prices, have provided some solace.

Within the commodity market space, oil prices got caught between two significant crosswinds. On the one hand, lockdowns in several countries perpetuated a severe demand shock as economic activity came to a near standstill. On the other hand, uncertainty in supply response amid lack of unanimity among OPEC+ members for adequate recalibration of output further fanned volatility. Nevertheless, the recent signing of a historic deal between OPEC+ members with implicit support from the US is expected to provide some anchor to prices in the short term.

As COVID-19 started spreading to countries beyond China, quantitative easing by systemically important central banks in the US, the UK, Eurozone, Japan and Australia became the first line of defence, along with measures like long-term targeted repos and purchase of Commercial Papers (CPs) in some cases to address tightness in the short end of the credit curve. In addition, the US Federal Reserve reactivated its currency swap lines with several other central banks to ensure adequate provision of dollar liquidity in global financial markets.

Through a coordinated monetary and fiscal policy approach, all countries stepped in to prevent a health crisis, which also comes with a substantial economic fallout. Expectations of a severe global economic recession in 2020 have strengthened as the 'Great Global Lockdown' disrupts production, supply chain, trade, and tourism channels. The depth of the recession and the pace of recovery in 2021 would depend on the speed of containment and the efficacy of monetary and fiscal policy actions by various countries.

The COVID-19 impact

The International Monetary Fund (IMF) stated that the world economy will experience the worst fall in global output since the Great Depression of the 1930s, surpassing the downturn seen during the Global Financial Crisis. The year 2020 is likely to result in a contraction of world GDP by 4.9% vis-à-vis an expansion of 2.9% seen during 2019 and a contraction of 0.1% recorded during the Global Financial Crisis.

India also imposed a nationwide lockdown, allowing only 'essential' manufacturing and service related activities. These 'essential' activities have a share of ~43% in the GVA basket, which implies a near freezing of activity for the remaining 57%. After posting a decadal low of 4.2% in FY 2019-20, India's growth is certain to face the worst recession in FY 2020-21 since FY 1979-80. We expect India's FY 2020-21 GDP growth to contract by 4.5%, with downside risks, as global and domestic activity have turned out to be worse than expected earlier. To address the economic fallout, policymakers adopted a mix of fiscal and monetary relief measures. The Central Government including the Reserve Bank of India (RBI) announced a relief package of ₹21 trillion, which was supplemented with several state-level measures.

Monetary policy and interest rates

On the monetary policy front, the RBI slashed repo rate by a cumulative of 115 bps between February to June 2020 to provide support to growth and economic sentiment. In addition, the central bank upped the policy response by introducing Targeted Long-Term Repurchase Operations (TLTRO) and increased the quantum of Long-Term Repo Operations (LTROs). It trimmed its CRR rate the first time since the Global Financial Crisis and allowed banks a higher dispensation under the MSF window. It also provided few forbearance measures for consumers and businesses.

Money market liquidity switched into surplus territory in Q2 FY 2019-20 (₹1,326 billion), with the magnitude of surplus widening in Q4 FY 2019-20 (₹3,088 billion) on the back of unsterilised build-up of FX Reserves by the RBI, along with primary liquidity infusion through FX Swaps, OMOs, etc.

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On the bond market, the 10-year g-sec yield eased by 121 bps during the course of FY 2019-20. Domestic monetary easing through the year amid a lower global rates environment contributed towards the development. Additionally, expectation of further easing by the RBI in the wake of COVID-19 also seems to be supporting sentiment.

The Indian rupee depreciated by 9.2% in FY 2019-20, closing the year at 75.45 to the US dollar. Weakness in rupee stemmed from global risk appetite that manifested in portfolio outflows and benefitted the US dollar at the expense of Emerging Markets (EM) currencies.

Meanwhile, India's twin deficits exhibited divergent behaviour. Riding on the back of moderation in domestic demand and global commodity prices, current account deficit narrowed down to 0.9% of GDP in FY 2019-20 from 2.1% in FY2018-19. For FY 2020-21, the CAD is expected to be moderate further to 0.3% of GDP.

On the other hand, the Central Government fiscal deficit expanded to 4.6% of GDP in FY 2019-20 vis-à-vis the revised target of 3.8% primarily on account of lower than anticipated revenue collections. For FY 2020-21, while the government has budgeted for a fiscal deficit target of 3.5% of GDP, the economic shock from COVID-19 and the policy response thereof would once again result in a significant fiscal slippage. We expect FY21 fiscal deficit at 6.5% of GDP with upside risk still remaining. Nevertheless, recent reforms undertaken by the government (like the corporate tax rate cut, liberalisation in FDI-Defence, opening up of commercial mining, food supply chain reforms, etc.) are expected to play a crucial role in preserving India's status as a global investment destination and should start supporting economic activity from the second half of FY 2020-21.

Outlook

India's economic growth outlook for FY 2020-21 was looking up at the start of 2020 on the back of a bumper Rabi harvest, increase in food prices through FY 2019-20 prospectively supporting rural incomes, big reset in the corporate tax structure, pickup in monetary transmission, etc. However, the altered outlook amidst COVID-19 has a combination of a sharp negative global impulse coupled with stalling of domestic activity on account of the nationwide lockdown. In addition, volatility in financial markets and uncertainty with respect to income prospects, could further accentuate India's growth slowdown.

On the other hand, softening of global commodity prices and mitigating policy measures are likely to provide some relief to the economy. As per the RBI, CPI inflation is projected to average ~3.6% in FY 2020-21. With inflation expected to fall below target, the monetary policy reaction function would continue to accord primacy to growth and financial stability in the current environment, and front load all possible steps to safeguard the economy from downside risks. There is a growing expectation of further monetary easing from the RBI, along with large-scale Open Market Operations to accommodate the strong counter cyclical fiscal policy response required to provide a safety net for the economic fallout from COVID-19.

Branch Banking

During FY 2019-20, YES BANK's geographical footprint expanded to 1,135 branches and 21 Banking Correspondents (BC) banking outlets spread across 750 locations with 1,423 ATMs and Bunch Note Acceptor/Recycler (BNAs). The Bank continues to strengthen its presence across all state capitals, top 200 Deposit Centres, Delhi-Mumbai Industrial Corridor, Special Economic Zones, Economic Promotion Zones, food parks, agri-parks and ports, among others, with a well-balanced parallel focus on financially-efficient Inclusive banking. The Bank considerably focused on branch penetration in rural, agri and MSME geographies, by establishing dedicated leadership, with local know-how and products targeted at these specific segments. The Bank is also embracing the ever-evolving technological landscape and complementing its endeavours toward physical expansion with substantial investments in new-age technologies that will significantly enhance its reach and capabilities to optimally acquire and service customers.

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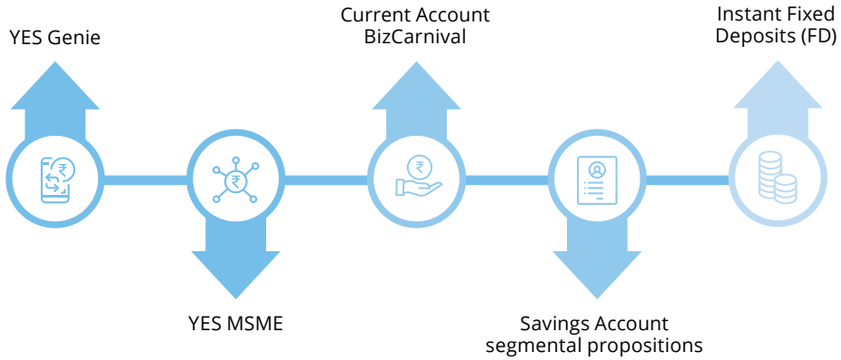
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Management Discussion and Analysis

As a part of its drive to improve customer experience and convenience, the Bank has introduced multiple initiatives toward Deposit Mobilisation and Customer Service:



Debit Card Variants and ATMs/Recyclers

YES BANK has a complete suite of Debit Card products catering to the varied needs of customers. The Bank had upgraded its portfolio of Debit Cards with the introduction of Near Field Communication (NFC) technology across card variants to enable contactless payments in FY 2016-17. Segmented across its flagship customer segments, YES Prosperity and YES FIRST have been carefully customised and designed around the specific needs of Debit Card customers. The cards offer unique benefits such as reward points on all spends, NFC-enabled contactless payments, complimentary lounge access at domestic airports on select Debit Card variants, MasterCard golf lesson on YES FIRST range of Debit Cards and YES InControl with card spend management features. The YES Prosperity Debit Card range comprises YES Prosperity Titanium, Titanium Plus, Platinum and RuPay Platinum Debit Cards, whereas the YES FIRST range includes the YES FIRST WORLD Debit Card. The Bank issues these cards to all new customers, and focuses on offering them to its existing Debit Card customers. The Bank launched a new Debit Card variant 'YES PREMIA WORLD Debit Card' for its new customer segment YES PREMIA, which is between YES Prosperity and YES FIRST segments. In FY 2020-21, the Bank has doubled its profitability in this segment vis-à-vis the previous FY and has also partnered with VISA to issue VISA branded cards for customers. In addition, the Debits Card spends have witnessed a growth of 16% y-o-y with a card activation ratio of 21.6% and improved e-commerce ratio of spends from 37% to 41.6%. YES BANK has 1,423 ATMs, Cash recyclers and Bunch Note Acceptors as of March 31, 2020 and has achieved 100% compliance on RBI security measures in July 2019.

Digital Banking

YES BANK has continued investing significantly in new-age mediums and digital technologies to achieve heightened customer engagement and experience. The Bank realises that 'digital' is steadily growing as a preferred medium for customers to avail banking services.

[Read more on YES BANK's digital interventions on Page 21]

Currency Chest

The Bank is expanding its network of Currency Chests and Small Coin Depots and now has two Currency Chests operational in Delhi and Mumbai, with a few more on the anvil. During the past year, the Bank ensured optimal supply of fresh/issuable currency across all touchpoints.

YES FIRST

The YES FIRST Program is a flagship offering for the High Net-worth Individuals (HNI) segment of the Bank's customer base, encompassing premium products across liabilities and assets along with a comprehensive suite of wealth management solutions. The relationship-led proposition is coupled with Debit and Credit Card offerings that provide a host of features catering specifically to the needs of this segment.

YES PREMIA

The Bank has identified the affluent segment as a key growth driver. As part of a focused strategy, the Bank launched YES PREMIA as a dedicated offering for the affluent segment towards the end of 2019. This offering uniquely addresses the needs of both individual and non-individual customers. Customers are serviced by a dedicated Relationship Manager for all their financial needs with customised solutions across a range of liability, asset, transaction and wealth products. Customers enjoy a bouquet of thoughtfully selected features on their YES PREMIA Debit and Credit Card.

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This year, the Bank expanded its customer footprint in this offering through upgrade of existing eligible customers and acquisition of new-to-bank affluent customers.

Global Indian Banking

YES BANK offers superior banking products and services for Indians settled across the globe and strives to continually enhance these offerings. FY 2019-20 witnessed a host of developments across the Bank's Global Indian Banking (GIB) proposition. The Bank accelerated its digital interface with the introduction of booking of Term Deposits and nominee management modules on YES Robot, in just a few clicks. The Bank has augmented its inward remittance solution YES Remit for NRIs based out of UAE, and has introduced competitive forex rates. Overdraft facility against Premium Rupee Plan (PRP) was launched to help NRI customers meet their urgent financial requirements. The Bank also introduced the facility of processing financial transactions basis email instructions. The Bank further strengthened its Portfolio Investment Scheme (PIS) offering by introducing capital gain deduction on FY basis. The Bank also organised the NRI Festival FY 2019-20 to enhance visibility of YES BANK's NRI Services by engaging with various NRI associations, clubs and societies across the country and overseas. Its representative office in Abu Dhabi, UAE, completed five years of operation, and has contributed to making UAE its largest market for GIB business.

Rural Banking Group

The Rural Banking Group aims to provide financial inclusion and Agri-Credit facility/ Working Capital finance to the Priority sector in semi-urban and rural geography through 409 branches and 21 Business Correspondent Banking Outlets.

YES BANK caters to each segment of the rural value chain – individuals (farmers, professionals and self-employed), traders (dealers/distributors, arthiyas), MSMEs and rural institutions using digitally enabled, customised proposition across product segments of – Liabilities, Assets, Insurance and Investment. The Bank meets the credit related requirements of its agriculture customers through Kisan Credit Cards, dairy and farm mechanisation financing products as well as Micro-enterprise financing solutions for rural entrepreneurs.

The Bank provided banking services to 4 lakh customers and credit facilities to 13,400 farmers/Micro-entrepreneurs across 1,125 YES villages in 120 districts as on March 31, 2020.

Inclusive & Social Banking and Microfinance Banking

In line with its commitment towards sustainable 'inclusive growth' in the rural and semi-urban segment, YES BANK has always focused on frugal innovations and key partnerships to create viable business models, while providing 'access to finance' to the bottom-of-the-pyramid (BOP) customers. It has a two-pronged strategy involving divisions – Inclusive and Social Banking (ISB) and Microfinance Banking (MFB) for implementation of various financial inclusion initiatives, albeit in a profitable manner. Further, to provide comprehensive services, the Bank has aligned the ISB & MFB businesses with its rural branches and has also deepened the distribution channel through Business Correspondent (BC) branches and BC managed Banking Outlets (BCBOs).



ISB Customer

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Product, Programmes & Portfolio and Outreach

The Bank promotes microfinance as an important asset class within its core business. On the wholesale side, the Bank, through its MFB division, extends term loans to Microfinance Institutions (MFIs) for on-lending, cash management services and rated capital market loan products like pool securitisation and Pass Through Certificates (PTCs). On the retail side, the Bank's ISB division, through its flagship group-lending programme, 'YES Livelihood Enhancement Action Programme' (YES LEAP), provides financial services to women self-help groups (SHGs) and joint liability groups (JLGs) through Corporates/MFIs as BCs. As 100% of these groups are women centric, YES LEAP has been able to contribute significantly towards strengthening women entrepreneurship and empowerment in remote areas of India. As on March 31, 2020, the Bank has an active women customer base of 10.5 lakh. Since inception of the programme, a cumulative disbursement of over ₹10,664 crore has been achieved, reaching out to over 29 lakh families till date. Besides, the Bank offers bigger ticket Micro Individual Business Loans to the graduated microfinance clients to augment their existing business. Further, the Bank has also extended a customised loan cover life insurance product to women customers and their families, thereby insuring over 10.7 lakh lives as on March 31, 2020.

Customer Engagement and Benefit Programmes

To provide holistic development services, the Bank undertakes continuous interventions for engaging with customers. It has introduced a highly innovative, yet 'easy-to-use' grievance resolution mechanism through Missed Call. The missed call is reciprocated with a vernacular call-back within 24 hours, thereby enabling customers to register their complaints comfortably. To promote Financial Literacy, the Bank has designed customised modules in collaboration with Accion International, and over 3.1 lakh customers have been provided basic financial literacy training through these modules till date. The Bank has also designed short story-based push call messages on financial education topics with AwaazDe, which are sent in vernacular languages. Besides, over 2,481 Financial Literacy Camps have also been conducted this year by the rural branches of the Bank.

The Bank has extended a customised loan cover life insurance product to women customers and their families, thereby insuring over 10.7 lakh lives as on March 31, 2020.


ISB Customers


Group Meeting - JLG program

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Credit Cards

YES BANK Credit Cards have created a successful franchise through their customer-first approach, strong product suite, evolved distribution strategy and superior customer service, which are complemented by robust risk management systems.

With a total of ~9 lakh customers (80% growth over FY 2018-19) and cumulative card spends of ₹6,500 crore in FY 2019-20, the business is scaling up, supported by significant investments in platform, people and technology. The current product suite consists of 13 products across Consumer, SME and Commercial Cards with Yes Private Card being the flagship product offering industry leading benefits. The Bank launched YES CART, a compare and buy platform, where customers can compare prices of various products such as electronics, apparel, appliances and air tickets across leading e-commerce platforms and get bonus reward points and cashback offers.

Apart from a strong distribution strategy, the business focuses on incremental customer engagement backed by strong alliances and partnerships, resulting in higher card spends, activation rates and growing wallet size.

Retail Banking Assets

In line with the objective of continually strengthening the retail offerings, and with customer satisfaction as the main objective, the Bank has expanded the product offering by aligning Working Capital under Micro Enterprises Banking Group (for customers with turnover of up to ₹15 crore) within the overall Retail Banking Assets Group. The Bank's customers can select a wide range of Retail Loan products like Affordable Home Loans (YES KHUSHI), Home Loans, Car Loans, Super Bike Loans, Commercial Vehicle Loans, Construction Equipment Loans, Loans against Securities, Gold Loans, Personal Loans, Secured Business Loans, Health Care Finance and Printing Equipment Finance, along with Working Capital under one roof. The Bank has entered into Preferred Financer agreement with leading automobile manufacturers across cars, commercial vehicles and construction equipment, thereby giving access to the wholesale and retail business of the manufacturing dealers across the country. The Bank currently offers retail products across 68 locations in 490 branches.

Small Enterprises Banking

The Small Enterprises Banking (SEB) Group serves enterprises with a turnover in the range of ₹15 crore to ₹100 crore. With dedicated 445+ Relationship Managers, product specialists, and industry experts, the Bank focuses on providing continuous support and solutions across 210 locations.

The 'Knowledge Banking' expertise with an 'Inclusive Banking' approach towards serving the needs of small enterprises acts as key differentiators for YES BANK. The Bank is consistently working towards making the banking experience more convenient by harnessing the power of data and technology to create easy access to finance for the MSMEs and reducing overall Turn-Around Time (TAT).

Smart Edge: The Bank recently launched an industry-first surrogate lending programme, 'Smart Edge', wherein an MSME can avail secured working capital limits from ₹1 crore to ₹3 crore based on GST returns and bank account transactions.

YES MSME Mobile App / Web portal: With the shift towards digital transactions, YES BANK has curated a digital platform, especially for MSMEs and self-employed customers to enable them to undertake their business banking transactions digitally and instantly.

On the trade side, the focus has been on customer engagement for increasing penetration on 'Smart Trade' application. Smart Trade is a secure platform for the initiation of online trade transactions, through which customers can place the trade transaction request, which will automatically flow to the Bank for processing, without visiting the branch.

In line with our strategy to institutionalise the 'Knowledge Banking' approach, the Bank has partnered and inked MoUs with various trade and industry associations including the Government of India enterprises to conduct banking knowledge events, conducted MSME cluster development programmes in RBI defined clusters and loan carnivals to provide easy and inclusive financial assistance, ensuring that the customers have access to best-in-class schemes and benefits.

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This differentiated positioning, along with customised solutions, dedicated relationship team, knowledge-banking experts and an extensive network delivers unmatched one-stop service to small enterprises, addressing their end-to-end requirements.

Agribusiness Product Management

The Bank has institutionalised a specialised vertical viz., Agribusiness Product Management (APM), which houses industry and banking professionals with the relevant domain knowledge and skill sets. The team closely interacts with F&A clients to create structured lending propositions for agri value chain participants – farmers, MSMEs as well as corporates, and facilitates building of banking opportunities in the agri value chain through structured financial products that are regulatory compliant, while mitigating credit risk. The team is also responsible for ensuring that the Bank meets the regulatory Priority Sector Lending (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 portfolio against pledge of agri commodities while 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 regular audits. Another focus area of the Bank has been the emerging segment of Farmer Producer Companies (FPC), wherein the Bank is partnering with select FPCs with sustainable business models, in an effort to create a sizeable and profitable portfolio.

CORPORATE BANKING

YES BANK's Corporate Banking (CB) Group provided comprehensive financial and risk management solutions to large corporate clients. The Bank's professional relationship experts forged value-based, long-term relationships with the top management and promoters of almost all large corporate houses in India.

The Bank's CB Group offered comprehensive client-focused services comprising Working Capital Finance, Term Loans, Specialised Corporate Finance Products, Transaction Banking Products – Trade Finance & Cash Management Services, Debt Capital Markets, Treasury Services, Investment Banking Solutions and Liquidity Management Solutions, among others. With the theme of Ecosystem Banking, YES BANK focuses on the ecosystem of the customer by catering to vendors and customers of corporates, thus ensuring seamless service to the customers.

YES BANK concentrated on credit quality and all offerings were made following an analysis of the client's risk profile as well as monitoring of credit, market and operational risks.

The Bank offered industry-specific products by understanding customer businesses, market conditions and industry developments. This distinctive approach translated into mutually beneficial relationships with clients in knowledge-driven sectors such as life sciences & healthcare, information technology, food & agribusiness, manufacturing, infrastructure, media & entertainment, and hospitality & education, among others.

The Bank remains committed to continuous improvement in service, risk management and product portfolio through original research, benchmarking and client orientation.

CORPORATE FINANCE – INFRASTRUCTURE BANKING (CFIB)

The CFIB Group enjoys a strong engagement through a dedicated relationship team that cater to large corporates across the Infrastructure and Core Industry segments. The Group has underwritten many marquee deals in corporate lending, projects and infrastructure financing. The Group has been instrumental in financing across the value chain of key infrastructure sectors and has also successfully distributed these exposure to other lenders. The Group has also been at the forefront in providing financial and risk management solutions.

The Group includes product teams with sectoral knowledge across key sectors like renewable power, ports, airports, roads, manufacturing thereby helping facilitate underwriting of exposures across other corporate segments for the Bank. The products team also engages with other key stakeholders to deepen their understanding of the sector and help devise a sector-wise strategy. The sector expertise also helps in providing comprehensive industry specific products which facilitate quick turnaround time (TAT) and successful closure.

In addition to regular Working Capital, Transaction Banking and Corporate Funding requirements, CFIB also provides Specialised Corporate Finance Products and comprehensive Projects Financing solutions as well as liability driven opportunities and customising funding solutions to the B2B2C segments.

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MULTINATIONAL CORPORATE BANKING

YES BANK's Multinational Corporate Banking (MCB) Group provides comprehensive client-focused services comprising Liquidity Management Solutions, Treasury Risk Management Solutions, Transaction Banking Products – Trade Finance & Cash Management Services, Supply Chain Finance, Working Capital Finance, Term Loans, Specialised Corporate Finance Solutions, Debt Capital Markets and Investment Banking solutions to multinational corporate clients, International Private Equity and Venture Capital Funds.

The Bank has positioned itself as the preferred host country banking partner to international business houses by extending its expertise, strong technology platform for banking transactions, and deep understanding of the country's regulatory framework to guide new-to-India establishments on banking matters, and help them focus on their core business.

The Bank has built a self-financed sustainable asset book for this segment through a focus on liability mobilisation and comprehensive credit analysis of the borrower company's domestic and international businesses. Looking beyond transactional banking with an unrelenting focus on Knowledge Banking, the Bank acts as a strategic partner for several marquee multinational corporates.

EMERGING LOCAL CORPORATES (ELC)

The Emerging Local Corporates focus on corporates with turnover between ₹100 crore and ₹1,000 crore. With presence at over 35 locations, ELC aptly lives up to the 'Local' role by remaining closer to its customers, developing a thorough understanding of their banking needs and delivering customised solutions across the spectrum of banking services. The foundation pillars of ELC are granular book, robust risk management, localised relationship management, strong digital penetration, cash & trade solutions and sustainable growth.

ELC uses its Knowledge Banking approach to cater to the requirements of focus sectors, including auto components, food & agri-processing, media & entertainment, pharmaceuticals & specialty chemicals, and offers customised suite of financial products including Cash Management Solutions, Trade, and Treasury by leveraging cutting-edge technology.

ELC is deeply entrenched in new-age entrepreneurship ecosystem emerging across India, by providing bespoke digital solutions, incubation and networking platforms to e-commerce and IT & ITeS startups. The Bank has a dedicated team providing innovative banking solutions for the unique requirements of the e-commerce industry. Over 150 top e-commerce firms in India have placed their trust with YES BANK. Working in unison with Digital Banking and Transaction Banking teams of the Bank, this team has been instrumental in delivering 'Industry First' solutions like API Banking to various e-commerce firms.

The ELC segment continues to present a significant growth opportunity for the Bank.

GOVERNMENT BANKING

At YES BANK, the Government Banking (GB) team addresses the financial and banking needs of the Central and State Government undertakings, and their affiliates.

Over the years, the Bank has provided financial and advisory services to ministries under the Union Government, State Governments, Central and State Public Sector Undertakings (PSUs), Boards and other affiliates. The Bank remains committed to delivering innovative, structured and comprehensive solutions, accomplishing several landmark transactions with Maharatnas, Navratnas, Mini-Ratnas, and other apex institutions. The team has developed relationships with 2,300+ entities across India. GB remains committed to the core values of client origination, innovation and superior service.

In continuation of YES BANK's strong commitment toward sustainable growth, the Bank partnered with the Central Government and State Government(s) for their flagship events during FY 2019-20. YES BANK was the 'Knowledge Partner' for the 'Vibrant Goa Global Expo & Summit 2019' organised by the Vibrant Goa Foundation and the Government of Goa and prepared the flagship investor handbook 'Invest in Goa: Land of Happiness, Sea of Opportunities'. The handbook also included sectoral background papers on tourism, pharma & healthcare, start-up & e-mobility, and agro & food processing sectors in the state. YES BANK signed MoU with the Meghalaya State Olympic Association to extend advisory, knowledge and banking services to promote sports and tourism in Meghalaya, with a focus on the upcoming National Games 2022. The Bank also aligns with State Governments and their entities to support them in

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their sustainable mobility initiatives. YES BANK has worked on developing the Electric Vehicle Policy for the states of Punjab, Rajasthan, Telangana and Goa, and also in supporting a few others in accelerating adoption and deployment of EV charging infrastructure.

YES BANK made concerted efforts towards innovating the collection and payment mechanisms of the State Development & Procurement Agencies through customised digital solutions, besides supporting educational, religious and sporting institutions across India through unique Transaction Banking offerings aimed at streamlining the working capital management of these important institutions. YES BANK continues to partner with State Government(s) for disbursement under various schemes through the Public Financial Management System (PFMS) Mode of payment to ensure seamless last mile beneficiary disbursement tracking.

INDIAN FINANCIAL INSTITUTIONS BANKING

The Bank's Indian Financial Institutions Banking (IFIB) group engages with domestic financial institutions. The team primarily offers correspondent banking solutions to domestic banks and banking solutions to various financial institutions, non-banking finance companies, housing finance companies, asset finance companies, insurance companies, insurance intermediaries, mutual funds, small finance banks, payment banks, domestic private equity funds, cooperative banks, regional rural banks, capital market participants (stock exchanges, stock brokers, commodity brokers, exchanges, and foreign portfolio investors), primary dealers, depositories and regulated payment operators (Authorised Dealer II (AD II) License holders, Full-Fledged Money Changers, PPI Operators, Payment Aggregators, MTOs & Principal Agents).

The Bank actively engages with institutions like National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), Export-Import Bank of India (EXIM Bank) and National Housing Bank (NHB) to avail refinance. It also connects with overseas branches of domestic banks to avail foreign currency borrowings and trade credit.

The Bank has successfully deployed its Application Programming Interface (API) Banking, a technology which has emerged as a key service to integrate and streamline the transaction processing cycle to offer real-time instant banking facility to Non-Banking Financial Companies (NBFCs), mutual funds, stock brokers, cooperative banks and other financial institutions.

INTERNATIONAL BANKING

YES – International Banking enjoys a partner network of international banks, financial institutions, exchange houses, and official bodies. Over the years, it has executed marquee transactions across products and geographies through its global banking partner network, including large-ticket offshore borrowings for the Bank by tapping unique structures and new geographies.

YES – International Banking provides a complete suite of products and solutions such as Trade Finance, Treasury Services, Investment Banking Solutions, Remittance Solutions, Financial Advisory and Global Indian Banking for its partner institutions and internal stakeholders. It has consistently delivered unique and first-to-market offerings, leveraging its global alliances. The Bank is among the preferred partners by international institutions to meet their clients' banking requirements in India. YES – International Banking, in coordination with Multinational Corporate Banking, helped position the Bank as the preferred 'host-country bank' by capitalising its rich relationship capital.

YES – International Banking focuses on emerging markets as a preferred host-country banker and payments bank to global counterparts. As a result, more institutions utilised the Bank's network for their India-linked businesses. YES – International Banking has well-established relationships and a growing wallet share with exchange houses across key geographies that are host to the Indian diaspora. It includes the US, the UK, Europe, Asia-Pacific (APAC) and GCC, and through these it originates a significant portion of NRI remittances into India.

INTERNATIONAL FOOTPRINT

YES BANK was the first bank in India to commence operations at the International Financial Services Centre (IFSC) in GIFT City, Gujarat, in October 2015. The customer advances and investments of the Bank's IFSC Banking Unit (IBU) stood at ~US$ 1.90 billion as on March 31, 2020. GIFT-IFSC Banking Unit (IBU) provides comprehensive solutions to the Bank's clients to meet their foreign currency banking requirements in the domains of Cross Border Trade offerings, External Commercial Borrowings and Foreign Currency Loans/Syndications and Arrangement/Underwriting of Masala Bonds issuance by Indian corporates, among others.

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Transaction Banking

Transaction Banking Group (TBG) at YES BANK specializes in providing trade finance and cash management services to both Corporates and Financial Institutions. TBG's comprehensive product suite, YES TRANSACT caters to unique working capital and liquidity management requirements of businesses across sectors including:

- Cash Management Services for Collections and Payments
- Customized & Innovative Digital Solutioning, including our market-leading API Banking backed solutions
- Digital solutions for Central and State Financial Institutions
- Fiduciary Services – Escrow, Nodal and RERA
- Capital Market related products
- Solutions for Trusts, Associations, Societies and Clubs
- Trade Finance – Letters of Credit, Bank Guarantees, Export & Import Credit and Remittances
- Structured Trade Finance and Supply Chain Financing
- Foreign Exchange Services – Currency Import
- Bullion sales and Gold Metal loan

TBG leverages product and technology expertise to offer innovative digital solutions by designing, developing and co-creating products with Corporate clients, Fintech/ Technology partners, Global Banks and Exchange Houses. TBG effectively drives digitization of financial supply chain of businesses across sectors using its flagship API banking and Fintech partnerships. Since its introduction in September 2015, YES BANK's API banking includes over 350+ API related services and has resulted in 1500+ client implementations.

Financial Markets

The Financial Markets segment offers a full range of products and services to corporate, government, retail and institutional clients. Whether providing comprehensive advisory services, macroeconomic research or debt capital markets services, its focus is always on client relationships and their growth. Over 100 professionals serve client needs through branches in various parts of the country.

- **Foreign Exchange (FX) sales:** The Bank offers customised solutions for foreign exchange risk management to more than 35,000 clients pan India. Clients include large and midsize corporates, PSUs, MNCs, banks, private equities etc. The Bank has also developed a retail franchise for FX business which caters to SME, HNI, NRI and others. The FX Sales business provides spot and derivative products for efficient hedging of Foreign Currency and Interest Rate exposures of the Bank's Institutional, Corporate, SME and Retail customers. Products include Forex Advisory for trade flows/FDIs/Capital Flows/ECBs/ADR and hedging solutions for currency and interest rate exposure. There is a dedicated Treasury Sales Manager for each account offering personal attention to provide key services like timely market insights and sector expertise. In a bid for digital push the Bank also offers electronic execution in various forms.
- **Primary dealership:** The Bank is a Primary Dealer (PD) for Government of India Securities and as part of this mandate, it underwrites and bids for Government Securities in the auction held by the Reserve Bank of India. The PD desk actively trades, distributes and makes market for dated Government Securities, T-bills, State Government Bonds, Overnight Interest Swaps, Mumbai Interbank Forward Offer Rate (MIFOR) and Interest Rate Futures, thus providing a complete suite of sovereign debt and rates offering for mutual funds, insurance companies, FPIs/ FIIs, cooperative banks, provident funds and retail customers. The PD desk has been at the forefront to adopt new market instruments and has been active in Interest Rate Futures (IRF) as well as Government Securities' STRIPS. In its third year of operation, the Asset Benchmark Research ranked the desk as the fourth best Primary Dealership Franchise for primary auction of Government Securities.
- **Debt capital markets services:** The Debt Capital Markets business originates and distributes onshore Non-Convertible Debentures (NCDs), offshore Masala and foreign currency bonds, commercial papers and other structured finance products. The Bank's origination clientele includes large and mid-market corporates, PSUs, Central and State Government entities and NBFCs. On the distribution front, the DCM desk has developed strong relationships across various investor segments including mutual funds, insurance companies, provident and pension funds, FPIs/

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FIIs, banks, private wealth managers and NBFCs. In the recent past, the DCM business has successfully executed structures ranging from vanilla transactions to highly structured debt solutions, including renewable asset pooling structure, securitisation of infrastructure assets, lease rental discounting and InvIT bonds. Besides garnering a spot in the prestigious league table rankings, YES BANK DCM also won various awards and accolades in FY 2019-20.

LOAN SYNDICATIONS

The Loans Syndication (LS) team has created brand equity across stakeholders including banks, NBFCs, foreign lenders, and other financial institutions. Over the years, the team has demonstrated credit appraisal and structuring skills as well as sectoral knowledge, basis which the Bank has underwritten exposures in various sectors including India's first Toll Operate Transfer (TOT) project (awarded by NHAI and won by Macquarie Group), Adani Electricity Mumbai Limited (Electricity Distribution) and Mahindra Renewables Private Limited (Renewable sector) with aggregate exposure in these transactions of more than ₹12,000 crore. With its outreach, the team has consistently distributed such strong corporate/project finance loan exposure to banks, NBFCs and financial institutions, improving capital churning and effective yields on the Bank's advances.

During the challenging period faced by the Bank, the team has, in the true sense, worked in a coordinated manner as a business syndication team, bringing out the synergies between various stakeholders (both internal and external).

The LS team has been able to place underwritten deals/Inter Bank Participation Certificates aggregating to ~₹26,000 crore in FY 2019-20 with broad spectrum of Banks, NFBCs and FIs. This is the highest-ever sell down since inception of the team (~₹14,000 crore), improving not only Return on Equity (ROE) on these deals, but also supporting the Bank's liquidity and capital requirements. The portfolio comprises players across the manufacturing, renewable energy, roads, airports, power transmission, ports and real estate sectors.

The team's consistent performance has placed the Bank among the top three syndication houses for CY 2019 (domestic currency segment) in the league table ranking for India by both Bloomberg and Thomson.

ASSET RECONSTRUCTION AND MANAGEMENT GROUP

YES BANK's Asset Reconstruction and Management Group (ARM) leads management of distressed and non-performing assets. The Group provides effective solutions for resolving stressed assets by leveraging its rehabilitation, regulatory and recovery understanding.

The ARM Group employs multi-pronged resolution strategies, which includes operational and financial restructuring, identifying strategic investors for takeover of stressed assets, resolution through the insolvency and bankruptcy framework, negotiating with borrowers for one-time settlement, recovering through the enforcement of security interest under the Securitisation Act and selling NPAs to Asset Reconstruction Companies (ARCs)/other investors to optimise recovery outcomes.

PROCESS OVERVIEW

Human Capital Management

YES BANK pursues a strong employee value proposition of 'Creating and Sharing Value' driven by the ethos of Professional Entrepreneurship. A talent philosophy of the Owner-Partner-Manager and superior employee experience, it is designed to encourage and reinforce a strong culture promoting meritocracy, performance and prudent risk taking.

[Read more on YES BANK's employee engagement and people practices on Page 70]

Risk Management

The long-term financial security and success of a Bank are built on its risk management framework. Risk Management at YES BANK is based on three lines of defence: Business

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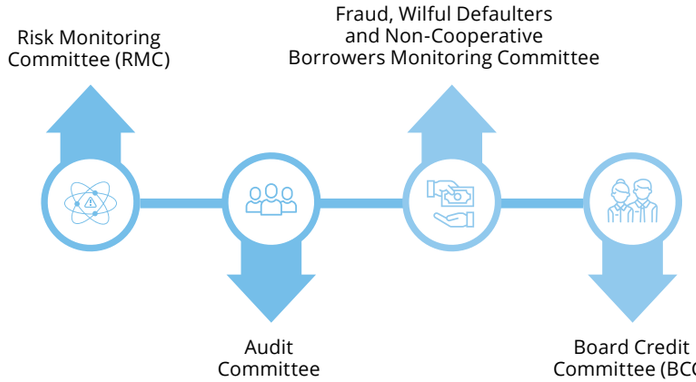
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units, Independent Credit & Control Functions, and Audit. The Board of Directors of the Bank has the overall responsibility for Risk Management. The Risk Management Architecture of the Bank is overseen by four Board-level Committees, which strive to put in place specific policies, frameworks and systems for effectively managing the Bank's various risks:



[Read more on YES BANK's risk management on Page 36]

Internal Audit

The Bank's Internal Audit Department which is ISO 9001:2015 certified (Quality Management System) provides independent, objective assurance and consulting services designed to add value and improve the Bank's risk and control environment. The IAD aids the Bank's Management through its assessments to monitor adequacy, effectiveness, and adherence to internal controls, processes and procedures instituted by the Management and extant regulations.

IAD reports to the Audit Committee of the Board (ACB) for audit planning, reporting and review. IAD has unlimited and unrestricted access to all relevant data, systems, personnel and information in order to achieve its objectives.

The IAD is staffed with qualified team members with relevant certifications. Through an effective training programme, the IAD ensures that all the team members are upskilled at frequent intervals.

The function has adopted a risk-based approach of Internal Audit structured after considering RBI guidelines and internationally established best practices. A Risk Based Audit Plan (RBAP) is prepared annually and is duly approved by the ACB. Under the RBAP, audit of various businesses, operations, information security/systems and support units, is carried out. The ACB monitors the progress of the RBAP, at least quarterly. The IAD prepares a report for each audit and recommends mitigation plans for the risks identified and ensures compliance with all the recommendations.

Additionally, the Bank also subjects its operations to Concurrent Audit by reputed audit firms to complement its Internal Audit function. The Concurrent Audit covers core activities such as the Operations (including credit), Financial Markets, Data Centre and Branches in compliance with the regulatory guidelines. All audit reports are circulated to the relevant management teams and the Audit Committee of the Board.

Compliance

Ensuring compliance with regulatory requirements and building trust among all its stakeholders is an overarching consideration at YES BANK. The dedicated Compliance Department strives to be at the forefront of regulatory changes and continues to work closely with all businesses and operations at the Bank, in order to be compliant with all existing and new requirements. The key functions of this department include identifying effective procedures and corresponding controls to support the Bank's business divisions as well as dissemination of key regulatory updates affecting the various businesses of the Bank. The department also reviews new products and processes from a regulatory compliance perspective, provides guidance on compliance-related matters, conducts compliance reviews and imparts training to employees on compliance aspects, among others. The Bank has also put in place a 'Know Your Customer' and 'Anti-Money Laundering Policy' approved by the Board of Directors, and transaction monitoring procedures, as per the regulatory guidelines.

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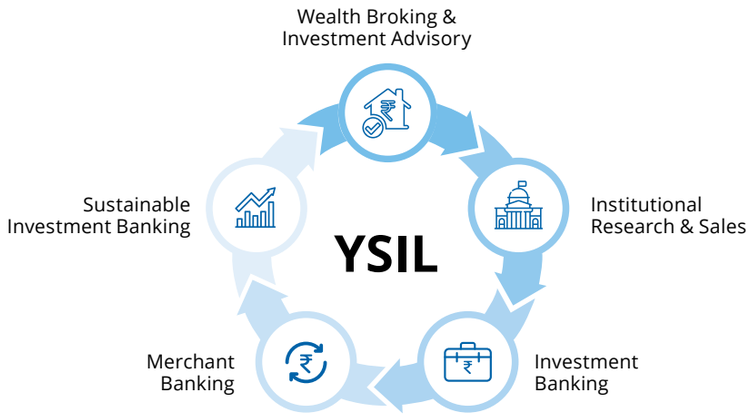
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YES BANK SUBSIDIARIES

YES Securities (India) Limited (YSIL)

YES Securities (India) Limited (YSIL) is the Bank's wholly owned capital markets intermediary. YSIL, today, offers retail, HNI and corporate customers a comprehensive range of products and services, encompassing Wealth Broking, Investment Advisory, Investment Banking (including a dedicated Sustainable Investment Banking practice), Merchant Banking, Research and Institutional Equities services. YSIL is a SEBI* registered stock broker holding membership of the National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange (NCDEX). YSIL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst.



*Securities and Exchange Board of India

Business

Wealth Broking & Investment Advisory

During FY 2019-20, YSIL's Wealth Broking & Investment Advisory business continued to enhance its bouquet of products and services to meet investment requirements of varied customer segments. It offers a best-in-class 3-in-1 proposition in major cities across India. YSIL also launched an advanced and easy-to-use self-investing platform across Web, Mobile & EXE to further complement the assisted dealing desk.

Key highlights of FY 2019-20

- 96% y-o-y growth in Broking and Delayed Payment Charges (DPC) income
- 146% y-o-y growth in Portfolio Investment Advisory (PIA) Assets under Advisory (AuA)
- Launched multiple products under wealth broking and portfolio investment advisory
- Expanded its reach to premium bank client categories like MIB/SEB and Retail Assets
- Launched Learning Academy – a knowledge-based proposition
- Launched and set up a dedicated Commodity Desk
- Now operating from 9 branch locations across India, including a dedicated HNI Dealing Desk based out of the Corporate Office in Mumbai

During FY 2019-20, YSIL strode towards achieving the long-term vision of establishing itself as a research and advisory backed, client-centric, multi-asset wealth solutions provider. YSIL has further strengthened its product team with expertise across asset classes – Equity, Derivatives, Debt, Advisory/Fund Management, Commodities, Currency, as well as a dedicated team focusing on developing digital products. During the year, YSIL also set up a business alliances channel in order to scale business via the Authorised Partners channel. The Company significantly strengthened its research credentials and expanded its research coverage universe across fundamental, thematic and technical insights. Some key developments in YSIL:

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1. **Broking**
   - Launched Stock Basket that enables customers to invest in five well-researched basket of stocks. The portfolio is reviewed on a quarterly basis.
   - Launched Learning Academy, that provides screening of client's portfolio basis their Consolidated Account Statement (CAS)

2. **Portfolio Investment Advisory: In FY 2019-20, YSIL launched the following advisory propositions:**
   - **Multi Adviser Multi Strategy (High Risk)**
     The strategy is to provide multiple portfolio options on a single platform to ensure a diversified portfolio offering. The Advisers empanelled for the same include Sundaram & Ambit. Investors get access to portfolios of both these independent market advisers on a single demat. Investors can opt for either or both these adviser(s), as per their preference. Also, investors can shift allocation to adviser(s), at the end of year.
   - **Alpha Plus (High Risk)**
     The investment strategy uses both long and short positions in markets by employing diverse or complex derivative trading strategies for seeking alpha and risk-adjusted return in comparison with benchmark indices.
   - **Selectus – (Select Midcap – Series 1) (High Risk)**
     The strategy is to provide long-term returns on the offered portfolios, which are based on the theme of the India Growth Story. Multiple strategies offered to investors, which focus on varied market caps and combination of market caps. Select Midcap – Series 1 was the latest strategy launched under the flagship product Selectus, with a focus on building a mid-cap portfolio for long-term wealth generation and diversification.
   - **YES ESSENTIALS (Moderate to High Risk)**
     Strategy is to provide an optimal portfolio of mutual funds/exchange traded funds (MF)/Exchange Traded Funds (ETF), shortlisted through qualitative and quantitative methods of screening, keeping in mind the risk profile and goals of the investor. Also, YES Essentials is a platform on which an investor can execute his Mutual Fund Transactions (Lumpsum or SIP).

Investor Education Initiative(s)

YES MasterClass: Multi-city events were organised to deliver investor education and investment-related insights to existing and potential YSIL customers. The initiative was supported by NSDL and YES BANK. Experts addressed the audience with the sole purpose of empowering them to make more informed investment decisions. During FY 2019-20, YES MasterClass travelled to four cities and addressed over 200 financial enthusiasts and investors.

Additionally, YSIL also partnered with its parent, YES BANK across multiple branch and large format-based investor education initiatives like:

- **Tax and Investment Sessions** across branches, advising clients on various asset classes and diversified approach of investing
- **We Appreciate** – an edutainment-based, innovative series for corporate clients of YES BANK
- **Investment Insights Series –** a panel-based investor education event for the key premium customers of YES BANK

Investment Banking

The Investment Banking team provides Mergers and Acquisition (M&A) and Capital Advisory services to large and mid-market corporate and financial sponsor clients through key products such as Mergers & Acquisition Advisory and private equity/ structured debt fund raising.

YSIL's teams offer expertise across a variety of sectors including Food and Agribusiness; Media and Entertainment; Renewable Energy, Consumer Markets; Infrastructure and Engineering, Procurement and Construction (EPC), Banking, Financial Services and Insurance (BFSI), Environmental Services, Internet & E-commerce, Industrials and Logistics to corporate clients.

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Some of the notable transactions that YSIL's Investment Banking team closed/signed during the year under review include:

- Exclusive adviser to Emami Power Ltd. for sale of 43 MW operating solar portfolio to Brookfield Renewables
- Exclusive strategic and financial adviser to Navayuga Group for divesting two annuity road projects to Edelweiss's Infrastructure Yield Plus Fund
- Exclusive strategic and financial adviser to Dr. Willmar Schwabe India for acquisition of Sanat Products Ltd.
- Exclusive adviser to Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India, in divesting its 100% stake in NPCC Limited to WAPCOS Limited.
- Exclusive adviser to Rabo Private Equity for divesting stake in Daawat Foods Limited
- Strategic and financial adviser to Essel Infraprojects Limited for sale of four transmission project SPVs to Edelweiss's Infrastructure Yield Plus Fund

Merchant Banking

YSIL's Merchant Banking practice has a strong focus on capital market activities, offering a comprehensive bouquet of products including Initial Public Offerings (IPO), Qualified Institutional Placements (QIP), Rights Issues, Open Offer, Buyback, Delisting and other advisory services. During FY 2019-20, the team successfully engaged with leading Indian companies as a fund-raising partner and trusted adviser for their capital market requirements. The team completed nine marquee transactions in FY 2019-20:

- Book Running Lead Manager to the ₹6.38 billion IPO of the Indian Railways Catering and Tourism Corporation (IRCTC) – one of the highest subscribed IPOs of 2019
- Book Running Lead Manager to the ₹13.45 billion IPO of Polycab India Ltd – YSIL was the **Post-Issue Banker** handling critical, time-bound activities in one of the most highly over-subscribed IPOs; achieved record listing in 5 days, despite receipt of over 12 lakh applications – highest among recent IPOs
- Book Running Lead Manager to the ₹12 billion IPO for Spandana Spoorthy Financial Ltd.
- Book Running Lead Manager to the ₹28.80 billion IPO for Sterling & Wilson Solar
- Book Running Lead Manager to the ₹19.30 billion QIP of YES BANK Ltd.
- Sole Manager to the ₹1.55 billion Open Offer of Olectra Greentech
- Sole Manager to the ₹720 million Buyback of Vaibhav Global
- Sole Advisor to the ₹4.26 billion Employee Stock Purchase Scheme for Union Bank of India
- Adviser to TATA Motors for Scheme of Arrangement involving sale of non-core defence division

Institutional Sales and Trading

FY 2019-20 was a significant year as institutional brokerage increased by 275% over FY 2018-19. The team successfully secured empanelment as broker with some prominent Asset Management and Insurance companies. Backed by improved client service, execution excellence and superior research, the team succeeded in reactivating transaction activity from valued institutional clients. YSIL has proactively engaged and ideated with clients on capital market insights, corporate road shows and regular research inputs.

As on March 31, 2020, YSIL is empanelled with 36 institutions, of which, five were added in FY 2019-20.

Equity Research

YSIL's research team was significantly strengthened in FY 2019-20. The award-winning team of research analysts has rich industry experience in serving diverse client segments and bring knowledge expertise across diverse industry sectors and asset classes.

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The research coverage universe as of March 31, 2020 stands at 94 companies, accounting for more than 34% of India's listed market capitalisation. The team is well-recognised for its ability to spot high conviction midcap ideas, contra-to-market ideas and its deep corporate relationships. Besides fundamental capabilities, YSIL's analysts also have proven expertise in technical and derivative analysis.

During FY 2019-20, equity research team conducted 25 events/roadshows and 32 conference calls. This ensured that YSIL constantly remained engaged with existing clients and tapped potential ones to increase the business.

YES Asset Management (India) Limited

YES Asset Management (India) Limited (YAMIL), a wholly owned subsidiary of YES BANK was incorporated on April 21, 2017 and was granted approval by the Securities and Exchange Board of India (SEBI) on July 3, 2018, to act as an Asset Management Company/Investment Manager to YES Mutual Fund.

YAMIL, driven by the motto of 'Experience our Expertise', seeks to build a strong mutual fund franchise to provide a complete suite of financial products for all its investors. The Board and the team at YES Asset Management comprise professionals with rich experience in financial services and mutual funds.

YAMIL seeks to combine its investors' and stakeholders' interests and come out with optimal solutions for its investors. To this end, YAMIL launched its first mutual fund scheme, YES Liquid Fund in January 2019 and further followed it with the launch of YES Ultra Short Term Fund and YES Overnight Fund in FY 2020. YAMIL, an integral part of the Sponsor Bank, through its products, aims to provide Treasury Management Solutions to the vast clientele of the sponsor bank. The yearly average AUM of YAMIL as on March 31,2020 was ₹748.15 crore.

YAMIL is presently focusing on tailoring liquidity management solutions for corporates, HNIs and retail investors. Going forward, in FY 2020-21, it proposes to launch funds in equity and debt categories to offer a wide-ranging product suite to its investors in the retail and institutional categories. This would also allow YAMIL to leverage YES BANK'S branch Infrastructure of over 1,000 branch and Relationship Managers (RMs) as well as a significant base of retail and HNI customers.

YES Trustee Limited

YES Trustee Limited (YTL) was incorporated on May 3, 2017 as a wholly owned subsidiary of YES BANK Limited (YBL). YTL is acting as a Trustee Company to YES Mutual Fund (YMF). It will provide trusteeship services to all the funds launched by YMF.

OVERVIEW OF FINANCIAL PERFORMANCE

Key Ratios

Particulars	FY 2019-20	FY 2018-19
Return on average equity (%)	-113.1%	6.5%
Return on average assets (%)	-7.1%	0.5%
EPS - Basic (FV ₹2)	(77.57)	7.4
EPS - Diluted (FV ₹2)	(77.57)	7.4
Book value per share (FV ₹2)	17.3	116.2
Cost to income	65.7%	43.5%
Cost of funds	6.7%	6.5%
Capital Adequacy Ratio Basel III	8.5%	16.5%
Tier - I	6.5%	11.3%
Tier - II*	2.0%	5.2%
Gross non performing advances (NPA) % to total advances	16.8%	3.2%
Net NPA % to total advances	5.0%	1.9%
CASA ratio to % of total deposits	26.6%	33.1%

* Tier I ratio of the Bank was below the regulatory minimum requirements and hence as per RBI guidelines, the Tier II ratio of 6.37% is restricted to 2%.

The above mentioned ratios are calculated after excluding one-time an extra-ordinary income due to AT1 write-down amounting to ₹84,150 million

The Bank has CASA ratio of 26.6%. The Bank shareholder returns with basic and diluted EPS ₹(77.57) and ₹(77.57) respectively, taking the book value up to ₹17.3.

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Operating Performance

₹ in millions

Particulars	FY 2019-20	FY 2018-19	% change
Interest income	260,666.04	296,247.47	-12.0%
Interest expense	192,613.73	198,157.16	-2.8%
Net Interest income	**68,052.31**	**98,090.31**	**-30.6%**
Non interest income	34,414.94	45,901.53	-25.0%
Operating revenue	**102,467.25**	**143,991.84**	**-28.8%**
Operating expenses	67,292.11	62,642.77	7.4%
Operating profit	**35,175.14**	**81,349.07**	**-56.8%**
Provisions and contingencies	327,584.34	57,775.60	467.0%
Profit before tax	**(292,409.20)**	**23,573.47**	**-1340.4%**
Provision for tax	(65,259.44)	6,370.68	-1124.4%
Net profit/(loss) from ordinary activities after tax	**(227,149.76)**	**17,202.79**	**-1420.4%**
Extraordinary income (net of tax)- AT 1 write down	62,969.45	-	
NET PROFIT	**(164,180.31)**	**17,202.79**	**-1054.4%**

Net loss for FY 2019-20 is ₹(164,180.31) million as compared to gain of ₹17,202.79 million for the FY 2018-19. Net Interest income (NII) of the Bank decreased by 30.6% to ₹68,052.31 million during FY 2019-20 as compared to ₹98,090.31 million during FY 2018-19. The Net Interest Margin (NIM) was 2.2% in FY 2019-20. Non interest income consists of fee, trade income and gain on sale of securities. Non interest income decreased by 25.0% from ₹45,901.53 million in FY 2018-19 to ₹34,414.94 million in FY 2019-20.

The RBI invoked Section 45 of the Banking Regulation Act, 1949 and reconstituted the Bank on March 13, 2020. As a consequence of the reconstitution, the Bank was deemed to be un-viable and the triggers for a write-down of certain Basel III additional tier 1 Bonds ("AT 1 Bonds") issued by the Bank has been activated. As a consequence, such AT 1 Bonds amounting to ₹84,150.00 million have been written down during the financial year ended March 31, 2020.

Operating expenses increased by 7.4% from ₹62,642.77 million in FY 2018-19 to ₹67,292.11 million in FY 2019-20. Key drivers of operating expense growth were growing branch network of the Bank and scaling up of retail asset and credit card business of the Bank.

Provisions and contingencies(excluding provision for taxes) increased by 467.0% from ₹57,775.60 million in FY 2018-19 to ₹327,584.34 million in FY 2019-20.

The Bank considers slippages in Corporate NPAs post the period end till the date of financial results, while determining NPAs and related provisioning requirements. Subsequently, RBI issued guidelines on COVID-19 Regulatory Package, under which, the Bank granted a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain standstill during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms) and as the asset classification as of March 31, 2020 has been retained based on the overdue status on February 29, 2020. Hence on account of above mentioned RBI circular dated April 17, 2020, Bank has not considered slippages post March 31, 2020 till the date of result. Further, the Bank decided, on a prudent basis, to enhance its Provision Coverage Ratio on its NPA loans over and above the RBI loan level provisioning requirements. As a result, the Bank recognised additional provisions of ₹154,220 million for the year.

In line with RBI requirements, the Bank holds necessary provisions as on March 31, 2020 against the assets where the asset classification benefit has been extended on account of standstill requirements.

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Net interest income

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

₹ in millions

Particulars	FY 2019-20	FY 2018-19	% change
Interest income	2,60,666.04	2,96,247.47	-12.0%
Interest expense	1,92,613.73	1,98,157.16	-2.8%
Net interest income	**68,052.31**	**98,090.31**	**-30.6%**
Net interest margin	2.2%	3.2%	

Net Interest income (NII) of the Bank decreased by 30.6% to ₹68,052.31 million during FY 2019-20 as compared to ₹98,090.31 million during FY 2018-19. The decrease in NII is due to higher slippages of advances to NPA and is due to muted lending and efforts by the Bank to conserve capital.

Non-Interest income

₹ in millions

Particulars	FY 2019-20	FY 2018-19	% change
Commission, exchange and brokerage	15,261.94	36,361.45	-58.0%
Profit on the sale of investments (net)	11,134.58	3,174.84	250.7%
Profit/(Loss) on the revaluation of investments (net)	-	-	NA
Profit/(Loss) on sale of land, building and other assets	3.28	3.95	-16.8%
Profit on exchange transactions (net)	3,731.96	1,570.30	-137.7%
Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-	NA
Miscellaneous income*	4,283.19	4,790.99	-10.6%
Total	**34,414.94**	**45,901.53**	**-25.0%**

* Excluding AT1 write-down amounting to ₹84,150 million.

Non-interest income consists of commission and fee income, trade income, derivative and foreign exchange income, gain on sale of securities and other income. Non-interest income of the Bank decreased by 25% to ₹34,414.94 million during FY 2019-20 as compared to ₹45,901.53 million during FY 2018-19.

Operating expenses/ Non-interest expenses

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

₹ in millions

Particulars	FY 2019-20	FY 2018-19	% change
Payments to and provisions for employees	25,998.72	24,697.65	5.3%
Depreciation on own property (including non-banking assets)	3,356.32	3,015.42	11.3%
Other administrative expenses	37,937.08	34,929.70	8.6%
Operating expenses	67,292.11	62,642.77	7.4%
Cost to income ratio	65.7%	43.5%	-

Non-interest expenses primarily include employee expenses, depreciation on assets and other administrative expenses. Non-interest expenses increased by 7.4% from ₹62,642.77 million in FY 2018-19 to ₹67,292.11 million in FY 2019-20.

The Bank continued to make investments in information technology and branch expansion. Operating expenses increased by 7.4% from ₹62,642.77 million in FY 2018-19 to ₹67,292.11 million in FY 2019-20.

Employee costs increased by 5.3% from ₹24,697.65 million in FY 2018-19 to ₹25,998.72 million in FY 2019-20. Also, the number of employee has increased from 21,136 at March 31, 2019 to 22,973 at March 31, 2020. Employee costs accounted for 38.6% of the operating expenses for the FY 2019-20 compared to 39.4% for the FY 2018-19. Other administrative expenses also increased by 8.7% to ₹34,929.70 million in FY 2019-20 on account of the branch expansion to 1,120 as on March 31, 2020 from 1,100 as on March 31, 2019. The Bank also scaled up investments in information technology, retail asset and credit card business which contributed to increase in operating expenses.

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Provisions and contingencies (including provision for tax)

Provisions and contingencies increased by 342.0% from ₹64,146.28 million to ₹2,83,505.45 million. The key components of provisions are Provisions for NPAs of ₹2,78,060.36 million (FY 2018-19: ₹25,669.54 million), provision for taxation of ₹(44,078.89) million (FY 2018-19 ₹6,370.68 million), and release in provision for Standard Assets ₹(19,410.78) million (FY 2018-19: ₹22,514.06 million) and Provision on investments of ₹64,819.07 million (FY 2018-19: ₹6,824.89 million). The increase in provision is primarily due to higher NPA provision. From FY 2020, the Bank has considered slippages in NPAs post the period end till the date of the financial results, while determining NPAs and related provisioning requirements and enhanced its Provision Coverage Ratio on its NPA loans over and above the RBI loan level provisioning requirements.

Financial Condition

Assets

₹ in millions

Particulars	As at March 31, 2020	As at March 31, 2019	% change
Assets			
Cash and bank balances	83,830.01	2,68,895.12	-68.8%
Cash and balances with RBI	59,436.55	1,07,977.37	-45.0%
Balances with banks and money at call and short notice	24,393.46	1,60,917.75	-84.8%
Investments	**4,39,148.26**	**8,95,220.33**	**-50.9%**
SLR investments*	3,29,069.16	5,53,611.12	-40.6%
Non SLR investments	1,10,079.10	3,41,609.21	-67.8%
Advances	**17,14,432.94**	**24,14,996.02**	**-29.0%**
In India	15,73,551.81	22,26,297.76	-29.3%
Outside India	1,40,881.13	1,88,698.27	-25.3%
Fixed assets	**10,090.88**	**8,169.96**	**23.5%**
Other assets	3,30,767.13	2,20,980.23	49.7%
Total	**25,78,269.23**	**38,08,261.65**	**-32.3%**

*Includes investment in Government Securities, Banks in India are required to maintain a specified percentage, 18.25% as at March 31, 2020, of their net demand and time liabilities by way of liquid assets like cash, gold or approved unencumbered securities.

Total assets of the Bank decreased by 32.3% from ₹38,08,261.65 million at March 31, 2019 to ₹25,78,269.23 million at March 31, 2020, primarily due to decrease in loan book and investment book of the Bank. Reduction in advances book is due to higher slippages of advances to NPA and is due to muted lending and efforts by the Bank to conserve capital.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and balances with the RBI and other banks, including money at call and short notice. Cash and cash equivalents decreased from ₹2,68,895.12 million at March 31, 2019 to ₹83,830.01 million at March 31, 2020 primarily due to a decrease in balances with banks and money at call and short notice.

Investments

Total investments decreased by 50.9% from ₹8,95,220.33 million at March 31, 2019 to ₹4,39,148.26 million at March 31, 2020. primarily due to a decrease in investments in Government Securities by ₹2,24,541.96 million from ₹5,53,611.12 at March 31, 2019 to ₹3,29,069.16 at March 31, 2020.

During the year ended March 31, 2020, the Bank 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. The 5% threshold referred to above does not include onetime transfer of securities to/from HTM category with the approval of the Board of Directors permitted to be undertaken by banks as per extant RBI guidelines, sale of securities under pre-announced Open Market Operation (OMO) auction to the RBI and sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM. The book value of HTM investment sold during the year ended March 31, 2020 was ₹241,592.9 million. The market value of investments (excluding investments in subsidiaries) under HTM category was ₹316,942.2 million and was higher than the book value thereof as at March 31, 2020.

Advances

During FY 2019-20, the Bank recorded a reduction of 29.0% in its loan book with advances decreasing to ₹17,14,432.94 million, primarily due to decrease in term loan of the Bank by 31.2%. The reduction in advances book is due to higher slippages of advances to NPA and the increase in Provision Coverage Ratio, coupled with muted lending, as the Bank opted to contract its Balance Sheet in order to conserve capital.

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Corporate Banking accounted for 65.6% of the Advances portfolio, while Retail & Business Banking (incl. MSME) constituted 34.4%.

Net advances of IFSC Banking Unit (IBU) in GIFT City decreased from ₹1,88,698.27 million at March 31, 2019 to ₹1,40,881.13 million at March 31, 2020.

Fixed assets and other assets

Fixed assets (net block) increased by 23.5% from ₹8,169.96 million at March 31, 2019 to ₹10,090.88 million at March 31, 2020. The addition in fixed assets is primarily due to branch expansion to 1,135 as on March 31, 2020 from 1,120 as on March 31, 2019 and continued investment in information technology. Other assets increased by 49.7% from ₹2,20,980.23 million at March 31, 2019 to ₹3,30,767.13 million at March 31, 2020.

Financial Condition

Liabilities

₹ in millions

Particulars	As at March 31, 2020	As at March 31, 2019	% change
Liabilities			
Capital	25,100.94	4,630.07	442.1%
Reserves and surplus	1,92,161.99	2,64,411.90	-27.3%
Deposits	**10,53,639.43**	**22,76,101.82**	**-53.7%**
Current deposit accounts	94,993.11	2,85,420.87	-66.7%
Saving account	1,85,635.25	4,67,112.35	-60.3%
CASA	**2,80,628.36**	**7,52,533.22**	**-62.7%**
Term deposit	7,73,011.08	15,23,568.60	-49.3%
Borrowings	**11,37,905.03**	**10,84,241.09**	**4.9%**
Borrowing in India	10,01,280.59	6,73,595.98	48.6%
Borrowings outside India	1,36,624.43	4,10,645.11	-66.7%
Other liabilities and provisions	**1,69,461.83**	**1,78,876.79**	**-5.3%**
Total	**25,78,269.23**	**38,08,261.65**	**-32.3%**

Equity Capital and Reserve and surplus

Share capital of the Bank increased from ₹4,630.07 million as at March 31, 2019 to ₹25,100.94 million as at March 31, 2020.

In August 2019, the Bank issued 231,055,018 equity shares of ₹2 each for cash pursuant to a Qualified Institutional Placement (QIP) at ₹83.55 aggregating to ₹19,304.64 million.

On March 13, 2020, the Government of India notified the "Yes Bank Ltd. Reconstruction Scheme, 2020" (Scheme). As per the Scheme, authorised capital has been increased from ₹1,100 crore to ₹6,200 crore. The State Bank of India (SBI) and other investors invested in the Bank at a price of ₹10 per equity share of the Bank (₹2 face value with ₹8 premium). As per the scheme, SBI is required to hold maximum 49% with a minimum holding of 26% in the Bank for a period of 3 years. As per final reconstruction scheme of the Bank, the Bank has issued 10,000,000,000 equity shares at ₹10 each aggregating to ₹100,000.00 million to SBI and other Banks/Financial Institutions.

Deposits

Deposits decreased by 53.7% from ₹22,76,101.82 million at March 31, 2019 to ₹10,53,639.43 million at March 31, 2020. Term deposits decreased by 49.3% from ₹15,23,568.60 million at March 31, 2019 to ₹7,73,011.08 million at March 31, 2020, savings account deposits decreased by 60.3% from ₹4,67,112.35 million at March 31, 2019 to ₹1,85,635.25 million at March 31, 2020 and current account deposits decreased by 66.7% from ₹2,85,420.87 million at March 31, 2019 to ₹94,993.11 million at March 31, 2020. The Bank has seen a significant decrease in the composition of granular deposits on account of withdrawal of deposits. The current and savings account (CASA) deposits decreased from ₹7,52,533.22 million at March 31, 2019 to ₹2,80,628.36 million at March 31, 2020. Total deposits at March 31, 2020 constituted 48.1% of the funding (i.e., deposits and borrowings). The Bank's CD ratio stood at 163% as at March 31, 2020.

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Borrowings

Borrowings increased by 4.9% from ₹10,84,241.09 million at March 31, 2019 to ₹ 11,37,905.03 million at March 31, 2020.

Other liabilities

Other liabilities decreased by -5.3% from ₹1,78,876.79 million at March 31, 2019 to ₹ 1,69,461.83 million at March 31, 2020.

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 millions

Capital Adequacy Ratios	As at March 31, 2020	As at March 31, 2019
Total capital ratio (CAR) out of the above	8.5%	16.5%
- CET1	6.3%	8.4%
- Tier I Capital	6.5%	11.3%
- Tier II Capital	2.0%	5.2%

As per Basel III norms, YES BANK had a capital adequacy ratio of 8.5% as at the end of March 31, 2020. As per Basel-III, Tier-I capital ratio was 6.5% and the Tier-II capital ratio was 2.0% as at March 31, 2020. Tier I ratio of the Bank was below the regulatory minimum requirements and hence as per RBI guidelines, the Tier II ratio of 6.37% is restricted to 2%. During the year, the Bank has raised capital via QIP of ₹19,305 million, by way of Reconstruction scheme ₹1,00,000 million.

Subsidiary Performance

YES BANK has three subsidiaries

YES Securities (India) Limited (YSIL), YES Asset Management (India) Limited (YAMIL) and YES Trustee Limited (YTL). All the three subsidiaries are wholly owned subsidiaries of the Bank. YSIL is the Bank's Broking and Investment Banking subsidiary. YTL's principal activity is to act as trustee for funds (Yes Mutual Fund). YAMIL has entered into investment management agreement with YTL to act as the investment manager for any funds to be launched by Yes Mutual fund. During the year, the Bank has infused capital of ₹150 million in YAMIL.

During FY 2019-20 YSIL reported a net loss of ₹362.59 million vis-à-vis a profit in FY 2018-19 of ₹51.99 million. Total revenue from operations of YSIL increased by 12.6% from ₹898.80 million during FY 2018-19 to ₹1,012.48 million in FY 2019-20. YAMIL has made a loss of ₹185.39 million with total income of ₹18.90 million and YTL has made loss of ₹0.82 million with total income from operations of ₹0.71 million in FY 2019-20. Based on the RBI circular, the Bank has provided ₹403.30 million for impairment of investment in subsidiaries.

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Update on Ind AS implementation:

The Institute of Chartered Accountants of India has issued Ind AS (a revised set of accounting standards) which largely converges the Indian accounting standards with International Financial Reporting Standards (IFRS). The Ministry of Corporate Affairs (MCA) has notified these accounting standards (Ind AS) for adoption. The RBI through press release RBI/2018-2019/146 DBR.BP.BC.No.29/21.07.001/2019-20 March 22, 2019 updated all 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, YES BANK has taken the following steps so far:

- YES BANK is submitting quarterly Proforma Ind AS financial statements to the RBI
- Formed Steering Committee for Ind AS implementation. The Steering Committee comprises Chief Financial Officer (CFO) (Chairman), Chief Risk Officer (CRO), Chief Operating Officer (COO), Chief Information Officer (CIO) and members of the Senior Management from Financial Management, Risk Control and Treasury Operations. The Committee oversees the progress of Ind AS implementation in the Bank, and provides guidance on critical aspects of the implementation such as Ind AS technical requirements, systems and processes, business impact, people and project management. The Committee closely reviews progress of the implementation.
- Steering committee updates the Audit Committee and the Board on preparedness for migration to Ind AS on a quarterly basis.
- Further, YES BANK has procured IT solutions to automate Expected Credit Losses (ECL) computation and other accounting changes required in Ind AS in order to improve the robustness of the process.

YES BANK will continue to liaise with the RBI and industry bodies on various aspects pertaining to Ind AS implementation.

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Directors' Report

To The Members,

The Directors are pleased to present the Sixteenth Annual Report on the business and operations of the Bank together with the audited financial statements (consolidated as well as standalone) for the year ended March 31, 2020.

BUSINESS OVERVIEW

Towards the end of the year, YES BANK underwent a significant transition with the supersession of the erstwhile Board, pursuant to Section 36ACA of the Banking Regulation Act, 1949 (the BR Act) and constitution of the new Board under the YES Bank Limited Reconstruction Scheme, 2020 ("YBL Reconstruction Scheme"). Mr. Sunil Mehta was inducted on the Board as the Non-Executive Chairman and Mr. Prashant Kumar as the new Managing Director and Chief Executive Officer (MD & CEO).

The year began on a positive note with Mr. Ravneet Gill taking charge as MD & CEO with effect from March 1, 2019. The erstwhile Board of Directors introduced a more balanced mix in the credit authority delegated to the Management and Board Credit Committees alongside exercising greater prudence towards income recognition. Several measures to strengthen governance, risk management, control and compliance frameworks, including top management inductions were adopted.

The Bank successfully raised ₹1,930 crore via a Qualified Institutions Placement (QIP) issue in August, 2019, up for 10% dilution, as approved by shareholders.

In many ways, this can be described as a year of headwinds, wherein the Bank reported a net loss of ₹16,418.02 crore with Gross NPAs at 16.80%, impacted by higher recognition of NPAs from concentrated exposures to stressed corporate groups.

Since October, 2019, the Bank witnessed a deposit outflow, owing to a delay in raising capital, impacting the liabilities franchise. This got further accelerated after the Reserve Bank of India (RBI) imposed moratorium was lifted, with deposits of ₹1,05,363.94 crore at year end. However, the Bank continued its efforts towards building a stronger retail franchise. Contribution of retail advances compared to total advances, increased to 25% in FY 2019-20 compared to 17% in FY 2018-19. Digitisation remains among the Bank's key focus areas to grow the Retail and MSME segments and the Transaction Banking business. The Bank has significant presence within the new-age payments space with the highest market share of 31% in UPI P2M transactions in FY 2019-20.

YES BANK LIMITED RECONSTRUCTION SCHEME, 2020

The Reserve Bank of India (RBI) vide its press release, 2019-2020/2022 dated March 5, 2020 applied to the Central Government under Section 45(1) of the BR Act for imposing a Moratorium on the Bank and accordingly the Central Government had placed the Bank under Moratorium as per the notification numbered, S.O. 993(E) dated March 5, 2020 issued by the Ministry of Finance, (Department of Financial Services), (BANKING DIVISION) under Section 45(2) of the BR Act.

Simultaneously, through another press release numbered 2019-2020/2025 dated March 5, 2020 and in exercise of the powers conferred under Section 36ACA of the BR Act, the RBI, in consultation with Central Government, superseded the Bank's Board and in interim Shri Prashant Kumar, ex-DMD and CFO of the State Bank of India was appointed as the Administrator under Section 36ACA (2) of the BR Act. He was vested with powers, functions and duties of the Board and assumed office on March 6, 2020.

RBI, on March 6, 2020, in exercise of the powers conferred on it by Section 45(4) of the BR Act, prepared a draft scheme for reconstruction. In terms of Section 45(6)(b) of the BR Act, the draft scheme was placed on RBI website for suggestions and objections, if any, from members, depositors or creditors of the Bank by March 9, 2020.

Subsequently, the Ministry of Finance, Government of India, notified the YES Bank Limited Reconstruction Scheme, 2020 (YBL Reconstruction Scheme) vide a notification numbered G.S.R. 174(E) dated March 13, 2020 which came into force on March 13, 2020.

As a part of this scheme, the Bank received an equity infusion of ₹10,000 crore from eight Indian financial institutions namely, State Bank of India, Housing Development Finance Corporation Limited, ICICI Bank Limited, Kotak Mahindra Bank Limited, Axis Bank Limited, IDFC First Bank Limited, Federal Bank Limited and Bandhan Bank Limited. After infusion of capital under the Scheme, State Bank of India ('SBI') was holding 48,21% in the share capital of the Bank and holding of SBI will not reduce below 26% before completion of three years from the date of allotment.

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Further, in accordance with the terms of the Scheme, there shall be a lock-in period of three years from the commencement of the Scheme to the extent of seventy-five per cent in respect of–

(a) Shares held by existing shareholders on the date of commencement of the scheme i.e. March 13, 2020

(b) Shares allotted to the investors (as defined) under the scheme

Provided that the said lock-in period does not apply to shareholders holding less than one hundred shares

STATE OF THE AFFAIRS OF THE BANK

The Bank is actively pursuing robust recalibration to create increased value for customers. The year 2019-20 was the most significant in the Bank's lifecycle. The Bank is working to build a stronger Bank with the novel insights and expertise that the new leadership brings to the table.

Operationally, the Bank is happy to share that (1) the Provision Coverage Ratio (PCR) of the Bank increased to 73.8% from 43.1% in FY 2018-19, the highest among peer banks (2) higher PCR enhances the ability to offload these assets from the balance sheet to further release the capital (3) operating profits and sell downs will enable organic capital acceleration.

Some key strategic objectives that the Bank will focus on are:

Near term

1. Strengthen governance and underwriting framework
2. Rebuild liabilities and liquidity buffers
3. Optimise operating costs
4. Resolving stressed asset concerns

Medium term

1. Stable liability mix and lower cost of funds: CASA Ratio>40%
2. Granular advances: Retail/MSME>60%
3. Corporate flows and cross sell through Transaction Banking
4. ROA>1% (1-3 years) and ROA>1.5% (3-5 years)

BUSINESS OUTLOOK

For the new financial year, shareholders may expect the following:

- Credit opportunity in India with secular tailwinds
- Market consolidating with banks that have stronger parentage
- Technology as a key enabler in enhancing customer experience
- Structural shift in household savings from physical to financial assets
- Private sector banks gaining market share
- COVID-19 impact with expected revival in the second half.

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FINANCIAL PERFORMANCE (STANDALONE)

(₹ in million)

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019	Change
Deposits	1,053,639.43	2,276,101.82	-1,222,462.38
Borrowings	1,137,905.03	1,084,241.09	53,663.94
Advances	1,714,432.94	2,414,996.02	-700,563.08
Total Assets/Liabilities	2,578,269.23	3,808,261.65	-1,229,992.43
Net Interest Income	68,052.31	98,090.31	-30,038.00
Non Interest Income	34,414.94	45,901.53	-11,486.59
Operating profit	35,175.14	81,349.07	-46,173.93
Provisions and Contingencies	327,584.34	57,775.60	269,808.74
Profit before Tax	**(292,409.20)**	**23,573.47**	**-315,982.67**
Provision for taxes	(65,259.44)	6,370.68	-71,630.13
Net Profit/(Loss) from Ordinary Activities after tax	**(227,149.76)**	**17,202.79**	**-244,352.54**
Extraordinary income (net of tax)- AT 1 write down	62,969.45	-	62,969.45
NET PROFIT	**(164,180.31)**	**17,202.79**	**-181,383.10**
Add: Surplus/(Deficit) brought forward from last period	107,595.60	103,753.02	3,842.58
Amount available for appropriation	(56,584.71)	120,955.80	-177,540.52
Appropriations			
Statutory Reserve under section 17 of the Banking Regulation Act, 1949	-	4,300.70	-4,300.70
Capital Reserve	6,655.51	1,010.10	5,645.41
Investment Reserve	147.23	6.71	140.52
Investment Fluctuation Reserve	-	539.07	-539.07
Dividend and Dividend Tax paid	5,586.43	7,503.64	-1,917.21
Surplus carried to Balance Sheet	(68,973.88)	107,595.60	-176,569.48
Key Performance Indicators (excluding AT 1 write down)			
Net Interest Margin	2.2%	3.2%	
Return on Annual Average Assets	-7.11%	0.50%	
Return on Equity	-113.13%	6.53%	
Cost to Income Ratio	65.67%	43.50%	

The Bank posted Net Loss of ₹164,180.31 million as a compared to gain of ₹17,202.79 million for the FY 2018-19. Net Interest income (NII) of the Bank decreased by 30.6% to ₹68,052.31 million during FY 2019-20 as compared to ₹98,090.31 million during FY 2018-19. The Net Interest Margin (NIM) was 2.2% in FY 2019-20. Please refer to the section on Financial and Operating Performance in the Management Discussion and Analysis for a detailed analysis of financial data.

DIVIDEND

The Bank has made loss during the year and as a consequence to that the Bank has not declared any dividend. Further, the Reserve Bank of India, vide its circular dated April 17, 2020, has informed all banks not to make any further dividend payouts from profit pertaining to financial year ended March 31, 2020, until further instructions with the view to conserve capital in the environment of heightened uncertainly caused by COVID-19.

As required under Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the dividend policy of your Bank is available on the Bank's website at the link: https://www.yesbank.in/about-us/corporate-governance.

TRANSFER TO RESERVES

As per requirement of RBI regulations, the Bank has transferred the following amount to various reserves during Financial Year ended March 31, 2020:

Amount transferred to	₹ in million
Statutory Reserve (the Bank incurred a loss of ₹164,180.31 million)	-
Capital Reserve	6,655.51
Investment Reserve	147.23

TRANSFER OF EQUITY SHARES UNPAID/ UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the applicable provisions of the Companies Act, 2013 read with Rules made thereunder, the Bank has transferred to the credit of the Investor Education and Protection Fund ('IEPF') set up by the Government of India, 17,538 number of equity shares and dividend amount of ₹14,31,976 which had remained unclaimed/ unpaid for a period of seven (7) consecutive years.

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CAPITAL RAISING & CAPITAL ADEQUACY RATIO (CAR)

During the financial year ended March 31, 2020, the Bank has successfully completed capital raising of ₹19,304.65 million by way of Qualified Institutions Placement (QIP) by issuing 2,31,055,018 equity shares of ₹2 each at an issue price of ₹83.55 per equity share including premium of ₹81.55 per equity share.

During the year under review, the Bank has also issued 43,84,174 equity shares of ₹2 each, pursuant to the exercise of stock options aggregating to ₹8.77 million.

Further in terms of the YBL Reconstruction Scheme and Order of Administrator dated March 14, 2020, the Bank issued and allotted 10,000 million Equity Shares of ₹2 each at a premium of ₹8 per share aggregating to ₹100,000 million to Banks/financial institutions as mentioned hereinbefore under the YBL Reconstruction Scheme.

Post allotment of aforesaid equity shares, the issued, subscribed and paid up share capital of the Bank stands at ₹25,100.94 million comprising of 12,550,472,231 equity shares of ₹2 each fully paid as on March 31, 2020.

The Bank has not issued any equity shares with differential voting rights during the year.

In terms of the YBL Reconstruction Scheme and the Order of Administrator of YBL, the Perpetual Subordinated Basel III Compliant Additional Tier I Bonds issued by the Bank for an amount of ₹3,000 crores and ₹5,415 crores on December 23, 2016 and October 18, 2017, respectively, were fully written down and extinguished w.e.f. March 14, 2020. The bondholders and Axis Trustee Services Ltd., have filed a Writ Petition against the said action before the Hon'ble Bombay High Court and Madras High Court. The matter is currently sub judice.

Capital Adequacy Ratio of your Bank stood at 8.5% as at March 31, 2020; of which Tier I Capital Ratio was 6.5% and Tier II Capital Ratio was 2.0%. As Tier I ratio of the Bank was below the regulatory minimum requirements and hence as per RBI guidelines, Tier II ratio of 6.37% is restricted to 2%.

CHANGE IN THE AUTHORIZED SHARE CAPITAL OF THE BANK

During the year under review, the Authorised Share Capital of the Bank was increased (i) from ₹800 crore to ₹1100 crore by addition of 150 crore equity shares of ₹2 each as per the resolution passed by the shareholders at the extra ordinary general meeting held on February 07, 2020 and (ii) from ₹1100 crore to ₹6200 crore by addition of 2,550 crore equity shares of ₹2 each pursuant to the YBL Reconstruction Scheme w.e.f. March 13, 2020.

AMENDMENT TO CHARTER DOCUMENTS

During the year under review, the Memorandum of Association was altered for increase in Authorized Share Capital as above and the Articles of Association was amended under the YBL Reconstruction Scheme by deletion of Article Nos. 110 (b), Article 127 (b), Article 127A (a) and Article 127A (b) which were confirming special rights to the promoters of the Bank.

RECLASSIFICATION OF PROMOTER/PROMOTER GROUP

The YBL Reconstruction Scheme *inter-alia* provided for fresh capital infusion, appointment of new Board of Directors of the Bank and deletion/omission of certain articles from the Articles of Association of the Bank ("AoA") which had the effect of negating / nullifying the special rights conferred on the Promoters/Promoter Group under the AoA.

Post implementation of the Scheme, (i) the combined shareholding of the Rana Kapoor Group and Madhu Kapur Group (the erstwhile promoters of the Bank) came down to 1.42% of the total paid up equity share capital of the Bank; (ii) they no longer continued to exercise control over the affairs of the Bank directly and/or indirectly, (iii) they do not have any special rights with respect to the Bank through formal and/or informal arrangements, including through any shareholder agreements; (iv) they were not represented on the Board of Directors of the Bank (including through any nominee director); and (v) they do not act as key managerial personnel in the Bank. Considering the said fact, an application was made to the Stock Exchanges for Re-classification of the Promoter and Promoter Group of the Bank. Simultaneously the Bank also made an application under Regulation 102 of the Listing Regulations to Securities & Exchange Board of India (SEBI) for exemption of applicability of certain provisions of Regulation 31A of the Listing Regulations.

The Madhu Kapur Group had submitted express consent to the Bank to reclassify their shareholding in the Bank as 'Non-Promoter Shareholders' (i.e. Public Shareholders) whereas, Rana Kapoor Group holds meagre 900 shares in the Bank.

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Based on the application and representation made by the Bank, SEBI vide its letter dated June 09, 2020 granted the exemptions as sought by the Bank from the applicability of sub-regulation (3) and (4) of Regulation 31A and clause (a) & (b) of sub-regulation (8) of Regulation 31A of Listing Regulations for reclassification of the Promoter and Promoter Group as the re-classification was a procedural formality and a consequence of the YBL Reconstruction Scheme and gave certain directions to the Bank in this regard. Following the SEBI letter, the stock exchanges have conveyed their approval for re-classification of the following Promoter Shareholders to 'Non-Promoter Shareholders' (i.e. Public Shareholders) in their communications dated June 12, 2020:

1. Rana Kapoor
2. Madhu Kapur
3. Morgan Credits Private Limited
4. Yes Capital (India) Private Limited
5. Mags Finvest Pvt Ltd

Consequent to the above, as on date, the Bank do not have any identified Promoter(s).

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated in Listing Regulations is presented in a separate section forming part of the Annual Report.

RISK MANAGEMENT FRAMEWORK

The Bank's Enterprise Risk Management framework encompasses the following:

- **Risk Governance Framework:** The Bank has implemented an Enterprise Risk Governance framework to ensure non-silo based management and oversight of Risk. The Bank's Risk Management philosophy is guided by the Three Lines of Defence:
  - **First Line of Defence -** Business Management: Each business segment of the Bank has risk ownership and is responsible for assessment and management of risks and has the overall responsibility of the management and mitigation of the Risk. The segments are required to implement appropriate procedures to fulfil their risk governance responsibilities.
  - **Second Line of Defence –** Independent functions: The Bank's independent oversight functions, such as, Risk Management, Credit Underwriting, Compliance, Legal, Fraud Containment Unit, etc. set standards for management and oversight of risks, including compliance with applicable laws, regulatory requirements and policies.
- **Risk Management:** Risk Management 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.
- **Credit Underwriting:** The Credit team ensures an independent assessment of credit proposals and is responsible for monitoring the credit quality of the Bank's portfolio and undertaking portfolio reviews.
- **Compliance:** The Compliance unit manages adherence to regulatory guidelines.
- **Legal:** Legal Risk Management Department ("LRM") of the Bank undertakes various activities including advising business and operational management teams within the Bank on various legal issues faced by them in their day to day business activities/ various contracts entered by them with counter parties/customers etc. LRM acts as an independent control function while providing legal guidance, ensuring legal compliance, assisting the Board and Committees of the Board regarding analysis of laws and regulations, regulatory matters, disclosure matters, and potential risks and exposures on key litigation and transactional matters. LRM is also responsible for setting-up broad internal guidelines, practices and procedures to meet the requirements of all legal/statutory authorities and ensure continuing enforceability of the various contracts/agreements entered by the Bank with its various constituents & counter parties. LRM is also responsible for monitoring and following up on legal claims made by and against the Bank and in this regard, closely interact with external law firms.
- **Finance:** The Finance vertical provides key data and consultation to facilitate sound decisions in support of the objectives of the Bank and the business verticals. Finance serves as an independent control function advising business management and establishing policies or processes to manage risk.
- **Financial Markets:** The Bank's Financial Markets unit plays a very critical role by providing Risk Management solutions relating to foreign currency and interest rate exposures of its corporate clients. Financial Markets also conducts proprietary trading across fixed income and global foreign exchange markets. Additionally, it

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is responsible for Balance Sheet Management which includes Optimum Liquidity Management to minimize cost & maximize yield, Maintenance of Regulatory Reserves requirements and day-to-day fund management of the Bank. Subordinated and hybrid debt capital for the Bank is also raised by the Financial Markets Group.

- **FCU & AML:** The Fraud Containment Unit (FCU) is responsible for prevention and detection of internal and external frauds in the areas of Liabilities, Product and Support functions. The unit conducts transaction monitoring, forensic scrutiny, employee awareness trainings and vulnerability assessments to help achieve the said objective. The Anti Money Laundering Unit (AML) is responsible for identifying and reporting of suspicious transactions as prescribed under PMLA Act/Regulators, across all Business segments of the Bank. The AML unit is equipped with qualified, trained and experienced staff, which monitors various transactions undertaken by customers with a view to combat financial crimes and prevents misuse of the accounts for money laundering.

  – **Third Line of Defence –** The Bank's Internal Audit function independently reviews activities of the first two lines of defence based on a risk-based audit plan and methodology approved by the Audit Committee of the Board. Internal Audit provides independent assurance to the Board, Audit Committee, senior management and regulators regarding the effectiveness of the Bank's governance and controls framework designed for risk mitigation.

The Board of Directors of the Bank has overall responsibility for Risk Management. The Board oversees the Bank's Risk and related control environment, reviews and approves the policies designed as part of overseeing the Risk Management practices. The Board ensures that comprehensive policies, systems and controls are in place to identify, monitor and manage material risks at a Bank-wide level, with clearly defined risk limits. The Board has laid down a Risk Appetite framework which articulates the quantum of risk the Bank is willing and able to assume in its exposures and business activities in pursuit of its strategic objectives and desired returns. The Board has also established policies governing risk management, such as, Credit Policy, Asset & Liability Management Policy, Operational Risk Management Policy, Information Security Policy, Enterprise Risk Management Policy, Reputation Risk Management Policy, Group Risk Management Policy, Model Risk & Governance Policy, etc.

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, Wilful Defaulters and Non-Cooperative Borrowers Monitoring Committee (FWD & NCBMC) and Board Credit Committee (BCC) to deal with risk management practices, policies, procedures and to have adequate oversight on the risks faced by the Bank.

The Board Committees have set up various Executive level committees for oversight over specific risks.

1. Apex Management Committee
2. Enterprise Risk, Reputation Risk, Model Assessment Committee
3. Management Credit Committee
4. Executive Credit Committee
5. Retail and Business Banking Credit Committee
6. Asset & Liability Management Committee
7. Operational Risk Management Committee
8. Standing Committee on Customer Service
9. Fraud Control & Suspicious Transaction Monitoring Committee
10. Committee for Classification of Wilful Defaulters
11. Accountability Review Committee
12. Whistle Blower, Disciplinary and Internal Committee
13. Steering Committee for IFRS (Ind AS)
14. Product Process Approval Committee
15. IT Steering Committee
16. Security Council
17. Stressed Asset Monitoring Committee
18. Sustainability Council

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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 Q-o-Q/Y-o-Y trends highlighted, with level and direction of risk. The Bank also conducts a detailed Internal Capital Adequacy Assessment Policy ('ICAAP') review exercise to identify its Risk universe, internal controls and mitigation measures in place for the risks and capital requirements for identified risks. The ICAAP findings are presented to the RMC and the Board.

Additionally, in line with best Risk Governance practices, the Bank has further strengthened the functioning of credit underwriting and risk management units by creating separate verticals - an underwriting vertical consisting of Credit Units headed by the Chief Credit Officer (CCO) and a risk controls and policy vertical consisting of various independent control units headed by the Chief Risk Officer (CRO). The CRO reports to the Risk Management Committee while the CCO reports to the MD&CEO.

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.

DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING FOR NPAs

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period. As part of the Risk Based Supervision (RBS) exercise for FY 2018-19 concluded in November 2019, the RBI has pointed out certain retrospective divergence in the Bank's asset classification and provisioning as on March 31, 2019. In conformity with the above mentioned RBI circular, the below table outlines divergences in asset classification and provisioning.

Sr. No.	Particulars	₹ in million
1	Gross NPAs as on March 31, 2019 as reported by the Bank	78,825.59
2	Gross NPAs as on March 31, 2019 as assessed by RBI	111,595.59
3	Divergence in Gross NPAs (2-1)	32,770.00
4	Net NPAs as on March 31, 2019 as reported by the Bank	44,848.49
5	Net NPAs as on March 31, 2019 as assessed by RBI	67,838.49
6	Divergence in Net NPAs (5-4)	22,990.00
7	Provision for NPAs as on March 31, 2019 as reported by the Bank	33,977.10
8	Provision for NPAs as on March 31, 2019 as assessed by RBI	43,757.10
9	Divergence in provisioning (8-7)	9,780.00
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2019	17,202.79
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning	10,840.31

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2020, the Bank had three wholly-owned subsidiaries, YES Securities (India) Limited ('YSIL'), YES Asset Management (India) Limited ('YAMIL') and YES Trustee Limited ('YTL').

The Bank does not have any material subsidiary, associate and joint venture company.

Performance and Financial Position of YSIL, YAMIL and YTL is given in Management Discussion & Analysis which forms part of this Annual Report.

The brief details about business of the subsidiaries are as under:

YES Securities (India) Limited (YSIL)

YSIL offers to retail, HNI and corporate customers, a comprehensive range of products and services, encompassing Wealth Broking, Investment Advisory, Investment Banking (including a dedicated Sustainable Investment Banking practice), Merchant Banking, Research and Institutional Equities services. YSIL is a SEBI registered Stock Broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange

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(NCDEX). YSIL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst.

YES Asset Management (India) Limited (YAMIL) and YES Trustee Limited (YTL)

YAMIL and YTL were incorporated as wholly owned subsidiaries on April 21, 2017 and May 3, 2017, respectively to carry on mutual fund business.

YAMIL was granted an approval by Securities and Exchange Board of India ("SEBI") on July 3, 2018 to act as an Asset Management Company / Investment Manager to YES Mutual Fund.

YAMIL had launched its First Mutual Fund Scheme YES Liquid Fund in January 2019 & further followed by the launch of YES Ultra Short Term Fund and YES Overnight Fund in FY 2020. The average AUM of YAMIL for FY 2019-20 was ₹748.15 crores.

YTL is acting as a Trustee Company to YES Mutual Fund (YMF). It will provide trusteeship services to all the funds launched by YMF.

The Consolidated Financial Statements of the Bank and its Subsidiaries prepared in accordance with the requirement of Section 129(3) of the Companies Act, 2013 shall be laid before the ensuing AGM and it forms part of this Annual Report.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of Financial Statements of subsidiaries in Form AOC-1 forms part of the Annual Report. The Financial Statements of the subsidiaries of the Bank are available on the website of the Bank (www.yesbank.in). Financials of the Bank and its subsidiaries shall also be available for inspection by members or trustees of the holders of any debentures of the Bank at its Registered office.

INTERNAL FINANCIAL CONTROLS 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.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE BANK

Except as disclosed below there are no material changes and commitments, affecting the financial position of the Bank which has occurred between the end of the financial year of the Bank i.e. March 31, 2020 and the date of the Directors' Report i.e. June 25, 2020.

UNCERTAINTY ESTIMATIONS OWING TO THE GLOBAL HEALTHCARE CRISIS

During the year, the Bank decided to enhance its Provision Coverage Ratio on its NPA loans over and above the RBI loan level provisioning requirements. This accounted for additional provisions of ₹154,220 million for the period ended December 31, 2019.

Subsequently, RBI issued guidelines on COVID-19 regulatory package, under which, the Bank granted a moratorium of three months on payment of installments and/or interest, as applicable, due between March 1, 2020 and May 31, 2020. For such accounts where the moratorium is granted [except advances at IFSC Banking Unit (IBU)], the asset classification remains constant during the period (number of days past-due shall exclude the moratorium for asset classification under income recognition and provisioning norms) and as the asset classification as on March 31, 2020 was retained, based on the overdue status as on February 29, 2020. The RBI further extended the regulatory relief package by three months through a circular dated May 23, 2020. In accordance with regulatory package guidelines, the Bank is offering a three-months moratorium extension on instalment payments, including principal and interest, due between June 1, 2020 to August 31, 2020.

In line with RBI requirements, the Bank holds necessary provisions as at March 31, 2020 against the assets where the asset classification benefit has been extended on account of standstill requirements.

Disclosure under COVID19 Regulatory Package can be referred in the Financial Statement - Notes to Accounts disclosure 18.6.24.

Further, the Bank is closely monitoring the potential impact of COVID on its borrowers and is engaging with them for suitable resolutions and relaxations in line with RBI guidelines.

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.

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LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given or securities provided or acquisition of securities by a Banking company in the ordinary course of its business are exempted from disclosure requirements under Section 134(3) (g) of the Companies Act, 2013.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no materially significant transactions with related parties including promoters, directors, key managerial personnel, subsidiaries or relatives of the Directors during the financial year which could lead to a potential conflict with the interest between the Bank and these parties. The details of the transactions with related parties, if any, were placed before the Audit Committee from time to time. There were no material individual transactions with related parties, which were not in the ordinary course of business of the Bank, nor were there any transactions with related parties, which were not on arm's length basis. Accordingly, the disclosure in Form AOC-2 is not applicable to the Bank for the year under review. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

Prior omnibus approval for normal banking transactions is also obtained from the Audit Committee for the related party transactions which are repetitive in nature as well as for the normal banking transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee for their approval.

The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Bank and can be accessed at https://www.yesbank.in/about-us/corporate-governance.

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year, Mr. Ravinder Kumar Khanna and Ms. Shagun Kapur Gogia were appointed as Additional Directors representing promoters of the Bank w.e.f. April 26, 2019 and subsequently they were appointed as Directors by shareholders at the 15th AGM of the Bank held on June 12, 2019.

Further, at the 15th AGM of the Bank held on June 12, 2019, the shareholders, *inter-alia*, approved the following:

1. Appointment of Mr. Uttam Prakash Agarwal, Mr. Thai Salas Vijayan, Mr. Maheswar Sahu and Mr. Anil Jaggia as Independent Directors.
2. Re-appointment of Mr. Brahm Dutt for the second term as an Independent Director and Non-executive Part-time Chairman of the Bank.
3. Appointment of Mr. Ravneet Singh Gill as Managing Director & CEO and Key Managerial Personnel of the Bank.

In exercise of powers under Section 36AB of the BR Act, 1949, RBI had appointed Mr. R. Gandhi, Ex- Deputy Governor, RBI as an Additional Director on the Board of the Bank for a period of 2 years with effect from May 14, 2019 to May 13, 2021 or till further orders, whichever is earlier.

Mr. Ajai Kumar, Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.), and Mr. Uttam Prakash Agarwal tendered their resignations from the directorship of the Bank w.e.f. June 9, 2019, June 10, 2019 and January 10, 2020, respectively.

Supersession of the Board

As already mentioned earlier, RBI in exercise of the powers conferred under 36ACA of the BR Act, in consultation with Central Government, superseded the entire Board of Directors of the Bank consisting of Mr. Brahm Dutt, Mr. Thai Salas Vijayan, Mr. Anil Jaggia, Mr. Maheswar Sahu, Dr. Pratima Sheorey, Mr. Ravinder Kumar Khanna, Ms. Shagun Kapur Gogia, Mr. Subhash Chander Kalia and Mr. Ravneet Singh Gill for a period of 30 days and Shri Prashant Kumar, was appointed as the administrator of the Bank. Accordingly, above-named Directors were ceased to be Directors of the Bank w.e.f. close of business hours on March 05, 2020.

Reconstitution of the Board as per YBL Reconstruction Scheme

Pursuant to the YBL Reconstruction Scheme, nomination made by State Bank of India and Order passed by RBI under BR Act, the new Board of Directors was reconstituted with effect from March 26, 2020 comprising of the following persons:

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Directors named under the YBL Reconstruction Scheme:

(i) Mr. Prashant Kumar as Chief Executive Officer and Managing Director;
(ii) Mr. Sunil Mehta, as Non-Executive Chairman;
(iii) Mr. Mahesh Krishnamurti as Non-Executive Director;
(iv) Mr. Atul Bheda as Non-Executive Director;

State Bank of India nominated Directors:

(v) Mr. Partha Pratim Sengupta;
(vi) Mr. Swaminathan Janakiraman

The RBI appointed Additional Directors:

(vii) Mr. R. Gandhi as Additional Director; and
(viii) Mr. Ananth Narayan Gopalakrishnan as Additional Director.

As per the YBL Reconstruction Scheme, the new Board, other than the Additional Directors appointed by RBI, shall hold office for a period of 1 year starting from March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later.

Additional Directors appointed by RBI shall hold office for a period of two years with effect from March 26, 2020 or until further order from RBI, whichever is earlier.

Key Managerial Personnel

During the year, Mr. Anurag Adlakha was appointed as Chief Financial Officer ('CFO') and Key Managerial Personnel w.e.f. August 10, 2019 and Mr. Raj Ahuja ceased to be the CFO and Key Managerial Personnel w.e.f. August 10, 2019 on his assuming the other role in the Bank.

Mr. Ravneet Singh Gill ceased to be MD & CEO and Key Managerial Personnel of the Bank w.e.f. close of business hours on March 5, 2020 pursuant to the RBI's press release No. 2019-2020/2025 dated March 5, 2020. Mr. Prashant Kumar was appointed as MD & CEO w.e.f. March 26, 2020, as per the YBL Reconstruction Scheme. He acted as Administrator of the Bank appointed by RBI for the period from March 06, 2020 to March 25, 2020.

Mr. Shivanand R. Shettigar continued to act as Group Company Secretary and the Key Managerial Personnel of the Bank.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Bank had received necessary declarations from each of the erstwhile Independent Directors under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the SEBI Listing Regulations, that they meet the criteria of independence laid down thereunder.

However, pursuant to the YBL Reconstruction Scheme through which the new Board was appointed, none of the Directors are designated as Independent Directors. Hence, the Bank is not required to obtain declarations under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the SEBI Listing Regulations.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

Not Applicable as none of the Directors are designated as Independent Directors.

FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS

The programs undertaken for familiarizing the Independent Directors and other Non-Executive Directors are disclosed in detail in the Corporate Governance Report, which forms part of the Annual Report.

NUMBER OF MEETINGS OF THE BOARD AND IT'S VARIOUS COMMITTEES

The details of Board meetings 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.

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PERFORMANCE EVALUATION OF THE BOARD

The Bank has laid down criteria for performance evaluation of the Directors including Chairman, MD & CEO, Board Level Committees and Board as a whole as well as the evaluation process for the same, in line with the provisions of the Companies Act, 2013, Listing Regulations and SEBI Guidance Note on the Board Evaluation dated January 5, 2017.

Considering the fact that the erstwhile Board was superseded by RBI from the close of business hours on March 05, 2020 and the new Board was constituted on March 26, 2020, the performance evaluation of the members of the Board, the Board Level Committees and Board as a whole was not carried out for FY 2019-20. Additional information on the Board Evaluation Process forms part of the Report on Corporate Governance.

POLICY ON APPOINTMENT OF DIRECTORS

The Board of Directors of the Bank had formulated and adopted policy on "Board Diversity and Fit & Proper Criteria and Succession Planning" for appointment of Directors on the Board of the Bank and succession planning. The details of the same have been included in the Report on Corporate Governance, forming part of this Annual Report.

REMUNERATION POLICY

The Board of Directors of the Bank had formulated and adopted policies for Remuneration of Employees of the Bank, Remuneration of Directors including the Chairman of the Bank. The details of the same are made available on the Bank's website and can be accessed at https://www.yesbank.in/about-us/corporate-governance.

EMPLOYEE REMUNERATION

(a) The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of Section 136 of the Companies Act, 2013, the same is open for inspection during working hours at the Registered Office of the Bank. 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

The Bank has instituted Stock Option Plans to enable its employees to participate in the Bank's future growth and financial success. In terms of compensation and benefit policy of the Bank, employees are granted options as part of Annual Performance Review process based on their performance as well as to ensure their retention, and to hire the best talent for its senior management and key positions. The details of Employee Stock Option Schemes and related statutory disclosures are provided in ***Annexure 2*** to this report.

CORPORATE GOVERNANCE

The Bank is committed to follow best Corporate Governance practices and adheres to the Corporate Governance requirements set by the Regulators under the applicable laws/regulations. In line with the foregoing, the Bank has adopted a Code of Corporate Governance which acts as a guide to the Bank and the Board on the best practices in the Corporate Governance.

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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. Mehta & Mehta, Practicing Company Secretaries, conforming compliance by the Bank to the conditions of Corporate Governance as stipulated under Listing Regulations, is annexed to the Report on Corporate Governance, which forms part of the Annual Report.

VIGIL MECHANISM

In line with the provisions of Listing Regulations, the Companies Act, 2013 and the principles of good governance, the Bank has devised and implemented a vigil mechanism, in the form of 'Whistle-Blower Policy'. The policy devised is also aligned to the recommendations of Protected Disclosure Scheme for Private Sector and Foreign Banks, instituted by 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 ('CSR') Committee and statutory disclosures with respect to the CSR Committee and Annual Report on CSR Activities forms part of this Report as **Annexure 3**. 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 RBI Circular Nos DBS.Nos.ARS.BC.8/ 08.91.001/2000-2001 dated January 30, 2001 and DBS.ARS.BC.04/08.91.001/2017-2018 dated July 27, 2017, Statutory Auditors for Private Banks cannot be appointed for more than four years. Accordingly, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) shall retire at the ensuing Annual General Meeting.

The Directors recommend appointment of M/s M P Chitale & Co., Chartered Accountants (ICAI Firm Registration Number 101851W) as the Statutory Auditors of the Bank for a period of four years from the conclusion of 16th AGM till the conclusion of 20th AGM, at the ensuing AGM and their appointment will be subject to approval by RBI on an annual basis under above-mentioned RBI circulars.

Qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report

The Report given by the Statutory Auditors on the Financial Statements of the Bank for the financial year ended on March 31, 2020 forms part of this Annual Report. The auditors of the Bank have qualified their report to the extent and as mentioned in the Auditors' Report. The qualification in auditors' report and Director's response to such qualification are as under:

1. Details of Audit Qualification:

The Bank has breached CET 1 ratio and the tier 1 capital ratio as at March 31, 2020. CET 1 ratio stood at 6.3%.and Tier 1 ratio stood at 6.5 % as compared to the minimum requirements of 7.375% and 8.875% respectively.

Response:
The Bank's Capital Adequacy Ratio as at March 31, 2020 was lower than the minimum regulatory requirement primarily due to lower than envisaged capital raise in FY 2019-20 and higher NPA provision. The Bank had decided, on a prudent basis, to enhance its Provision Coverage Ratio on its NPA loans over and above the RBI loan level provisioning requirements. With the proposed capital infusion in FY 2020-21, internal accretion of capital, expected recoveries of NPA and with selective disbursement of loans to preserve RWA, the Bank expects CET ratio to be comfortably above the minimum regulatory requirement.

2. Details of Audit Qualification:

The Bank became aware in September, 2018 through communication from stock exchanges of an anonymous whistle-blower complaint alleging irregularities in the Bank's operations, potential conflicts of interests in relation to the former MD and CEO and allegations of incorrect NPA classification. The Bank conducted an internal enquiry of these allegations, which resulted in a report that was reviewed by the Board of

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Directors in November, 2018. Based on further inputs and deliberations in December, 2018, the Audit Committee of the Bank engaged an external firm to independently examine the matter. During the year ended March 31, 2020, the Bank identified certain further matters which arose from other independent investigations initiated by the lead banker of a lenders' consortium on the companies allegedly favoured by the former MD and CEO. In March 2020, the Enforcement Directorate has launched an investigation into some aspects of dealings and transactions by the former MD and CEO basis draft forensic reports from external agencies which further pointed out to conflict of interest between the former MD and CEO and certain companies and arrested him. In view of the fact that these enquiries and investigations are still ongoing, we are unable to comment on the consequential impact of the above matter on these standalone financial statements.

Response:
The Bank conducted an internal enquiry of these allegations, which was carried out by management and supervised by the Board of Directors. The enquiry resulted in a report that was reviewed by the Board in November, 2018. Based on further inputs and deliberations in December, 2018, the Audit Committee of the Bank engaged an external firm to independently examine the matter. In April, 2019, the Bank had received the phase 1 report from the external firm and based on further review/ deliberations had directed a phase 2 investigation from the said firm. Further, during the quarter ended December 31, 2019, the Bank received forensic reports on certain borrower groups commissioned by other consortium bankers, which gave more information regarding the above mentioned allegations. The Bank at the direction of its Nomination and Remuneration Committee (NRC) obtained an independent legal opinion with respect to these matters. In February, 2020, the Bank has received the final phase 2 report from the said external firm. Meanwhile, in March, 2020, the Enforcement Directorate has launched an investigation into some aspects of transactions of the founder and former MD & CEO and alleged links with certain borrower groups. The ED is investigating allegations of money laundering, fraud and nexus between the founder and former MD & CEO and certain loan transactions. The Bank is in the process of evaluating all of the above reports and concluding if any of the findings have a material impact on financial statements/ processes and require further investigation. The Bank has taken this report to the newly constituted Audit Committee and Board and will progress further action basis the guidance and recommendations.

During the year ended March 31, 2020, the Bank had received various whistleblower complaints against the Banks management, former MD & CEO and certain members of the Board of Directors prior to being superseded by RBI. The NRC, basis investigations conducted by the management has, post its review, concluded that they have no material impact on financial statements.

In January, 2020, the then Chairman of the Audit Committee of the Bank highlighted certain concerns around corporate governance and other operational matters at the Bank. The then Board decided to get this investigated by an independent external firm. A preliminary report has been received by the Board. While most of the allegations are unsubstantiated, the Board has requested the external firm for detailed recommendations highlighting areas where corporate governance can be further strengthened.

Also, no offence of fraud was reported by the Auditors of the Bank.

B. Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Bank had appointed M/s. Mehta & Mehta, Practicing Company Secretaries, Mumbai as its Secretarial Auditors to conduct the secretarial audit of the Bank for the FY 2019-20. The Bank provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2019-20 is annexed to this report as ***Annexure 4***.

Observations, reservations or adverse remarks in the Secretarial Audit Report

The Observations of Secretarial Auditor and the response of directors on the same are as follows:

Observation No. A: Delay in sending intimation about investor meets to the Exchanges.

Response: All Investors/Analysts meets in respect of which delay in sending intimation has been reported were held on Friday late evening and the intimation for the same were submitted to the exchanges on the next working day i.e. Monday.

Observation No. B : The Reserve Bank of India vide its Order dated April 22, 2019 imposed a penalty of ₹11,25,000 on the Bank under Section 30(1) of the Payment and Settlement Systems Act, 2007 for the violations of provisions of RBI circular on 'Domestic Money Transfer - Relaxations' and Master Direction on Issuance and

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Operations of Prepaid Payment Instruments (PPIs) in the arrangement to issue a co-branded open loop prepaid card (YBL-Zipcash card) in partnership with Zipcash Card Services Pvt. Ltd. and the same was paid to RBI on May 7, 2019.

Response: This program was undertaken as a pilot project for digitizing the receivables of OLA Cab drivers by issuing prepaid cards which could be used for meeting day-to-day operating expenses. As part of this program, 1,885 cards were activated, out of which 1,605 cards were used to undertake a total of 14,260 transactions (85% usage at Fuel Stations and Toll Plazas). This program was launched in September, 2017, was put on hold in March,2018 and was finally terminated in September, 2018.

Observation No. C: The Bank and Compliance Officer has paid a settlement amount of ₹51.6 Lakh and ₹14.45 Lakh respectively, to SEBI for incomplete disclosure of information under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the report on Income Recognition, Asset Classification and Provisioning (IRACP) as issued by the Reserve Bank of India for FY 2018.

Response: The Bank and the Compliance Officer had paid a sum of ₹51.6 Lakh and ₹14.45 Lakh respectively to settle the adjudication proceedings without admitting or denying the guilt.

Observation No. D: Delay in submission of Quarterly Financial Results for the quarter ended December 31, 2019.

Response: As per the advance intimation given by the Bank to the Stock Exchanges on February 12, 2020, the Bank and its management was deeply engaged with the capital raising exercise which includes extensive work with its investment bankers, legal and accounting advisors, the investors and the independent vendor/legal due diligence commissioned for investors. Given the fact that said capital raising process had the Bank's fullest attention, it was decided to publish its unaudited financial results for the quarter and nine ended on March 14, 2020. Accordingly, the unaudited financial results for the quarter and nine months ended on December 31, 2019 were then published on March 14, 2020 and a fine of ₹5000 per day aggregating to ₹1,35,000/- + 18% GST i.e. 24,300/- [Total ₹1,59,300/- (Rupees One Lakh Fifty Nine Thousand Three Hundred Only)] was paid to each of the Stock Exchanges, BSE Limited & National Stock Exchange of India Limited.

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.

BUSINESS RESPONSIBILITY REPORT

As stipulated in Listing Regulations, the Business Responsibility Report describing the initiatives undertaken by the Bank from environmental, social and governance perspective is separately attached as part of the Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During the year under review, apart from the moratorium issued by Reserve Bank of India and the YBL Reconstruction Scheme, made effective by the Central Government, no other significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Bank's operation in future.

AWARDS AND RECOGNITIONS

- YES BANK has been awarded 'Bank of the Year in India' at The Banker Awards 2019. The Banker magazine is part of The Financial Times Group, UK and this award is widely regarded as one of the most prestigious awards of the Banking Industry.
- YES BANK has been adjudged Winner, Cyber Security in The Banker's Tech Projects Awards 2019 for successfully introducing and implementing robust security procedures in corporate internet banking.
- YES BANK has been recognized with the Best Bond Adviser (India) and Best Green Bond (India) awards at the Asset Triple A Country Awards 2019. The Bank has won based on the number, size and type of deals, industry spread, impact on capital market, quality of execution, and secondary market performance.
- YES BANK ranked Third among 'Top Sell-Side Firms' in Secondary Market INR Corporate Bonds, Third among the 'Top Arrangers – Investors' Choice' for Primary Issuances INR Corporate Bonds, Third among 'Top Investment Houses' and Fourth among the 'Top Arrangers - Investors' Choice' for Primary Issuances INR Government bonds in the Annual Local Currency Bond Investor Survey conducted by The Asset Magazine, Hong Kong.

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- YES BANK recognised with the Best Trade Finance Bank in India Awards (5th year in a row) at The Asian Banker Transaction Awards 2019.
- YES BANK won Qimpro Award for Best Improvement Project in Services and Best Quality Fable in Services Category in 2019
- YES BANK recognised as the Best Corporate Trade Finance Deal in India and Best Financial Supply Chain Management in India at The Asian Banker Bankers Choice Awards 2019
- YES BANK recognised with Best Deal South Asia (India) - Transport Deal of the Year, Utility Dealof the Year and Renewable Energy Deal of the Year – Solar (Highly Commended) at The AssetTriple A Asia Infrastructure Awards 2019
- YES BANK has been Ranked No. 1 for exemplary performance in Digital Payments across public, private, foreign, and payment banks in India by Ministry of Electronics & Information Technology(MeitY)
- YES BANK has been selected by Global Finance magazine as The Innovators in Trade Finance and the 25 Best Financial Innovation Labs (YES FINTECH)
- YES BANK recognised with the Best Bank in India for SMEs at Asiamoney Country Awards Hong Kong, 2019
- YES BANK recognised with India Domestic Cash Management, ProjectFinance & Trade Finance Bank of the Year, 2019 at the ABF Wholesale Banking Awards 2019
- YES BANK recognised with SME Bank of the Year – India at ABF Retail Banking Awards 2019
- YES BANK won the CSR Journal Excellence Award for the 'Best Project in the Health and Sanitation'
- YES BANK won the Platinum Award at the Apex India Excellence Award 2019 for its 'Say YES to Safe and Clean Drinking Water' project
- YES BANK won Silver and Bronze at the 8th ACEF Asian Leaders Awards for Excellence in CSR
- CDP has upgraded YES BANK's rating from 'C' (Awareness Band) to 'A-' (Leadership Band). YES BANK's rating surpasses the averages for the Financial Services and the Asia Region, which stand at 'C'. YES BANK is also rated A- (Leadership Band) in the 2019 Supplier Engagement Rating by CDP.
- YES BANK was Approved as "Accredited Entity" by the Green Climate Fund (GCF) – one amongst only 11 private banks, globally
- YES BANK was included as a constituent of the FTSE4Good Emerging Index by FTSE Russell. YES BANK is the only Indian Bank to be included in the index for three consecutive years (2017, 2018 and 2019)

DISCLOSURES UNDER GREEN INFRA BONDS

Green Bonds have emerged as a mainstream financing mechanism for providing finance to 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 and is currently pegged at over USD 10 billion. Driven by the commitment of mobilizing USD 5 billion towards climate action by 2020, as taken during Paris Accord, YES BANK has issued three green bonds:

- **February, 2015:** YES BANK issued India's first-ever Green Infrastructure Bonds, raising an amount of ₹1000 crore. This 10 year tenor bond witnessed strong demand from leading investors including Insurance companies, Pension & Provident Funds, Foreign Portfolio Investors, New Pension Schemes and Mutual Funds.
- **August, 2015:** YES BANK raised ₹315 crore through the issue of Green Infrastructure Bonds to International Finance Corporation on a private placement basis which is the first investment by IFC in an Emerging Markets Green Bond issue in the world. The bonds are for a tenor of 10 years. IFC paid for the placement using the proceeds from the first Green Masala Bond program that aimed at raising capital in the offshore rupee market.
- **December, 2016:** YES BANK raised ₹330 crore, through an issue of a 7-year Green Infrastructure Bonds to FMO, the Dutch Development Bank, on a private placement basis. This was FMO's 1st investment in a Green Bond issued by a bank in India. FMO had paid for the placement using the proceeds from their sustainability bonds issued in 2015.

The amount raised was used to finance Green Infrastructure Projects as per 'Eligible Projects' outlined in the Bank's internal guidelines that are in adherence to the Green

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Bond Principles (GBP). For FY 2019-20, KPMG, India has provided limited assurance on conformity of the use of proceeds, process for evaluation and selection of projects, management of proceeds and reporting of these green bonds to GBP 2018.

The GBP are voluntary guidelines, developed by the International Capital Markets Association, for broad use by the market that recommend transparency and disclosure, and promote integrity in the development of the Green Bond market. They have the following four key components and the bank showcases its adoption below:

- **Use of Proceeds:** The proceeds raised by the Bank are used in eligible project categories and include all projects funded in whole, or in part, in the fields of renewable and clean energy projects including Wind, Solar, Biomass, Hydropower and other such projects.
- **Process for Evaluation and Selection of Eligible Projects:** The Bank's process starts with interactions with potential borrowers to understand the overall aspects of the project and a preliminary confirmation against the eligibility criteria. The evaluation moves to risk assessment for confirmation of the eligibility, post which further documentation is sought as per the Bank's policies and GBP.
- **Management of Proceeds:** Green Bond allocations to eligible projects are tracked by the Bank through an MIS based asset tagging system. The unallocated proceeds, if any, are placed in liquid instruments.
- **Reporting:** The Bank's communication to investors through an annual update includes:
  - List of projects to which proceeds have been allocated to, with brief description including amounts disbursed and installed capacity;
  - Summary of Environment and Social (E&S) impacts associated with projects, if any; and
  - Information on investment of unallocated proceeds in liquid instruments.

Impacts

Through financing solar and wind power plants, these bonds strengthen India's energy security while reducing fossil fuel dependency. These bonds have been crucial in financing climate change mitigation with avoidance of emissions of CO_2, SO_2, NOx and other air pollutants associated with fossil fuel based energy generation. Estimated CO_2 emission reductions are shared along with project details.

List of projects against which green bonds proceeds have been allocated as on 31st March 2020 is provided below:

Proceeds Utilization* Against Bond Issuance Size of ₹1,000 Cr (February 2015)

Sr. No	Project Location	Description	Total Fund Based Utilization, ₹ Cr	Estimated** positive E&S impacts - CO_2 Emission Reduction (tCO_2e / yr)	Known significant negative E&S Impacts
1	Maharashtra	31.5 MW wind energy project	107.35	46,248.10	None
2	Madhya Pradesh	12 MW wind energy project	723.55	19,693.39	None
3	Telangana	42 MW solar energy project	3.51	71,589.87	None
4	Karnataka	40 MW solar energy project	165.59	79,379.62	None

Proceeds Utilization* Against Bond Issuance Size of ₹330 Cr (December 2016)

Sr. No	Project Location	Description	Total Fund Based Utilization, ₹ Cr	Estimated** positive E&S impacts - CO2 Emission Reduction (tCO2 / yr)	Known significant negative E&S Impacts
1	Gujarat	30 MW wind energy project	38.17	53,111.88	None
2	Telangana	50 MW solar energy project	79.28	90,990.12	None
3	Rajasthan	300 MW solar energy project	74.45	4,57,256.23	None
4	Rajasthan	200 MW solar energy project	138.10	3,08,954.69	None

* The temporary unallocated proceeds (₹315 Cr bond issued in August 2015) have been invested in Government Securities and will be allocated back to eligible projects, when available.

** The total CO_2 emission reduction for individual projects have been calculated based on the methodology outlined in the document 'CO2 Baseline Database for the Indian Power Sector User Guide Version 15.0 dated December 2019' (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.

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The assurance statement issued by KPMG India is attached as ***Annexure 5*** to this report.

STATUTORY DISCLOSURES

The disclosures required to be made under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on the conservation of energy, technology absorption and Foreign exchange earnings and outgo are given as ***Annexure 6***.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Bank as on March 31, 2020 is uploaded on the website of the Bank and can be accessed at https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirm that the Bank has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board, its Committees and the General Meetings.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Bank has Zero tolerance towards any act on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women executive working in the Bank. The Policy regarding Prevention & Prohibition of Sexual Harassment at Workplace provides for protection against sexual harassment of women at workplace and for prevention and redressal of complaints. Also, in its endeavour to spread awareness on the aforementioned policy and ensure compliance by all the executives, the Bank has implemented a plan of action to disseminate the information and train the executives on the policy under the ambit of 'Gender Respect and Commitment to Equality' (GRACE) program.

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 are as follows:

Particulars	Numbers
Number of complaints carried forward from last year	2
Number of complaints filed during the financial year	8
Number of complaints disposed of during the financial year	8
Number of complaints pending as on the end of the financial year	2

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give

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a true and fair view of the state of affairs of the Bank at the end of the financial year and of the loss of the Bank for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors, had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENT

The 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, State Bank of India as well as other investor banks who have invested under the YBL Reconstruction Scheme and other Regulatory Authorities for their cooperation, support and guidance. The Directors would like to express a deep sense of appreciation for the commitment shown by the employees in supporting the Bank. The Directors 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)

Sunil Mehta
Non Executive Chairman
(DIN: 00065343)

Place: Mumbai
Date: June 29, 2020

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Annexure 1

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:

Sr. No.	Requirements	Disclosure
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Brahm Dutt: 3.13x Ex-MD & CEO- Ravneet Singh Gill: 66.67x Sunil Mehta: N.A. MD & CEO - Prashant Kumar: 0.36x
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	Ex MD&CEO – Ravneet Singh Gill: NIL Brahm Dutt: NIL CFO 1 (Raj Ahuja): -14.0% CFO 2 (Anurag Adlakha): N.A. CS: 20.5% Prashant Kumar: N.A. Sunil Mehta: N.A.

Notes:

1. Mr. Ravneet Singh Gill demitted the office as MD& CEO w.e.f. close of business hours on March 5, 2020, pursuant to supersession of entire Board of Directors vide RBI press release.
2. Mr. Brahm Dutt demitted the office as Part- time Chairman w.e.f. close of business hours on March 5, 2020, pursuant to supersession of entire Board of Directors vide RBI press release.
3. Mr. Raj Ahuja ceased to be the CFO w.e.f. August 10, 2019 on his assuming another role in the Bank
4. Mr. Anurag Adlakha was appointed as CFO w.e.f. August 10, 2019.
5. Mr. Prashant Kumar was appointed as MD & CEO w.e.f. March 26, 2020, pursuant to the Reconstitution of the Board as per 'Yes Bank Limited Reconstruction Scheme, 2020.
6. Mr. Sunil Mehta was appointed as Non-Executive Chairman w.e.f. March 26, 2020 pursuant to the Reconstitution of the Board as per 'Yes Bank Limited Reconstruction Scheme, 2020'.

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Sr. No.	Requirements	Disclosure
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by **12.01%**. The calculation of % Increase in Median Remuneration is done based on comparable employees. For this we have excluded employees who were not eligible for any increment.
IV	The number of permanent employees on the rolls of the Bank	There were **22,973** employees as on **March 31, 2020**
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not Applicable to the Bank, as all the employees are considered under Managerial role.
XII	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed.

General Notes :

(1) Remuneration in case of MD & CEO is regulated by RBI guidelines.

(2) The Remuneration for the purpose of this table is defined as 'Total Cost to the Company (TCC) + Approved Bonus' for all the employees except for KMPs. KMPs remuneration is as per the Form 16 (on an annualized basis) excluding stock option exercised since it does not form part of TCC.

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DETAILS OF ESOP SCHEMES

The ESOP Schemes of the Bank are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 ("the Regulations") and the details as per the Regulations are as under:

EMPLOYEES' STOCK OPTIONS AS ON MARCH 31, 2020

The Bank has Three Employee Stock Option Plans Schemes in operation viz: (i) YBL ESOP (consisting of two sub schemes JESOP IV/PESOP I) (ii) YBL JESOP V/PESOP II (Consisting of three sub schemes JESOP V/ PESOP II/PESOP II -2010); and (iii) YBL Employee Stock Option Scheme, 2018 (YBL ESOS 2018) 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, 2019 (PESOP 2019); and YBL MD&CEO (New) Stock Option Plan, 2019 (MD&CEO Plan 2019).

Effective from June 13, 2018, all new options have been granted under the YBL ESOS 2018 (which *inter-alia* consists of JESOP 2018, PESOP 2018 and MD & CEO Plan 2019). The YBL ESOS 2018 and plans formulated thereunder are in compliance with the SEBI (Share Based Employees Benefits) Regulations, 2014 as amended from time to time. Source of shares are primary in nature, since the Bank has been issuing new equity shares upon exercise of options.

JESOP I, JESOP II and JESOP III were in force for employees joining the Bank up to March 31, 2005, March 31, 2006 and March 31, 2007 respectively. Grants under PESOP II had been discontinued w.e.f. January 2, 2010. Grants under JESOP IV/PESOP I and JESOP V/ PESOP II -2010 had been discontinued w.e.f. April 07, 2018 pursuant to coming into effect of YBL ESOS 2018. However, any options already granted under the abovementioned plans would be valid in accordance with the terms & conditions mentioned in the plans.

In accordance with the various Employee Stock Option Plans/ Schemes of the Bank as mentioned above, the Employees can exercise the options granted to them from time to time:

JESOP/PESOP	ESOP Scheme	Exercise period
JESOP	JESOP IV	50% after 3 years and balance after 5 years from the Grant date
	JESOP V	50% after 3 years and balance after 5 years from the Grant date
	JESOP 2018	50% after 3 years and balance after 5 years from the Grant date
	MD&CEO Plan 2019	20%, 30% & 50% each year, from end of 1st year from the Grant date
PESOP	PESOP I	25% after each year from the Grant date
	PESOP II	30%, 30% & 40% after each year from the Grant date
	PESOP II – 2010	30%, 30% & 40% each year, from end of 3rd year from the Grant date
	PESOP 2018	30%, 30% & 40% each year, from end of 3rd year from the Grant date
	PESOP 2019	30%, 30% & 40% each year, from end of 1st year from the Grant date

Options under all the aforesaid plans are granted for a term of 10 years (inclusive of the vesting period) and are settled with equity shares being allotted to the beneficiary upon exercise.

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Various details including option movement during the year under Schemes i.e. JESOP II, JESOP III, YBL ESOP and YBL JESOP V/PESOP II respectively are as follows:

Fiscal year 2019-20	YBL ESOP (JESOP IV)	YBL ESOP (PESOP I)	YBL JESOP V	YBL PESOP II	YBL PESOP – II 2010	JESOP 2018	YBL PESOP 2018	YBL PESOP 2019**	YBL MD&CEO (NEW) STOCK PLAN 2019
Date of Shareholders' Approval	29-Aug-07	29-Aug-07	18-Sep-08*	18-Sep-08*	18-Sep-08*	12-Jun-18	12-Jun-18	12-Jun-18	12-Jun-18
Total Number of Options approved	25,000,000	25,000,000	47,500,000	76,140,000	101,360,000	20,000,000	30,000,000	10,000,000	15,000,000
Total Number of options outstanding at the Beginning of the period	-	125,375	12,837,326	753,600	33,875,140	417,500	265,000	-	5,000,000
Total No. of Options granted (during FY 2019-20)	-	-	-	-	-	2,025,000	18,032,000	-	-
The Pricing Formula	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1
Options Vested (during FY 2019-20)	-	-	2,068,800	-	5,436,225	-	-	-	5,000,000
Options Exercised (during FY 2019-20)	-	125,375	346,499	753,600	3,158,700	-	-		-
Total No of shares arising as a result of exercise of option	-	125,375	346,499	753,600	3,158,700	-	-	-	-
Options lapsed/ Forfeited (during FY 2019-20)	-	-	1,379,275	-	7,006,150	40,000	5,310,500	-	-
Total No of options outstanding at the end of the year	-	-	11,111,552	-	23,710,290	2,402,500	12,986,500	-	5,000,000
Total No of options exercisable at the end of the year	-	-	5,650,302	-	16,388,915	-	-	-	5,000,000
Variation of terms of options	Refer Note 2	Refer Note 2	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3
Money realized by exercise of Options (during FY 2019-20) (in ₹)	-	3,732,414	27,898,800	22,434,672	230,463,261	-	-	-	-
Total No of Options in force	-	-	11,111,552	-	23,710,290	2,402,500	12,986,500	-	5,000,000
Total No. of Options granted to:									
(i) Total No of Options granted to Senior Management Personnel(SMP)	-	-	-	-	-	-	-	-	-
(ii) Any other employee who received a grant in any one year of options, amounting to 5% or more of options granted during that year	-	-	Attached as Sub-table1	-	-	-	-	-	-

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Fiscal year 2019-20	YBL ESOP (JESOP IV)	YBL ESOP (PESOP I)	YBL JESOP V	YBL PESOP II	YBL PESOP – II 2010	JESOP 2018	YBL PESOP 2018	YBL PESOP 2019**	YBL MD&CEO (NEW) STOCK PLAN 2019
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil	Nil	Nil	Nil				
Diluted Earnings Per Share (EPS) of the Bank after considering the effect of potential equity shares on account of exercise of Options		(56.06)	(56.06)	(56.06)	(56.06)	(56.06)	(56.06)	(56.06)	(56.06)
Impact of the difference between the Intrinsic Value of the Options and the Fair Value of the Options on Profits and on EPS	The Bank has charged Nil amount, being the intrinsic value of the stock options granted for the year ended March 31, 2020 and March 31, 2019. Had the Bank adopted the Fair Value method (based on Black- Scholes pricing model), for pricing and accounting of options, net profit /loss after tax would have been lower by ₹505.40 million (Previous year: ₹375.18 millions), the basic earnings per share would have been ₹(56.24) (Previous year: ₹7.29) per share instead of ₹(56.07) (Previous year: ₹7.45) per share; and diluted earnings per share would have been ₹(56.24) (Previous year: ₹7.22) per share instead of ₹(56.06) (Previous year: ₹7.38) per share.								
Weighted average price of the shares exercised during the year (in ₹)	-	29.77	80.52	29.77	72.96	-	-		-
Weighted average fair values of the outstanding options (in ₹)	-	-	177.79	-	152.41	92.80	275.00		231.15

*The option under the scheme were increased subsequently from 1 crore to 3 crores and finally to 4.5 crores by the shareholders' approval dated September 3, 2009 and June 28, 2011 respectively.

**Original Budget was 40,000,000 options (YBL PESOP 2018) of which 10,000,000 options will now be utilized for PESOP 2019 plan.

MD&CEO (NEW) STOCK PLAN - 2019

	March 31, 2020
Risk free Interest Rate	6.29%-9.23%
Expected life	1.5 yrs - 7.5 yrs
Expected Volatility**	25.01% - 48.72%
Expected dividends	1.10%

**Expected volatility is average volatility for expected life of the option.

Note 1: Being the closing price of the Equity Shares on the stock exchange with the highest trading volumes on the last working day prior to the date of grant.

Note 2: There is no variation in the terms of the options during the Financial Year ended March 31, 2020.

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Sub-table 1: Following are the total number of stock options that have been granted to Senior Management Personnel ("SMP") during the financial year ended March 31, 2020:

Scheme Name	Employee Name	Designation	Options Granted	Grant Price
YBL JESOP 2018	Lata Pillai	Group President	75,000	96.25
YBL JESOP 2018	Rajeev Uberoi	Senior Group President	500,000	96.25
YBL JESOP 2018	Anita Pai	Senior Group President	500,000	38.55
YBL JESOP 2018	Anurag Adlakha	Senior Group President II	500,000	51.2
YBL JESOP 2018	Jasneet Bachal	Group President II	70,000	51.2
YBL PESOP 2018	Vinod Bahety	Senior Group President	1,250,000	275.1
YBL PESOP 2018	Devamalya Dey	Senior Group President II	150,000	275.1
YBL PESOP 2018	Deodutta Kurane	Senior Group President II	250,000	275.1
YBL PESOP 2018	Rajat Monga	Senior Group President	3,000,000	275.1
YBL PESOP 2018	Ashish Agarwal	Senior Group President	2,500,000	275.1
YBL PESOP 2018	Amit Sureka	Senior Group President II	250,000	275.1
YBL PESOP 2018	Vivek Kumar	President	12,000	275.1
YBL PESOP 2018	Rajiv Anand	Group President	300,000	275.1
YBL PESOP 2018	Sumit Gupta	Senior Group President II	300,000	275.1
YBL PESOP 2018	Asit Oberoi	Senior Group President II	100,000	275.1
YBL PESOP 2018	Namita Vikas	Senior Group President II	50,000	275.1
YBL PESOP 2018	Dhavan Shah	Group President	100,000	275.1
YBL PESOP 2018	Jyoti Prasad Ratho	Senior Group President II	100,000	275.1
YBL PESOP 2018	Ritesh Pai	Senior Group President II	100,000	275.1
YBL PESOP 2018	Rajanish Prabhu	Senior Group President II	120,000	275.1
YBL PESOP 2018	Rajan Pental	Senior Group President	300,000	275.1
YBL PESOP 2018	Kumar Padhmanabhan	Senior Group President II	125,000	275.1
YBL PESOP 2018	Raj Kumar Ahuja	Senior Group President II	150,000	275.1
YBL PESOP 2018	Nirav Dalal	Senior Group President II	250,000	275.1
YBL PESOP 2018	Nikhil Sahni	Senior Group President II	100,000	275.1
YBL PESOP 2018	Arun Agrawal	Senior Group President II	150,000	275.1
YBL PESOP 2018	Shubhada Rao	Senior Group President II	50,000	275.1

Sub-table 2: Following are the details of the employees who have received the grant of options amounting to 5% or more of options granted during the financial year ended March 31, 2020.

Scheme Name	Employee Name	Designation	Options Granted	Grant Price
YBL JESOP 2018	Rajeev Uberoi	Senior Group President	500,000	96.25
YBL JESOP 2018	Anita Pai	Senior Group President	500,000	38.55
YBL JESOP 2018	Anurag Adlakha	Senior Group President II	500,000	51.2
YBL PESOP 2018	Vinod Bahety	Senior Group President	1,250,000	275.1
YBL PESOP 2018	Rajat Monga	Senior Group President	3,000,000	275.1
YBL PESOP 2018	Ashish Agarwal	Senior Group President	2,500,000	275.1

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ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

A brief outline of the Bank's CSR policy, including overview of projects or programs proposed to be undertaken:

YES BANK'S CSR POLICY:

Through its Responsible Banking ethos, YES BANK has created stakeholder value by implementing projects based on unique models with scalable and sustainable impact. Guided by its Corporate Social Responsibility ('CSR') policy, the BANK has delivered internal and external positive socio-environmental impact by following a unique approach.

APPROACH TOWARDS CSR:

- **Promote** principles of social responsibility and inclusive growth through awareness and support
- **Invest** in socially and environmentally responsible activities to create positive impact.
- **Engage** with stakeholders to further the sustainability agenda of the Bank and empower with knowledge
- **Collaborate** with like-minded institutions and forge partnerships towards addressing the needs of the stakeholders
- **Monitor** the environmental and social investment of YES BANK Limited through structured governance and transparent performance indicators

YES BANK'S FOCUS AREAS UNDER CSR:

- Livelihood and Water Security
- Employability and Entrepreneurship
- Environmental Sustainability
- Social Transformation

OVERVIEW OF ACTIVITIES:

In line with the CSR policy and in accordance of Schedule VII of the Companies Act, 2013, YES BANK undertook unique initiatives during the year which positively impacted lives. With an objective to deliver an exponential impact and creating sustainable CSR models, new projects were launched in FY 2019-20 to scale societal and environmental impact.

The key initiatives undertaken during the year were inter alia in-line with YES BANK's CSR focus areas.

WEB-LINK TO THE CSR POLICY:

https://www.yesbank.in/pdf/ybl_corporate_social_responsibility_policy

COMPOSITION OF CSR COMMITTEE:

YES BANK recognizes its responsibility towards the society and environment in which it operates and accordingly has worked towards CSR and Sustainable Development focusing on the 'Triple Bottom line' ethos since its inception. The Corporate Social Responsibility Committee of the Bank monitors the CSR activities on a periodic basis.

The Members of the Committee as on March 31, 2020 comprised of:

1. Mr. Atul Bheda, Non-Executive Director (Chairman)
2. Mr. Mahesh Krishnamurti, Non-Executive Director
3. Mr. Swaminathan Janakiraman, SBI Nominee Director

AVERAGE NET PROFIT BEFORE TAX OF THE BANK FOR LAST THREE FINANCIAL YEARS:

₹4,160 crore

PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS ABOVE)

₹83.19 crore

DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

(a) Total amount to be spent for the financial year: ₹83.19 crore.

The Bank has spent ₹40.54 crore during FY 2019-20.

(b) Amount unspent, if any: ₹42.65 crore.

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(c) Manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise ₹	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads ₹	Cumulative Expenditure up to the Reporting Period ₹	Amount spent: Direct or through implementing agency
1	Livelihood and Water Security	• Making available safe drinking water • Livelihood enhancement • Promoting preventive health care and sanitation	Maharashtra, Madhya Pradesh, Rajasthan, Karnataka, Goa, Gujarat, NCR	42.75 crore	21.31 crore	68.32 crore	Direct Dhan Development of Humane Action Foundation, Watershed Organisation Trust, NM Sadguru Water and Development Foundation, Swades Foundation, Jaldhaara Foundation, Dharmalife Foundation, Ammada Trust
2	Say YES to Sustainable MSMEs in India	• Ensuring environment sustainability • Promoting preventive healthcare • Promoting education	Pan India	8.34 crore	1.89 crore	14.18 crore	Direct Foundation for MSME Clusters, Entrepreneurship Development Institute of India
3	Employability and Entrepreneurship	• Promoting education • Livelihood enhancement	Pan India	17.07 crore	1.95 crore	80.08 crore	Direct Trust for Retailers and Retail Association of India, Deshpande Foundation
4	Environmental Sustainability	• Ensuring environment sustainability • Promoting education	Sikkim, Madhya Pradesh, Rajasthan, Assam, Maharashtra, Delhi, NCR	7.8 crore	2.02 crore	11.2 crore	Direct World Wide Fund For Nature - India, Eco Roots Foundation, Bombay Natural Historical Society, Wildlife Conservation Trust, Indian Institute of Technology- Delhi YES FOUNDATION
5	Yes Community	• Promoting education • Livelihood enhancement • Promoting preventive healthcare • Ensuring environment sustainability	Delhi, Maharashtra, Goa	4 crore	1.44 crore	32.02 crore	Direct Synergie, Garbage concern welfare society, National Skills Foundation of India, Save the Children India, Museum of Christian Art
6	Contribution towards PM CARE fund to help fight COVID-19		Pan India	-	10 crore	10 crore	Direct
7	Expenditure on administrative overheads			-	1.93 crore	10.62 crore	
				TOTAL	**40.54 crore**	**226.42 crore**	

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REASONS FOR NOT SPENDING PRESCRIBED CSR AMOUNT:

YES BANK, since inception has believed in creating sustained value for its stakeholders, through its Responsible Banking ethos, by contributing positively towards economic development and socio-environmental objectives, thus playing a larger role in India's overall sustainable development.

In FY 2019-20, with a focus on impact and scale, YES BANK has extensively contributed towards areas of national importance, thereby creating shared value for its stakeholders. The Bank has undertaken unique, scalable and sustainable CSR programs focusing on Livelihood & Water Security, Employability & Entrepreneurship, Environmental Sustainability and Social Transformation. During the year, the Bank provided access to safe and clean drinking water to commuters at 1,005 railway stations across Maharashtra, Gujarat, Rajasthan, Goa and Karnataka through maintenance of 1,029 water purification systems, installed by the Bank in previous years.

The Bank expanded its Livelihood and Water Security program through various community-level interventions including restoration and rejuvenation of water bodies, construction of traditional water conservation structures, building capacity of farmers to create farmer associations, facilitating access to credit, ensuring affordable and sustainable access to safe and clean drinking water. These interventions have positively impacted 84,127 individuals from rural communities in the states of Maharashtra, Gujarat, Madhya Pradesh and Rajasthan. With the dual aim of promoting safe menstrual hygiene practices and creating women micro-entrepreneurs in the rural areas of Rajasthan, the Bank launched Menstrual Hygiene Management program in 40 villages. By creating community-level awareness about safe disposal of sanitary napkins and encouraging the use of environment friendly bio-degradable menstrual management options, the program touched 2,222 women and 3,800 adolescent school girls within reproductive age group.

YES BANK partnered with Deshpande Foundation and has provided employability training to 721 youth in Karnataka, under various focus sectors such as agriculture, accountancy, electrical works, BPO, soft skills and primary teachers training. The Bank also partnered with Trust for Retailers & Retail Associates of India (TRRAIN) to impart training to 410 underprivileged women (including women with disabilities). The comprehensive industry training and mentorship program not only addresses the recruitment challenges of corporate retailers in India, but enables the women participants to pursue a career in retail.

Given the critical role played by the MSME sector in India's transition towards low carbon & sustainable economy, the Bank, in FY 2019-20, has supported 5,000 MSMEs to adopt industry best practices to enhance energy efficiency, adopt circular economy business models, improve financial literacy levels and ensure occupational health & safety of their workers. In line with its focus on protecting India's rich biodiversity, YES BANK has taken measures towards conservation of endangered/critically endangered species like Pangolin, Red Panda, Great Indian Bustard and House Sparrow, through science based research, habitat restoration (protected & potential) and community-led interventions across Assam, Madhya Pradesh, NCR, Rajasthan and Sikkim. Training of 39,292 students in 110 schools through House Sparrow nest building workshops, training of 78 villagers to reduce fuel wood consumption in Red Panda habitats, restoration of 30 hectares of habitat for the Great Indian Bustards, tagging of 2 pangolins for monitoring & data collection purpose and installation of cameras traps at 50 sites to aid field surveys are some of the interventions undertaken to preserve natural capital. YES BANK, as the first Indian private sector bank to collaborate with the National Highways Authority of India (NHAI), is working towards the vision of creating green highways. Under the Ministry of Road Transport and Highways 'Adopt a Green Highway' initiative, the Bank has adopted a 40-kilometer stretch along the Mumbai–Nashik Highway. The Bank continues to maintain 45,462 trees along the stretch for a five-year period.

The Bank's unique flagship community engagement program 'YES Community' continued to spread awareness on pertinent social and environmental issues, through community engagement initiatives centered around waste management, financial literacy, and Sustainable Development Goals (SDGs)—the SDG literacy program reached out to 28,916 students in Delhi, NCR, Mumbai and Pune. The Bank also extended rehabilitation support and provided relief kits to 25,000 families affected by Cyclone Fani in Odisha.

As a public trust institution, being a responsible corporate citizen is a part of YES BANK's core values. With prudence it has been undertaking and investing in CSR projects that are unique, scalable and sustainable, continuously delivering large scale impact. This year the Bank has spent ₹40.54 crore (0.97 %) vis-a-vis budgeted ₹83.19 crore (2%), towards CSR as per Section 135 of the Companies, Act, 2013. The reason for not spending the prescribed and budgeted 2% is on account of delays in identified project approvals, the factors leading up to the moratorium which resulted in delayed

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fund deployment to implementation partners, and the RBI imposed moratorium on YES BANK which was an unforeseen instance.

YES BANK believes in India's developmental agenda and continues to focus on sustainable development and responsible banking. The Bank stands committed to sustainable finance, which is the key to unlocking India's potential and achieving sustainable developmental goals. In line with its COP 21 commitment, the Bank has been successful in mobilizing USD 5 billion from 2015 to 2020, towards projects with positive environmental impact through lending, investing and raising capital. The Bank continued to work extensively on livelihood enhancement programs especially with women, and financial inclusion with migrants. While these interventions are beyond the ambit of the definition of CSR under the Companies Act, 2013, it has supplemented the Bank's objectives, in creating a larger and deeper socio-economic impact.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Bank.

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FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
YES BANK Limited,
YES BANK Tower, IFC – 2,
15th Floor, Senapati Bapat Marg,
Elphinstone (West),
Mumbai – 400013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **YES BANK Limited** (hereinafter called "the Bank"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Bank has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the year under review not applicable to the Bank);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (during the year under review not applicable to the Bank);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the year under review not applicable to the Bank);and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the year under review not applicable to the Bank);

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(vi) The Banking Regulation Act, 1949 and Notifications and circulars issued by the Reserve Bank of India (**'RBI'**) from time to time (**'BR Act'**);

(vii) The Securities Exchange Board of India (Merchant Bankers) Regulation, 1992;

(viii) The Securities Exchange Board of India (Depositories and Participants) Regulations, 1996;

(ix) The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;

We have examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by the Institute of Company Secretaries of India;

b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Bank has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

a) Intimations with respect to the Investor Meets held on March 29, 2019, May 06, 2019, May 13, 2019, May 30, 2019, June 10, 2019, June 17, 2019 and July 22, 2019 were made beyond 24 hours i.e. delay by a day without any explanations for such delay as required under Schedule III, Part A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) The Reserve Bank of India ("RBI") vide its Speaking Order dated April 22, 2019 imposed a penalty of ₹11,25,000 (Rupees Eleven Lakhs Twenty Five Thousand only) on the bank under Section 30(1) of the Payment and Settlement Systems Act, 2007 for the violations of provisions of RBI circular on 'Domestic Money Transfer - Relaxations' and Master Direction on Issuance and Operations of Prepaid Payment Instruments (PPIs) in the arrangement to issue a co-branded open loop prepaid card (YBL-Zipcash card) in partnership with Zipcash Card Services Pvt. Ltd. and the same was paid to RBI on May 7, 2019;

c) The Securities and Exchange Board of India had issued a show cause notice dated May 28, 2019 to the Bank and Compliance Officer under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 15-I of SEBI Act, 1992 and Rule 4(1) of Securities Contract (Regulation) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 read with Section 23-I of Securities Contract (Regulation) Act, 1956 with regard to Bank's disclosure of information under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the report on Income Recognition, Asset Classification and Provisioning (IRACP) as issued by the Reserve Bank of India for the FY 2018. The Bank and Compliance Officer then filed an application for settlement under SEBI (Settlement Proceedings) Regulations, 2018 vide letters dated June 21, 2019. Further, to settle the adjudication proceedings, the Internal Committee of SEBI had advised for payment of a sum of ₹51.6 Lakh and ₹14.45 Lakh by the Bank and the Compliance Officer respectively. The said amount was paid to SEBI on August 28, 2019. Accordingly, SEBI had disposed of the adjudication proceedings vide its Settlement Orders dated September 04, 2019.

d) As per the advance intimation given by the Bank to the Stock Exchanges on February 12, 2020, the Bank had submitted the financial statements for the quarter and nine months ending December 31, 2019 on March 14, 2020 i.e. beyond the time frame of 45 days from the end of the relevant quarter as stipulated under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, a fine of ₹5000 per day aggregating to ₹135,000 + 18% GST i.e. 24,300/- Total ₹159,300/- (Rupees One Lakh Fifty Nine Thousand Three Hundred Only)] was paid to each of the Stock Exchanges, BSE & NSE on March 20, 2020;

We further report that:

Pursuant to the YES Bank Limited Reconstruction Scheme, 2020 ('the Scheme'), notified by the Ministry of Finance, Government of India on March 13, 2020, a new Board was re-constituted on March 26, 2020 and the said Board has been constituted as per the composition mentioned in the scheme which is not in line with the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Scheme has overriding effect to all other applicable laws, rules and regulations in respect of the matters specified in

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the Scheme. The said view of the Bank has been duly endorsed by the National Stock Exchange of India Limited and BSE Limited.

The erstwhile Board of Directors of the Bank was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors before the implementation of the Scheme. The changes in the composition of the Board of Directors that took place during the period under review before the implementation of the Scheme were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors for scheduled Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority of decisions were carried through while the dissenting members' views, if any, were captured and recorded as part of the Minutes.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Bank had the following specific events / actions having a major bearing on the Bank's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

(a) The members of the Bank at their Annual general meeting held on June 12, 2019 approved the following:

- Raising of capital upto USD 1 Billion or its Indian Rupee equivalent by way of public issue, preferential issue, qualified institutions placement, private placement or a combination thereof through ADRs/GDRs or FCCBs or any other methods by issue of shares or convertible securities in one or more tranches.
- Approval for borrowing/ raising funds in Indian/ Foreign currency by issue of debt securities up to ₹20,000 Crore (the "NCDs") to eligible investors on private placement basis
- Declaration of Dividend at the rate of ₹2 per Equity Share.

(b) The Nomination and Remuneration Committee has allotted the following shares pursuant to exercise of Stock Options by the employees of the Bank:

Sr. No.	No. Shares Allotted	Allotment date	Name of the Plans
1.	10,04,949	April 11, 2019	JESOP V, PESOP I, PESOP II and PESOP II- 2010
2.	3,96,250	April 25, 2019	JESOP V, PESOP II and PESOP II- 2010
3.	4,30,250	May 16, 2019	PESOP I, PESOP II and PESOP II- 2010
4.	94,250	May 29, 2019	JESOP V, PESOP I, PESOP II and PESOP 1I- 2010
5.	6,73,050	June 11, 2019	JESOP V, PESOP I, PESOP II and PESOP II- 2010
6.	12,58,275	June 26, 2019	PESOP I and PESOP II- 2010
7.	1,53,250	July 16, 2019	ESOP plans JESOP V and PESOP II- 2010
8.	2,11,600	August 10, 2019	JESOP V and PESOP II – 2010
9.	22,300	September 16, 2019	YBL JESOP V/PESOP II-2010
10.	1,40,000	November 13, 2020	YBL JESOP V/PESOP II-2010

(c) The Capital Raising Committee of the Bank ("Committee") on August 15, 2019, approved the issue and allotment of 231,055,018 equity shares of face value ₹2 each to the eligible qualified institutional buyers at the issue price of ₹83.55 per Equity Share aggregating to ₹19,30,46,46,753.90/- (Rupees One Thousand Nine Hundred Thirty Crore Forty-Six Lacs Forty Six Thousand Seven Hundred Fifty Three and Ninety Paise Only);

(d) The Reserve Bank of India vide its letter no.DBR.PSBD.No.9661/16.05.004/2018-19 dated May 14, 2019 informed that in exercise of powers conferred under sub-section (1) of Section 36AB of the Banking Regulation Act, 1949, it had appointed Shri R. Gandhi, Ex. Deputy Governor, Reserve Bank of India as an Additional Director on the Board of the Bank for a period of 2 years with effect from May 14, 2019 to May 13, 2021 or till further orders, whichever is earlier.

(e) During the year, pursuant to invocation of pledge of shares, the Bank had:

- acquired 8,00,50,000 equity shares having nominal value of ₹2 per share, constituting 12.79% of the post-issue paid-up share capital as at March 31, 2019, of a listed company, namely, CG Power and Industrial Solutions Limited.

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- acquired 6,81,80,149 equity shares having nominal value of ₹5 per share, constituting 9.47% of the post-issue paid-up share capital as at July 3, 2019 of a listed company, namely, Eveready Industries India Limited.
- acquired 40,00,00,000 equity shares having nominal value of ₹10 per share, constituting 20% of the post-issue paid-up share capital as at July 4, 2019, of an unlisted company, namely, Vadraj Cement Limited.
- acquired 3,27,50,139 equity shares having nominal value of ₹5 per share, constituting 18.55%of the post-issue paid-up share capital, of a listed company, namely, Cox & Kings Limited.
- acquired 34,080 equity shares having nominal value of ₹10 per share, constituting 30% of the post-issue paid-up share capital, of an unlisted company, namely, Ezeego One Travel & Tours Limited.
- acquired 60,00,000 equity shares having nominal value of ₹10 per share, constituting approx. 10.25% of the post-issue paid-up share capital of a listed company, namely, SICAL Logistics Limited
- acquired 12,73,21,500 equity shares having nominal value of ₹10 per share, constituting approx. 29.97% of the post-issue paid-up share capital of Rosa Power Supply Company Limited, a wholly owned subsidiary of Reliance Power Limited

(f) The members of the Bank at their Extra-Ordinary General Meeting held on February 07, 2020 approved the following:

- Increase in the Authorized Share Capital of the Bank from ₹800,00,00,000 (Rupees Eight Hundred Crore only) divided into 300,00,00,000 (Three Hundred Crore) equity shares of ₹2/- each aggregating to ₹600,00,00,000 (Rupees Six Hundred Crore only) and 2,00,00,000 (Two Crore) preference shares of ₹100/- each aggregating to ₹200,00,00,000 (Rupees Two Hundred Crore only) to ₹1100,00,00,000 (Rupees Eleven Hundred Crore only) divided into 450,00,00,000 (Four Hundred Fifty Crore) equity shares of ₹2/- each aggregating to ₹900,00,00,000 (Rupees Nine Hundred Crore only) and 2,00,00,000 (Two Crore) preference shares of ₹100/- each aggregating to ₹200,00,00,000 (Rupees Two Hundred Crore only).
- Authorization for capital raising through issuance of equity shares or other convertible securities aggregating to ₹10,000 crores.

(g) In exercise of the powers conferred under Section 36ACA of the Banking Regulation Act 1949, the Reserve Bank of India on March 05, 2020 superseded the entire Board of Directors of the Bank for a period of 30 days and Shri Prashant Kumar, was appointed as the administrator under Section 36ACA (2) of the Banking Regulation Act 1949.

(h) Further to the aforesaid, on the recommendation of the Reserve Bank of India the Central Government on March 05, 2020 imposed a moratorium on the Bank under Section 45 of the Banking Regulation Act, 1949.

(i) Pursuant to the Yes Bank Limited Reconstruction Scheme (notified with effect from March 13, 2020) ('the Scheme') following changes took place:

- The authorised capital of the Bank was increased to ₹6200,00,00,000 (Rupees Six thousand two hundred crore only) divided into 3000,00,00,000 (Three thousand crore) equity shares of ₹2 only each, aggregating to ₹6000,00,00,000 (Rupees Six thousand crore only) and preference share capital of ₹200,00,00,000 (Rupees two hundred crore only) divided into 200,00,000 (Two crore) preference shares of ₹100 each.

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- Pursuant to clause 3(3) & 3(6) of the Scheme, the Bank allotted shares to the following persons on March 14, 2020 at a premium of ₹8/- per share:

Sr. No.	Name of the Person/Entity	No. Shares Allotted
1	State Bank of India	6,05,00,00,000
2	Housing Development Finance Corporation Limited	1,00,00,00,000
3	ICICI Bank Limited	1,00,00,00,000
4	Axis Bank Limited	60,00,00,000
5	Kotak Mahindra Bank Limited	50,00,00,000
6	The Federal Bank Limited	30,00,00,000
7	Bandhan Bank Limited	30,00,00,000
8	IDFC First Bank Limited	25,00,00,000
	TOTAL	**10,00,00,00,000**

- Pursuant to clause 3(3) & 3(4) of the Scheme post infusion of Equity Capital as stated aforesaid the State Bank of India held 48.21% paid-up share capital of the Bank as on March 31, 2020.
- The following clauses of Articles of Association of the Bank were omitted, namely:– (i) article 110(b); (ii) article 127(b); (iii) article 127A (a); and (iv) article 127A (b).
- The moratorium imposed on the Bank by Reserve Bank of India was lifted with effect from March 18, 2020.
- The office of the Administrator of the Bank, appointed by the Reserve Bank of India, was vacated on March 26, 2020 and a new Board of Directors was reconstituted comprising of the following persons, namely:-

Sr. No.	Name	Designation
1	Shri Prashant Kumar	Managing Director & CEO
2	Shri Sunil Mehta	Non-Executive Chairman
3	Shri Mahesh Krishnamurti	Non-Executive Director
4	Shri Atul Bheda	Non-Executive Director
5	Shri Swaminathan Janakiraman	Nominee Director of State Bank of India
6	Shri Partha Pratim Sengupta	Nominee Director of State Bank of India
7	Shri R. Gandhi	RBI appointed Additional Director
8	Shri Ananth Narayan Gopalakrishnan	RBI appointed Additional Director

Note: Due to lockdown under COVID-19, Certification on this Form MR-3 is done on the basis of documents made available to us in electronic form (i.e. scanned documents sent through e-mail) by the Secretarial Team of the Bank and such documents will be verified physically after the lockdown is lifted.

For Mehta & Mehta
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner
PCS No: 9409
CP No: 11226

Place: Mumbai
Date: June 25, 2020
UDIN: F009409B000377733

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

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Annexure A

To,
The Members
YES BANK Limited,
YES BANK Tower, IFC - 2, 15th Floor,
Senapati Bapat Marg, Elphinstone (West),
Mumbai – 400013

Our report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.

4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) As regard the books, papers, forms, reports and returns filed by the Bank under the provisions referred to in points vi, vii, viii & ix of our Secretarial Audit Report in Form No. MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Bank with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

7) The secretarial audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **Mehta & Mehta**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner
PCS No: 9409
CP No: 11226

Place: Mumbai
Date: June 25, 2020
UDIN: F009409B000377733

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ASSURANCE STATEMENT BY KPMG INDIA FOR GREEN BOND

INDEPENDENT ASSURANCE STATEMENT

To the management of YES BANK Limited, YES BANK Tower, IFC-2, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai- 400013, Maharashtra, India.

Introduction

We were engaged by YES BANK Limited ('Issuer') to undertake an independent review of the following green bonds:

- Green bonds for ₹1,000 crore issued on 24 February, 2015
- Green bonds for ₹315 crore issued on 05 August, 2015
- Green bonds for ₹330 crore issued on 29 December, 2016

Our responsibility was to provide 'limited assurance' on conformance of the aforementioned green bonds and the accompanying report 'Disclosures under Green Infrastructure Bonds Financial Year (FY) 2019-20' with the Green Bond Principles, 2018 for the period October 1, 2019 - March 31, 2020.

Assurance Standards

We conducted our engagement in accordance with requirements of 'Limited Assurance' as per International Federation of Accountants' (IFAC) International Standard on Assurance Engagements [ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information].

Assurance scope and level of assurance

Our scope of assurance included information on material aspects of the green bond during October 1, 2019 - March 31, 2020. based on the requirements of the Green Bond Principles, 2018 as listed below:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

Specific limitations and exclusions

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Provide assurance on information outside the defined reporting boundary and period
- Verify the Issuer's financial statements and economic performance
- Verify the Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects provided by the Issuer

Work undertaken

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we performed, which are set out in detail below, were based on our professional judgment and included, as appropriate, inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreement or reconciliation with underlying records. We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

To reach our conclusion we:

- Checked the Issuer's Green Bond Framework that includes processes, systems and controls in place for management of bond proceeds; investment areas for green bond proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- Read sections of the bond disclosure documentation that also support the objects of the green bond issue, investment areas for proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;

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- Conducted interviews with management and key staff responsible for the green bond to understand how the processes, systems and controls defined in the Green Bond Framework have been implemented in the financial year;
- Checked the list of projects to which bond proceeds have been allocated in the financial year and their conformance with the criteria defined in the Green Bond Framework;
- Confirmed the amount of bond proceeds allocated to projects at the end of each quarter in the financial year through examination of a sample set of statements of accounts;
- Confirmed the allocation of unallocated bond proceeds to government securities at the end of the financial year through examination of statements from Financial Management team of the Issuer; and
- Recalculated estimated carbon dioxide emission reductions from projects using information collected by the Issuer.

Conclusions

The following conclusion is based on the work performed and evidence obtained and the scope of our assurance engagement described above.

Nothing has come to our attention to suggest that the green bonds issued in February 2015, August 2015 and December 2016 by the Issuer and the accompanying report 'Disclosures under Green Infrastructure Bonds FY 2019-20' are not, in all material respects, conforming to the requirements of the Green Bond Principles, 2018, during the period October 1, 2019 - March 31, 2020.

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. We apply ISQC 1 and comply with the applicable independence and other ethical requirements of the IESBA code.

Management's responsibility

The Management of the Issuer is responsible for ensuring that the Issuer and their green bond complies with the requirements of the Green Bond Principles, 2018. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of green bond proceeds.

The Management of the Issuer is also responsible for preventing and detecting fraud and for identifying and ensuring that Issuer complies with laws and regulations applicable to its activities.

Our responsibility

Our responsibility is to report in the form of an independent limited assurance conclusion in relation to the above scope based on the procedures performed and the evidence obtained. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard.

This assurance report is made solely to Issuer in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to Issuer those matters we have been engaged to state in this assurance report and for no other purpose. Our assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Issuer for any purpose or in any context. Any party other than Issuer who obtains access to our assurance report or a copy thereof and chooses to rely on our assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Issuer for our work, for this independent limited assurance report, or for the conclusions we have reached.

Manpreet Singh
Partner
KPMG India
April 26, 2020

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INFORMATION ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

(A) CONSERVATION OF ENERGY

I. The steps taken or impact on conservation of energy:

- The Bank has been migrating to LED lighting in phases. In present financial year Bank has replaced 3700 LED units.
- The Bank is in the process of phasing out air conditioning systems that use ozone depleting coolants, and in the current reporting cycle, the Bank has replaced 648 R22 air conditioners that are more than 10 years old with energy efficient (star rated) systems that use eco-friendly coolants, thus reducing its environmental footprint, which have potential saving of 10 to 15 %.
- YES BANK's energy management initiatives aim at reducing 15-20% energy consumption by introducing Energy management system, wherein the consumption will be monitored centrally using IOT.

II. The steps taken by the bank for utilising alternate sources of energy:

YES BANK has explored the potential of using alternate sources of energy by installing 5 KVA solar power system at Pune Bundh garden branch. In FY 2019-20, the branch drew an estimated 4.5 MWh of electricity (16.2 GJ of energy consumption) through this system, avoiding 3.72 tCO_2e emissions. YES BANK would continue to explore alternative sources of energy in future.

III. The capital investment on energy conservation equipment:

₹1.53 crore spent in present financial year (including AC retrofitting, LED projects and signage replacements at corporate offices and branch locations).

(B) TECHNOLOGY ABSORPTION

I. Efforts Towards Technology Absorption

The advancements in Information Technology (IT) have led to accelerated development in newer technologies, resulting in higher demand for digital solutions to create alternative banking products that deliver customer delight through a better service delivery framework.

Since inception, YES BANK has been at the forefront of technology innovation and adoption, and will continue its focus on technology. This will enable the Bank to build a more secure, resilient, and seamless way of interacting and transacting for customers. It will further enforce YES BANK's endeavors to become a technology-led company in the business of banking.

During FY 2019-20, several new initiatives were completed successfully, as well as systems were upgraded to latest versions to support the growing needs of the Bank. The key Bank-wide projects completed during FY 2019-20 were:

- **I-AM:** A leader in Next Generation Cyber Security Solution. YES BANK's Leadership team had an opportunity to meet and present I-AM, PI – Control Platform to the MeitY team. Developed by YES BANK in partnership with FortyTwo42 Labs, the solution is one of the first of its kind solution that provides 'real-time cryptographic digital transaction signing' at massive scale. The new e-Signature technology (I-AM CI3 multiparty e-Sign), can provide carrier-grade (scalable and low cost) cryptographic security to all digital users in India to secure the Digital India Infrastructure. The objective was to share product capabilities and its potential to leverage at the national level
- **YES MSME:** One-Click Overdraft Facility for MSME Users, YES MSME is BANK's key digital Banking suite, this helped introduce instant approval and disbursement of unsecured overdraft at a click of a button. The YES MSME platform is a digital solution which enables small business owners to view and take complete control of their business finances from a single place, even when they are on the move
- **YES TRANSACT:** This initiative facilitated the launch of a completely new digital YES TRANSACT Outward Remittances MTO Platform. The initiative is in partnership with Western Union and is enabled with e-KYC
- **YES CODE:** This application was launched for Emerging local Corporates and will further be deployed for other wholesale banking segments. With the implementation of YES CODE the entire sanctioning CAM process is digitized, this has improved the efficiency and contributes to real time status tracking of the Credit Appraisal Memorandum

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- **Digital Payment UPI 2.0:** Enabled UPI 2.0 to support mandate and IPO participation, Re-architected UPI application and migrated to new super cluster environment, enabled YES MONEY DMT SOR application to manage domestic money limits at agent and customer level and enabled AEPS on YES MONEY (RKB Application). Recognized for being top bank (40% market share) in AEPS transactions, top BANK (39% market share) in UPI transactions and significant market share (10%) in IMPS transactions
- **Apollo Program:** Apollo Program is a continuous delivery program to review, re-imagine, re-engineer every business operations process, keeping customer at the forefront with the objective to ensure efficiency, productivity, risk management, and compliance - 106 workflows have been automated till now and 120 projects are in progress
- **Robotic Automation Process (RPA):** RPA has been adopted across the organization to ease manual processes while cutting costs, saving man hours on repetitive, labor-intensive tasks. RPA has proven operational benefits across various business operation within the Bank and dramatically streamlined a wide variety of back office processes. Automation Edge (Intelligent Robotic Process Automation product) upgraded to latest version and introduced WorkFusion to accelerate intelligent automation process
- **Omnichannel Marketing Platform, Adobe:** The omnichannel platform aims at providing a holistic customer experience across multiple channels and through multi-waves. It aims at bringing synergy across all internal & external marketing & technology channels to make optimum & effective use of Digital & Offline channels across YES BANK, by abandoning the product-centric business models
- **Application Supported by Blocked Amount (ASBA):** New API based ASBA implemented within 6 months and smoothly transitioned without any impact to existing day to day processes. ASBA is a process developed by the India's Stock Market Regulator SEBI for applying to IPO. It is a system of blocking the funds of applicants of IPOs in their respective accounts and release the funds to the Company from such blocked accounts only after the allotment to the extent of allotment made and unblock the remaining amount in the account
- **Centralized Paperless Approval Workflow:** YES BANK now follows a paperless approval practice. This initiative has helped us to fully leverage our digital DNA, save cost and drive GO GREEN thinking, the entire approval process has been automated by creating a SharePoint Online based application. This application is very convenient and intelligent to use. This initiative helped on standardizing the document formats and processes across the organization. In the current phase this project has digitized all types of requests and captures all the details required for departments across the Bank

II. Proposed New Projects

There is a healthy pipeline of exciting new initiatives, which will enable YES BANK to deliver world-class digital-first customer service in both assisted and self-help mode.

- **Conversational Banking:** From voice assistant to digital branch and digital RM. YES BANK is leveraging Artificial Intelligence backed by machine learning and (AI)-powered chatbots to communicate with Bank's customers through voice-based interfaces to enable a two-way digital customer experience leveraging Alexa, Google, Siri. For instance, if a customer wants information on Balance, FD, RD, Last 3 statement, interest rates etc, all they must do is say, "Alexa, what is the interest rate on an FD?" and the app responds with the necessary information. These services powered by machine learning are powerful tools in the Digital age. The adoption can help customers utilize full digital services with ease of voice over actions completing the transactions required. This is being created with full scale security protocols in mind and will be one of the most highly secured products to come
- **Integrated Payment Hub:** The project objectives are to accelerate implementation of Cash Management Transformation Program for Corporate Net Banking and Corporate H2H Channel Implementation. The program will be able to drive implementation of consolidation of applications into a single unified channel for YES BANK's customers and support the requirements and solutions on corporate to BANK initiatives and driving deliveries for corporate and institutional clients/partners
- **Oracle Business Digital Experience:** The project aims to create a differential retail net banking experience. This will be an overhaul of our current retail net

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banking system to a new, faster and integrated retail net banking application. The project objectives are to elevate the holistic experience for retail customers using our net banking platform and give them connected service and experience around the same

- **YES SEVA:** As an impact towards service digitization and business transformation for retail asset customers, YES SEVA was launched as a customer service request initiation, this service can be availed through our website
- **Transaction Processing Hub:** In line with the increasing digitization in the payments space YES BANK expects electronic payments volumes to increase exponentially, to cope with the increase in payments volumes, BANK's payments IT architecture needs to be streamlined to make it more scalable and robust and to create channel-agnostic payments solutions and a flexible workflow-based payment processing architecture. Towards this objective, BANK's Technology team is planning to setup Transaction Processing Hub (TPH) for processing of all payments. The TPH would be the landing and exit point for all incoming and outgoing payments, as well as the central system for payments processing across multiple channels and products. The core functions of TPH would include User Interface, Validations and Exceptions, Workflows, Parsing, Enrichment, Routing, Accounting, Dashboard and Monitoring, Reporting, Charging and Billing, Rule Engine, User Management, Liquidity Management, Alerts, Advices, Payment Prioritization, Beneficiary Maintenance, Volume Throttling, Virtual Accounts Management
- **Enterprise Collateral Management:** Enterprise Limits and Collateral Management system provides a single consolidated view of the enterprise-wide Credit exposure with Limits, Utilization and Collaterals. It provides significant benefits to the BANK in (a) Process standardization (b) Provides efficiency and real time management of Limits, Collaterals, exceptions and covenants (c) Information delivery to all stake-holders (d) Better insight and controls. This system provides a comprehensive view of limits, collaterals and utilization and facilitates the BANK to act on pending tasks with collaterals, and facilities due for review, follow-ups, and exceptions
- **Analytics:** Analytics in one of the centers of excellence at YES BANK. There are multiple new initiatives that are contributing to digital customer interactions, allowing us to position our services and create business moments with less intrusive conversations with our clients. Some of the projects under analytics COE include (Transaction Categorization for inference of Customer Persona Attributes), Constellation – Ecosystem Discovery, Self-Service Tool for MSME discovery, Future Ready Hadoop Platform to accelerate growth by smartly using business intelligence and data objective to ensure Efficiency, Productivity, Risk Management, and Compliance
- **Hercules:** The project will refresh the Branch infrastructure including moving to Windows 10. Windows 7 is no longer certified, and all Windows devices and all the new peripheral hardware require Windows 10. Windows 10 offers enhanced flexibility, on-going updates, enterprise data protection and improved desktop experience

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iii. In case of Imported Technology (Imported during the last three years reckoned from the beginning of the financial year):

Details of Technology Imported	Year of Import	Whether the Technology been fully absorbed	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Up gradation of Murex 2.11 to Murex 3.1	Apr-17	Yes	NA
Cisco CUCM	Dec-17	Yes	NA
Portwise Nexus Hybrid Access Gateway	Oct-18	Yes	NA
Palo Alto Firewall	Feb-19	Yes	NA
Adobe Omni Channel Marketing Platform	Feb-19	Yes	NA
FICO Blaze	Dec-19	NO	This is under UAT phase
Logi Analytics HA & DR Upgrade	Jan-19	Yes	NA
IS - Morphisec EP protection	June-19	Yes	NA
Murex Southeast Asia Pte Ltd – AMC ID's	Jan-19	Yes	NA
Swift Alliance Implementation	Aug-19	Yes	NA
Technology Nexus Secured Business Solutions AB, Portwise Upgrade Project	Apr-19	Yes	NA

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

During the year ended March 31, 2020 the Bank earned ₹11,841.17 million and spent ₹16,512.96 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

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Sunil Mehta
Non Executive Chairman
(DIN: 00065343)

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Report on Corporate Governance

(The Report on Corporate Governance forms part of the Directors' Report for the year ended March 31, 2020)

In compliance with Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), a Report on Corporate Governance for the Financial Year 2019-20 is presented below:

1. BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

YES BANK, now backed by India's largest public sector bank, is committed to achieve higher standards of Corporate Governance and is on the road of re-gaining the trust and faith of the stakeholders by strengthening its governance and disclosure practices.

Effective Corporate Governance is the interaction between various participants (Shareholders, Board of Directors, and Company's Management) in shaping Bank's performance. Transparency and Accountability are the fundamental principles to sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for 'creating and sharing value'.

With a view to bring in more transparency and accountability, the Bank upgrades its systems and policies regularly, to meet the challenges of dynamic and challenging business environment and to provide reasonable assurance with regards to maintaining of proper internal controls and monitoring of operations. YES BANK's new Board is committed to adhere to highest standard of ethics, transparency, disclosures and governance in order to protect the interest of all its stakeholders. The Board is focused on ensuring both the Corporate Governance and Risk Controls of the Bank.

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

During the year, several Corporate Governance issues were raised by Stakeholders and Regulators. Taking a positive note of such observations, the Bank is working to further strengthen its governance and disclosure practices to make it more effective from regulatory and market perspective.

Environmental, Social & Governance Rating

Corporate Governance has emerged as an essential tool in the organizational management globally. Strong Corporate Governance practices have become crucial in achieving competitive advantage and positively impacting profitability. YES BANK endeavors to benchmark itself with the best of companies in India and globally, to maintain the highest ratings for its Environmental, Social and Governance (ESG) practices.

We are pleased to advise you that in FY 2019-20, YES BANK became the only Indian bank to be included in FTSE4Good Emerging Index for the 3rd consecutive year (2017, 2018 & 2019). The Bank was also awarded 'PRIME' status by ISS ESG (previously known as OEKOM Research AG) for the 2nd consecutive year (2018 and 2019). These selections highlight YES BANK's continued leadership in ESG performance. Further the Bank continues to adhere to GRI standards and Integrated Reporting guidelines of the International Integrated Reporting Council. YES BANK has also received ISO 27001 certification for its information security management system and data privacy policies.

Governance Structure

YES BANK's Corporate Governance Structure has been designed keeping in view of the regulatory and business requirements, which provides a comprehensive framework to (i) enhance accountability to shareholders and other stakeholders, (ii) ensure timely implementations of the plans and accurate disclosures of all material matters, (iii) deal fairly with shareholders and other stakeholder interests, and (iv) maintain high standards of business ethics and integrity.

2. BOARD OF DIRECTORS

(a) Composition and Category of Directors:

During the Financial Year 2019-20, the Bank has witnessed many changes amongst the Board of Directors triggered by the regulatory intervention. The details of which are given under the head "**YES BANK LIMITED RECONSTRUCTION SCHEME, 2020**" ("YBL Reconstruction Scheme") in Directors' Report. During the year, two of the Directors resigned in the month of June, 2019, one director resigned in the month of January, 2020 and two Indian Partner representative Directors were appointed in the month of April, 2019. In the month of March, Reserve Bank of India ("RBI") in exercise of the powers conferred under 36ACA of the Banking Regulations Act, 1949 ("BR Act") in consultation with Central Government, superseded the Board of Directors of the Bank and in the interim Mr. Prashant Kumar was appointed as the administrator under

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Section 36ACA (2) of the BR Act for a period of 30 days and all powers of the Board of Directors were vested in him. The Bank was under the control of Administrator for the period, from March 06, 2020 to March 25, 2020. Under the YBL Reconstruction Scheme, new Board of Directors of the Bank was constituted, which took charge with effect from March 26, 2020.

The new Board of Directors consist of Eight Directors including One Non-executive Chairman, One Managing Director & Chief Executive Officer, Two Non-executive Directors as named under the YBL Reconstruction Scheme, Two Directors nominated by the State Bank of India and Two Directors appointed by the Reserve Bank of India as Additional Directors.

Accordingly, the Bank has eminent personalities from diverse fields and long banking experience as the Directors on its Board. The composition of Board of Directors represents the optimal mix of professionalism, qualification, knowledge, skill sets, track record, integrity, expertise and diversity of experience as required in the Banking Business. The responsibilities of the Board inter alia include revival of the Bank, ensure adequate capitalization, formulation of overall strategy for the group, taking new initiatives, formulating policies, performance review, monitoring of plans, pursuing of policies and procedures.

With regard to qualification for being Director and composition of the Board, Clause 5(6) of the YBL Reconstruction Scheme provides that "The appointment of the directors shall have effect, notwithstanding non-fulfilment of any requirement as to minimum shareholding, qualification, experience or any other condition, for being a director of the reconstructed bank." Further, Clause 5 (7) states that "The members of the Board, other than the additional directors, so appointed shall continue in office for a period of one year, or until an alternate Board is constituted by reconstructed bank in accordance with the procedure laid down in its memorandum and articles of association, whichever is later.

Accordingly, the provisions of SEBI LODR Regulations on Board composition with regard to minimum number of Independent Directors, Committee composition with respect to Nomination & Remuneration Committee, Audit Committee, Committee of Independent Directors are not applicable, till the new Board of the Bank is constituted as per Articles of the Bank/under SEBI Listing Regulations. The Reserve Bank of India as well as the Stock Exchanges viz. National Stock Exchange of India Limited and BSE Limited had confirmed the above view of the Bank over an email communication.

The details of the Board of Directors, category and changes amongst them during the year are as follows:

Name & DIN of the Director	Category	Details of Change
Mr. Ravneet Singh Gill (DIN: 00091746)	Managing Director & Chief Executive Officer	Appointment - Mar 01, 2019 Cessation - Mar 05, 2020 *
Mr. Brahm Dutt (DIN: 05308908)	Non-Executive Independent Director & Part-time Chairman	Appointment - Jul 24, 2013 Cessation- Mar 05, 2020 *
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (DIN: 05155598)	Non-Executive Independent Director	Appointment - Apr 25, 2012 Cessation - Jun 10, 2019 #
Mr. Thai Salas Vijayan (DIN: 00043959)	Non-Executive Independent Director	Appointment – Dec 03, 2018 Cessation- Mar 05, 2020 *
Mr. Maheswar Sahu (DIN: 00034051)	Non-Executive Independent Director	Appointment – Jan 24, 2019 Cessation- Mar 05, 2020 *
Mr. Anil Jaggia (DIN: 00317490)	Non-Executive Independent Director	Appointment – Jan 24, 2019 Cessation- Mar 05, 2020 *
Mr. Uttam Prakash Agarwal (DIN: 00272983)	Non-Executive Independent Director	Appointment – Nov 14, 2018 Cessation- Jan 10, 2020 #
Dr. Pratima Sheorey (DIN: 08120130)	Non-Executive Independent Director	Appointment – Apr 26, 2018 Cessation- Mar 05, 2020 *
Mr. R. Gandhi (DIN: 03341633)	Additional Director appointed by RBI	Appointment – May 14, 2019 Cessation- Mar 05, 2020 *
Mr. Ajai Kumar (DIN: 02446976)	Non-Executive Non-Independent Director	Appointment – Jan 29, 2016 Cessation- Jun 09, 2019 #
Mr. Subhash Chander Kalia (DIN: 00075644)	Non-Executive Non-Independent Director	Appointment – Apr 03, 2018 Cessation- Mar 05, 2020 *
Mr. Ravinder Kumar Khanna+ (DIN: 00305025)	Non-Executive Non-Independent Director	Appointment-Apr 26, 2019 Cessation- Mar 05, 2020 *

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Name & DIN of the Director	Category	Details of Change
Ms. Shagun Kapur Gogia+ (DIN: 01714303)	Non-Executive Non-Independent Director	Appointment-Apr 26, 2019 Cessation- Mar 05, 2020 *
Mr. Prashant Kumar (DIN: 07562475)	Managing Director & Chief Executive Officer	Appointment – Mar 26, 2020 $
Mr. Sunil Mehta (DIN: 00065343)	Non- Executive Chairman	Appointment - Mar 26, 2020 $
Mr. Mahesh Krishnamurti (DIN: 02205868)	Non-Executive Director	Appointment - Mar 26, 2020 $
Mr. Atul Bheda (DIN: 03502424)	Non-Executive Director	Appointment - Mar 26, 2020 $
Mr. R. Gandhi (DIN: 03341633)	Additional Director appointed by RBI	Appointment - Mar 26, 2020 $
Mr. Ananth Narayan Gopalakrishnan (DIN: 05250681)	Additional Director appointed by RBI	Appointment - Mar 26, 2020 $
Mr. Partha Pratim Sengupta (DIN: 08273324)	Nominee Director appointed by State Bank of India	Appointment - Mar 26, 2020 $
Mr. Swaminathan Janakiraman (DIN: 08516241)	Nominee Director appointed by State Bank of India	Appointment – Mar 26, 2020 $

Resignation * Supersession of Board by RBI $ Pursuant to the YBL Reconstruction Scheme.

+ Indian Partner Representative Directors

Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) and Mr. Uttam Prakash Agarwal have given detailed reasons for their resignations and have also confirmed that there is no other material reason than the one specified in their resignation letters/Email.

Profile of Board of Directors:

Mr. Prashant Kumar
(Appointed as Managing Director & Chief Executive Officer of the Bank w.e.f. March 26, 2020)

Mr. Prashant Kumar joined State Bank of India ('SBI') in 1983 as Probationary Officer and since then he held various important portfolios in the Bank. He has over 35 years of experience in the Banking field. In his long service in the Bank, he had the opportunity to work in various areas of banking such as Credit, Retail Banking, Human Resources & Strategic Training and Finance.

He held the position of General Manager in Mumbai and Chief General Manager of Kolkata Circle in SBI. After elevation to the position of Deputy Managing Director, he held the position of Chief Operating Officer, Corporate Development Officer (HR) and Chief Financial Officer of SBI at its Corporate Office in Mumbai.

He is a Science graduate and a law graduate from Delhi University.

Mr. Sunil Mehta
(Appointed as Non-Executive Chairman of the Bank w.e.f. March 26, 2020)

Mr. Sunil Mehta has over three and a half decades of proven leadership experience in banking, financial services, insurance and investments with Citibank and AIG. In 2013, he left AIG where he was the Country Head & CEO for AIG India since 2000. Subsequently, he started SPM Capital Advisers Pvt. Ltd. Mr. Mehta is the Chairman and Managing Director of SPM Capital Advisers Pvt. Ltd., a leading business advisory and consulting firm in India.

As Country Head & CEO for AIG in India, Mr. Sunil Mehta was responsible for all AIG businesses in India covering Insurance, Financial Services, Real Estate and Investments amongst other businesses. He set up AIG's insurance JVs with Tatas and was also responsible for expanding AIG's presence across ten businesses in India which included Life & Non-Life Insurance, Private Equity, Asset Management, Real Estate, Home Finance, Consumer Finance, Software Development, Mortgage Guaranty and Aircraft Leasing. He was on the Board of all AIG Companies in India and also on the Board of IDFC Ltd. for several years.

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Prior to joining AIG, Mr. Sunil Mehta worked with Citibank for over 18 years where he held various senior positions covering operations, sales & risk process re-engineering, risk management, public sector business and corporate banking. His last assignment was Corporate Bank Head for Citibank India and Senior Credit Officer.

Mr. Mehta was Non-Executive Chairman of Punjab National Bank from March 2017 till February 2020. He was an Independent Director on the Board of State Bank of India from June 2014 to March 2017. He is presently a Board Member of ACC Ltd. (A subsidiary of Lafarge Holcim Group), Sashakt India Asset Management Ltd., Welmo Fintech Pvt. Ltd. and Bodytronix Fitness Pvt. Ltd. Mr. Sunil Mehta was on the Board of a startup digital non-life insurance company - Acko General Insurance Ltd. till October 2018.

In addition to the above, he is a Senior Advisor to notable International/Domestic Firms amongst his other business responsibilities at SPM Capital Advisers Pvt. Ltd.

Mr. Mehta was asked to Chair the Committee on Resolution of Stressed Assets by the Honorable Finance Minister of India. Other Members of the Committee included the Chairman of State Bank of India, Managing Director of Bank of Baroda and Deputy Managing Director of SBI. The Committee presented the Sashakt Report on Resolution of Stressed Assets to the Finance Minister on July 2, 2018. The report is under implementation and made significant progress with adoption of the Inter Creditor Agreement (ICA) by the Regulator and all major Banks/NBFC's in addition to other recommendations.

Mr. Mehta is closely engaged with various Think Tanks and Chambers of Commerce. He is the founding Board Member of the Asia Society India Centre and a Past Chairman of American Chamber of Commerce (AMCHAM India). He is currently on the India Advisory Board of US India Strategic Partnership Forum (USISPF).

Mr. Mehta has strong interests in building sustainable communities and is the immediate Past Chairman of Action for Ability Development and Inclusion (Formerly The Spastics Society of North India). He is actively engaged with The United Way and on the Boards of United Way India and Mumbai. He was also the Chairman of both these organizations and also member of the Global Transition Board of United Way Worldwide.

Mr. Mehta is a graduate from Shri Ram College of Commerce, Delhi University. He is a Fellow Member of the Institute of Chartered Accountants of India and an Alumni of the Wharton School of Management, University of Pennsylvania, USA.

Mr. Mahesh Krishnamurti
(Appointed as Non-Executive Director of the Bank w.e.f. March 26, 2020)

Mr. Mahesh Krishnamurti has extensive experience in partnering closely with senior leadership teams in some of the most dynamic companies in the world. In December 2018, he left RGP, a leading Nasdaq-listed global consultancy ("RECN"), where he had been India MD & Country head and member of the Global Leadership Team since 2007. He was selected by the Board to establish and lead RGP India, and relocated to Mumbai from New York in 2007. At RGP, Mr. Mahesh Krishnamurti advised large MNCs on operational and strategic initiatives. Prior to his India assignment, Mr. Mahesh Krishnamurti's career in the US variously covered senior operational, sales, finance, planning, entrepreneurial, and consultancy roles at Digital Equipment Corporation, Symbol Technologies, Goldman Sachs, Worth Media, and RGP.

He is also an LP and Advisor to the founders of Arka Venture Labs, a cross-border B2B deep-tech seed fund focused on supporting early-stage technology ventures in India and transitioning them to the Silicon Valley ecosystem. Mr. Mahesh Krishnamurti is a Supervisory Board member at MyCFO, a well-established consultancy with a large client portfolio that is adept at implementing practical solutions. As an Impact Advisor, he is deeply interested in Sustainability, and Environmental, Social, Governance (ESG) challenges. He is Advisor/Partner with BuzzOnEarth Media, a fast-growing online media platform with a global audience that engages the masses and actively influences them towards positive action on Sustainability Development Goals. Mr. Mahesh Krishnamurti is also advising various other promising social impact and technology start-ups.

Mr. Krishnamurti is innately international and culturally versatile, having lived in Thailand (childhood), Switzerland (schooling), UK, US, and India. He is conversant in French, Thai, Tamil, Telugu, and Hindi, having been raised in a United Nations family.

He has been Chairman, American Chamber of Commerce, India Western Region; Committee Member, Policy Research & Development, Bombay Chamber of Commerce; Charter Member TiE; BIMTECH Advisory Council Member; Rotarian.

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Mr. Krishnamurti holds a B.Sc. (Economics) from the London School of Economics and Political Science, and an MBA (Finance) from NYU, Stern School of Business. He has also attended management programs at the Wharton School, and MIT, Sloan School of Management.

Mr. Atul Bheda
(Appointed as Non-Executive Director of the Bank w.e.f. March 26, 2020)

CA Mr. Atul Bheda is a practicing Chartered Accountant with a degree in law and Information Systems Audit (ISA). He is in practice since 34 years. He has experience in the areas of Tax, Bank and other Audits, Computer Software Development, Finance, Corporate laws etc.

He has been a Member of the Central Council of the Institute of Chartered Accountants of India (ICAI) from 2007 to 2013 and has been contributing to the ICAI by chairing various committees like Information Technology (IT), Indirect Tax (IDTC), Ethical Standards Board (ESB), and the Expert Advisory Committee (EAC) and has represented ICAI on committees of SEBI, RBI, IRDA and XBRL International. He was a member of Accounting Standards Board, Corporate Laws and Corporate Governance Committee, Internal Audit Standards Board, Committee on Banking, Insurance & Pension, Auditing and Assurance Standards Board, Board of Studies, Examination Committee, Disciplinary Committee of ICAI.

He has been the founder director of XBRL Limited in India. He was Chairman of Taxonomy Development and Review Committee of XBRL India.

He was Chairman of The Western India Regional Council (WIRC of ICAI) which is the largest Regional Council of The Institute of Chartered Accountants of India (ICAI).

He has also contributed to many Education and Charitable Organisations in various capacities.

Mr. R. Gandhi
(Additional Director appointed by RBI w.e.f. March 26, 2020)

Mr. R. Gandhi is a financial sector policy expert and adviser. His expertise includes banking and non-banking regulation, payment systems, financial markets, FinTech and currency management. He served as a Deputy Governor of the Reserve Bank of India for three years from 2014 to 2017. With 37 years of experience, he has been a seasoned and accomplished central banker. He had a three year secondment to the Securities and Exchange Board of India (SEBI), the capital market regulator. He also held the charge of Director of the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad.

In his long and illustrious career, Mr. Gandhi 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) and was a member of the Basel Committee on Banking Supervision (BCBS) and the Committee on Global Financial Systems (CGFS), Basel. At present, he advises banks, finance companies and fintech entities.

Mr. Gandhi has a master's degree in Economics from the Annamalai University, in Tamil Nadu, India. He completed 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. Ananth Narayan Gopalakrishnan
(Additional Director appointed by RBI w.e.f. March 26, 2020)

Mr. Ananth Narayan Gopalakrishnan is an Associate Professor, SPJIMR and Senior India Analyst, Observatory Group LLC. He is an Independent Director on the boards of SBI Capital Markets Ltd., Clearcorp Dealing Systems Ltd., CARE Ratings Ltd., Agappe Diagnostics Ltd., Southern Ridges Macro Fund and Southern Ridges Master Macro Fund. He is a member of SEBI's Mutual Fund Advisory Committee, FICCI's Capital markets Committee, and Kerala Infrastructure Fund Management Ltd.'s Investment Committee. He has over 24 years of experience in banking and financial markets – with Standard Chartered Bank, Deutsche Bank and Citibank. Till December 2017, he was MD & Regional Head of Financial Markets, ASEAN & South Asia with Standard Chartered Bank. Previously, he was SCB's Head of Financial Markets & Co-Head of Wholesale Banking for South Asia between 2012-15, and Regional Head of FX, Rates & Credit Trading South Asia, between 2009-12.

Prior to Standard Chartered Bank he was with Citibank in Mumbai till 2005 (Director & Head of FICC Trading), and with Deutsche Bank in Mumbai (Managing Director & Head

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of Global Rates, South Asia – till August 2009). He served as the Chairman of the board of Standard Chartered Nepal Ltd. between 2016–2017. He was Vice Chairman on the board of Fixed Income Money Market and Dealers Association (FIMMDA) and Foreign Exchange Dealers Association of India (FEDAI), between 2012 and 2017.

He was on the Board of Central Depository Services Ltd. (CDSL) and Standard Chartered Securities India Ltd. (SCSI) between 2013 and 2017. He has been a part of various RBI committees (including the one that launched FX Options in India, Interest Rate Futures, Financial Stability, Financial Benchmarks etc). He has a B.Tech (Electrical) from IIT Bombay and a PGDM from IIM Lucknow.

Mr. Partha Pratim Sengupta
(Nominee Director appointed by State Bank of India w.e.f. March 26, 2020)

Mr. Partha Pratim Sengupta, Deputy Managing Director, State Bank of India (SBI), a career banker, joined SBI as a Probationary officer in February 1987. Before assuming charge as Deputy Managing Director & Chief Credit Officer in September 2018, he was the Chief General Manager of SBI, Kolkata Circle. Prior to this, he was General Manager at Mid Corporate Regional office, Pune and Deputy General Manager, IFB Mumbai. He has been instrumental in changing the Credit Underwriting and Monitoring Processes in SBI. He is also chairing the Corporate Centre Credit Committee of SBI, the highest committee in SBI.

Mr. Swaminathan Janakiraman
(Nominee Director appointed by State Bank of India w.e.f. March 26, 2020)

Mr. Swaminathan Janakiraman is the Dy. Managing Director (Finance) of State Bank of India ('SBI'). Mr. Swaminathan, in a career spanning over 31 years with SBI, has held various assignments across Corporate and International Banking, Trade Finance, Retail and Digital Banking and Branch Management.

In his current assignment as DMD Finance, he oversees Budgeting, Capital Planning, Financial Reporting, Taxation, Audit, Economic Research, Investor Relations and Secretarial Compliance. Prior to this as Chief Digital Officer of SBI, he served as the head of Digital & Transaction Banking verticals of the Bank. Prior to that, as a CGM, Mr. Swaminathan was the head of the SBI's Hyderabad Circle overseeing the Bank's business in the State of Telangana, handling a wide spectrum of Retail Banking under various customer segments, through its 1,150 branches.

During his stint in SBI's International Banking Group, Mr Swaminathan served as General Manager (FIG), Corporate Centre Mumbai, which handles SBI's correspondent banking relationships including Institutional Sales, Trade Finance and Payments Products. As a DGM, he was head of Global Trade Services, responsible for Trade Finance business and Trade Operations of SBI's overseas offices. He was also Head of Trade Finance at SBI's Branch in New York. As SBI's nominee, he served on the Board of Bank of Bhutan, an SBI JV in Bhutan.

As SBI's nominee, Mr. Swaminathan was a Director on the boards of NPCI, NPCI International and Jio Payments Bank. Mr Swaminathan is currently the SBI's nominee director and Chairman of the Board of SBI Payments Services Pvt Ltd, an SBI Hitachi JV. He is a Certified Anti-Money Laundering Specialist (CAMS) as well as Certified Documentary Credit Specialist (CDCS).

(b) Board Meetings, Attendance & Committee Memberships:

The Board of Directors of the Bank has decided to conduct at least Six meetings in a year instead of minimum Four quarterly meetings as a good governance practice. In view of business requirements, Eleven Meetings of the Board were held during the Financial Year ended, March 31, 2020 on April 26, 2019, May 16, 2019, June 12, 2019, July 17, 2019, August 10, 2019, August 30, 2019, November 01, 2019, November 29, 2019, December 10, 2019, January 10, 2020 and March 26, 2020. Further, the Meeting of Administrator appointed by RBI was held on March 14, 2020 at which the Administrator had considered and approved results for the Quarter and nine months ended December 31, 2019 and other related matter which was duly recorded in the minutes of the meeting for the purpose of compliance and recording. The maximum gap between any two Board meetings was less than One Hundred and Twenty days.

The names of the members of the Board, their status, their attendance at the Board Meetings and the last Annual General Meeting (AGM), number of other Directorships and Committee membership(s)/chairmanship(s) of each Director as on March 31, 2020 are as under:

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Name, DIN & Category of the Director	No. of Board meetings attended/ held during their Tenure	Attendance at AGM held on June 12, 2019*	Number of other Directorships		Number of Committee memberships (Chairmanship) in other companies **
			Of Indian Public Limited Companies	Of other Companies*	
Present Board (w.e.f. March 26, 2020)					
Mr. Prashant Kumar	1 / 1	N.A.	-	-	-
Mr. Sunil Mehta	1 / 1	N.A.	3	3	2 (1)
Mr. Mahesh Krishnamurti	1 / 1	N.A.	-	-	-
Mr. Atul Bheda	1 / 1	N.A.	-	-	-
Mr. Partha Pratim Sengupta	1 / 1	N.A.	1	-	2 (0)
Mr. Swaminathan Janakiraman	1 / 1	N.A.	-	2	-
Mr. R. Gandhi	1 / 1	N.A.	5	3	2 (0)
Mr. Ananth Narayan Gopalakrishnan	1 / 1	N.A.	4	2	4 (0)
Previous Board – up to March 05, 2020					
Mr. Ravneet Singh Gill[6]	10/10	Yes	-	-	-
Mr. Brahm Dutt[6]	10/10	Yes	-	-	-
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)[1]	2/ 2	N.A.	1	-	-
Mr. Thai Salas Vijayan[6]	10/10	Yes	3	-	2 (2)
Mr. Maheswar Sahu[6]	10/10	Yes	8	7	4 (3)
Mr. Anil Jaggia[6]	10/10	Yes	-	1	-
Mr. Uttam Prakash Agarwal[2]	9/9	Yes	1	2	1 (1)
Dr. Pratima Sheorey[4]	10/10	Yes	-	-	-
[4]Mr. R. Gandhi[6]	9/9	Yes	4	3	2 (0)
Mr. Ajai Kumar[3]	2/2	N.A.	1	-	-
Mr. Subhash Chander Kalia[6]	10/10	Yes	2	1	2 (0)
[5]Mr. Ravinder Kumar Khanna[6]	9/9	Yes	-	2	-
[5]Ms. Shagun Kapur Gogia[6]	8/9	Yes	-	5	-

Notes:

(i) [1] Ceased to be Director w.e.f. Jun 10, 2019 | [2] Ceased to be Director w.e.f. Jan 10, 2020
[3] Ceased to be Director w.e.f. Jun 09, 2019 | [4] Appointed w.e.f. May 14, 2019
[5] Appointed w.e.f. Apr 26, 2019 | [6] Ceased to be Director w.e.f. Mar 05, 2020

(ii) Directorship and Committee membership / chairmanship details of the Previous Board of Directors are taken as on their date of cessation.

(iii) # Includes directorship(s) held in Foreign Companies, Private Limited Companies and Section 8 Companies in India.

(iv) ** Includes membership(s) of Audit Committee and Stakeholders' Relationship Committee of all Indian Public Limited Companies; figures in brackets indicate number of Committee Chairmanship(s) as per Regulation 26 of the Listing Regulations.

(v) Directorship details are given excluding directorship in the Bank.

(c) Disclosure of relationships between Directors inter-se:

None of the present Directors are having any inter-se relationship and each one of them are Independent to each other, except that Nominee Directors of State Bank of India and Additional Directors appointed by RBI are representing their respective organizations.

(d) Number of shares and convertible instruments held by Non-Executive Directors:

The details of shareholding of Non-Executive Directors is as under:

Name of the Director	No. of Shares held
Mr. Sunil Mehta	NIL
Mr. Mahesh Krishnamurti	NIL
Mr. Atul Bheda	150
Mr. R. Gandhi	NIL
Mr. Ananth Narayan Gopalakrishnan	NIL
Mr. Partha Pratim Sengupta	NIL
Mr. Swaminathan Janakiraman	800

(e) Familiarization Program for Board Members:

In compliance with the requirement of the Listing Regulations, the Bank had conducted various familiarization programmes during the financial year to familiarize Independent Directors as well as the Non-Executive Non-Independent Directors, of the Bank and its management, about their roles, rights, responsibilities in the Bank, nature of the Banking Industry, Business Model, Risk Management System and Technology Architecture of the Bank for the purpose of contributing significantly towards the growth of the Bank. The said programmes aimed to provide and to

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familiarize the newly appointed Director of the Bank, with the nature of the industry in which the Bank operates, Strategic Objectives of the Bank, Business Model of the Bank etc. so as to help them contribute significantly during the deliberations in the Board/ Committee meetings.

The Directors attended/received trainings being organized by various Regulators/ Bodies/ Institutions on Digital Technologies that enable Banking, the latest trend in IT Strategy, Cyber Security, Corporate Loan Fraud Management, Risk and Governance issues, etc. The details of such familiarization programs are displayed on the website of the Bank and the web link thereto is https://www.yesbank.in/about-us/corporate-governance.

(f) A chart or a matrix setting out the skills/expertise/competence of the Board of Directors:

The Board of Directors have identified the following Core Skills/ Practical Experience/ Special Knowledge/ Competencies as required in the context of its business(es) and sector(s) for it to function effectively. The Composition of the Board of Directors of the Bank as on March 31, 2020, including skill sets/ expertise/ competencies/ practical knowledge and list & category of Directorship in other listed companies are as follows:

Name of the Director	Special Knowledge / Practical Experience / Skills / Expertise / Competencies	List and Category of Directorship in other Listed Companies
Mr. Prashant Kumar	Banking, Finance	Nil
Mr. Sunil Mehta	Banking, Finance, Insurance and Investments	ACC Limited as Independent Director
Mr. Mahesh Krishnamurti	Strategy, Governance, Risk Management, Technology and Finance	Nil
Mr. Atul Bheda	Tax, Audits, Computer Software Development, Finance, corporate laws	Nil
Mr. Partha Pratim Sengupta	Banking	Nil
Mr. Swaminathan Janakiraman	Banking	Nil
Mr. R. Gandhi	Regulatory experience at top level positions, Payment systems and information technology, Financial Markets (money, securities, forex and capital market) Operations and Regulation, Currency Operations and Management, Personnel and Human Resources Management, Industrial Credit and International Banking	Nil
Mr. Ananth Narayan Gopalakrishnan	Banking and Financial Markets	CARE Ratings Ltd as Independent Director

(g) Confirmation about Independence:

According to the documents received from the erstwhile Board members, the current Board of Directors hereby confirms that the Independent Directors who were holding Independent Directorship in Bank before the Board of Directors being superseded by RBI, fulfill all the conditions specified in the SEBI Listing Regulations and were Independent of the Management. As already mentioned under para 2(a) of this report, the current composition of the Board does not entail Independent Director on the Board of the Bank.

(h) Terms and Conditions for Appointment of Independent Directors:

A formal Letter of Appointment is addressed to Independent Directors at the time of their appointment. The terms and conditions of Appointment of Independent Directors has been disclosed on the website of the Bank at https://www.yesbank.in/about-us/corporate-governance.

(i) Policy on Appointment of Directors:

The Bank has a Board approved 'Policy on Board Diversity and Fit & Proper Criteria and Succession Planning' ('Fit & Proper Policy') which comprises of the detailed process for appointment of Directors including the required skill sets, experience, etc. The Policy covers all the aspects of Board composition, track record, skill sets, diversification of the Board of Directors as required under the Companies Act, 2013, SEBI LODR Regulations, the BR Act and other regulatory and business requirements.

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The Nomination & Remuneration Committee (NRC) is being guided by the said policy while recommending appointment of Directors. As per the Fit & Proper Policy of the Bank, Bank to 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) Process for Appointment of Directors:

In terms of the Fit & Proper Policy, NRC of the Board identifies and scrutinizes the prospective candidates for the position of Director keeping in view the requisite qualifications, expertise, skill sets, track record, due diligence etc. relevant to the Banking Business and as per the Statutory / Regulatory requirements and as prescribed under the aforesaid Policy. The NRC, post assessing the fulfillment of fit and proper criteria by the candidate on the basis of various declarations and disclosures received from the candidate, makes the recommendation for the appointment of proposed Director to the Board for its approval. The Board, thereafter, having considered the recommendation of NRC, makes its own assessment on the proposal for appointment of Director, basis the Business as well as Statutory / Regulatory requirements. The Board also recommends the appointment of Managing Director & CEO and the Non-Executive Chairman for the approval of RBI. The Board then recommends the appointment/re-appointment of Directors to the Shareholders for approval, after taking into consideration the results of performance evaluation, and other statutory requirements.

(k) Criteria for Appointment of Independent Directors:

The NRC while considering the proposal for appointment of Independent Directors also considers the criteria of independence prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

The Directors holding Independent Directorship in Bank before the Board of Directors was superseded by RBI, confirmed that they met the criteria of independence laid down under the Companies Act, 2013 and the SEBI Listing Regulations at the start of the FY 2019-2020 and they were Independent from the Management.

However, current composition of the Board of Directors of the Bank is governed under the YBL Reconstruction Scheme and hence, the Bank is not compelled to have Independent Directors on the Board of the Bank.

(l) Information Supplied / Available to the Board:

The Directors are presented with important/critical information on the operations of the Bank as well as that which requires deliberations at the highest level. The Board has complete access to all the relevant information within the Bank and also access to the Top Management of the Bank and any additional information to make informed and timely decisions. All Board and Committee meetings are governed by structured Agenda Notes which are backed by comprehensive background papers along with relevant annexures.

Since 2016, as a part of green initiative by the Bank, all relevant agenda papers pertaining to the Board/ Committee are being circulated well in advance to the Board of Directors through web-based portal to facilitate easy access of agenda on iPad which would provide sufficient time to the Board for reading and understanding the proposals placed in a meeting.

The Board was presented with the information on various important matters of capital raising activity, operations, risk management and business, new initiatives in business, budgets, financial results, update on corporate social responsibility activities, minutes of Board and Committees of the Board, appointment and remuneration of the Senior Management, appointment/cessation of Key Managerial Personnel, details of joint ventures or collaborations, if any, information on subsidiaries, sale of investments, assets which are material in nature and not in the normal course of business, foreign exposure and non-compliance, if any with regulatory or statutory guidelines or in the SEBI Listing Regulations, etc., and other matters which are required to be placed before the Board in terms of the Companies Act, 2013, SEBI Listing Regulations and Theme Based Review agenda as prescribed by RBI, etc. The Board and other Committees also approve various business proposals and regulatory approvals through circulations.

(m) Post Meeting Communication / Follow up System:

The Bank has an effective post meeting follow up procedure. The Bank has a mechanism to track important decisions taken at the Board/Committee meetings till the closure of such decisions and a report on ongoing actionables (Action Taken Report) are being

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placed before the meeting of the Board/Committees of the Board from time to time. Action Taken Report on the decisions taken in a meeting is placed at the succeeding meeting(s) of the Board/Board Level Committees.

(n) Succession Planning:

The Bank believes that a sound Succession Plan for the Directors and Senior Management executives is important for creating a robust leadership pipeline for the Bank. Accordingly, the Bank has put in place policies for Succession Planning of Directors and Senior Management executives.

3. COMMITTEES:

In order to focus on Strategic and key financial issues, the Bank is required to have certain Board Level Committees. The Companies Act, 2013, SEBI LODR Regulations and BR Act mandates for constitution of certain Board Level Committees. The Bank, prior to the suppression of the Board on March 05, 2020, had the Thirteen Board level Committees, which were constituted over a period of time in compliance with the aforesaid regulatory requirements and as per the requirement of the business with specified terms of reference of each of the Committees. The Board Level Committees focus on specific areas and take informed decisions on the specific businesses assigned to them in the best interest of the Bank. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. All the Committees were re-constituted post Re-Constitution of the Board with effect from March 26, 2020 on taking charge by the new Board pursuant to the YBL Reconstruction Scheme. In order to keep the Committee structure lean, "Fraud Monitoring Committee" and "Board Committee on Wilful Defaulters and Non Co-operative Borrowers" were merged into one committee and re-named as "Fraud, Wilful Defaulters and Non-Cooperative Borrowers Monitoring Committee". Also, "Service Excellence, Branding and Marketing Committee" and "Stakeholder Relationship Committee" were merged into one committee and re-named as "Stakeholders Relationship & Customer Service Committee". Further, "Risk Monitoring Committee" was re-named as "Risk Management Committee". Accordingly, post reconstitution, the Bank now has nine Board Level Committees as on March 31, 2020. The Company Secretary, acts as the Secretary to all the Board Level Committees.

The Board Level Committees are briefly described below:

a) Audit Committee:

3.a.1 Constitution & Composition:

The constitution and composition of the Audit Committee during the year was as under:

Name of Member	Position	Category	Date of Appointment in Committee	Date of Cessation
From March 26, 2020 onwards				
Mr. Atul Bheda	Chairman	Non-Executive Director	Mar 26, 2020	N.A.
Mr. R. Gandhi	Member	Additional Director appointed by RBI	Mar 26, 2020	N.A.
Mr. Ananth Narayan Gopalakrishnan	Member	Additional Director appointed by RBI	Mar 26, 2020	N.A.
Mr. Partha Pratim Sengupta	Member	Nominee Director of State Bank of India	Mar 26, 2020	N.A.
Upto March 05, 2020				
Mr. Uttam Prakash Agarwal	Chairman	Non-Executive Independent Director	Nov 15, 2018	Jan 10, 2020
Mr. Brahm Dutt	Member	Non-Executive Independent Director	Oct 10, 2014	Mar 05, 2020
Mr. Anil Jaggia	Member	Non-Executive Independent Director	Jan 29, 2019	Mar 05, 2020
Mr. Maheswar Sahu	Member	Non-Executive Independent Director	Aug 10, 2019	Mar 05, 2020
Mr. R. Gandhi	Member	Additional Director appointed by RBI	May 16, 2019	Mar 05, 2020
Mr. Ravinder Kumar Khanna	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020
Mr. Subhash Chander Kalia	Member	Non-Executive Non-Independent Director	Apr 26, 2018	Aug 10, 2019

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Name of Member	Position	Category	Date of Appointment in Committee	Date of Cessation
Dr. Pratima Sheorey	Member	Non-Executive Independent Director	Mar 28, 2019	Aug 10, 2019
Mr. Ajai Kumar	Member	Non-Executive Non-Independent Director	Jan 29, 2019	Jun 09, 2019

The Chief Financial Officer is permanent invitee in all meetings of the Audit Committee. The Company Secretary is the Secretary of the Audit Committee. All members of the Audit Committee are financially literate and Chairman of the Committee has accounting and financial management expertise. The Statutory Auditors and Internal Auditors are also invited to the meetings to discuss their Reports. The erstwhile Chairman of the Audit Committee, Mr. Uttam Prakash Agarwal was present at the last AGM.

3.a.2 Terms of Reference:

The terms of reference of the Audit Committee cover 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 Regulations. The broad terms of reference of the Audit Committee includes - to oversee entire audit function (internal and external), Bank's financial reporting process and disclosure, communication with auditors, recommend appointment/removal of auditors and to decide their scope and to fix their fees and payments, to identify framework, to review adequacy of internal audit function and Internal Financial Control (IFC) of the Bank and Subsidiaries and also to evaluate Risk Management Systems, to discuss the nature and scope of audit and ascertain any area of concern post audit, to engage with auditor on observations on IFC, to ensure independence of auditors, to engage with, discuss and review reports of auditors, to review - the results/financial statements Director's Responsibility Statement, accounting policies and practices and changes, compliance with accounting standards, major accounting entries, significant adjustments, related party transactions, qualifications/ modified opinion in the draft audit report, Company's earnings, press releases, effects of alternative GAAP methods, contingent liabilities, off-balance-sheet structures, earnings guidance, Tax Audit statements, Long Form Audit Report, legal audits of title deeds, credit exposure above ₹50 MM, financial statements and investments made by the unlisted subsidiary, Whistle blower policy and complaints, compliance in respect of reports issued by RBI, report on compliance of Corporate Governance and requirement of Regulators in Host Countries, performance of auditors, adequacy of the internal control systems, compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, reports on violations and remedial/punitive action, housekeeping, report on Revenue leakage, the findings of any internal investigations into matters of suspected fraud or irregularity or a failure of internal control systems and reporting the matter to the Board, internal audit policy and IS Audit policy, Internal Audit plan and status of achievement, System Audit, compliance of concurrent audit with respect to adherence to KYC / AML guidelines, exposure to sensitive sectors, information on violations by various functionaries, equity share holdings in borrower companies more than 30% of their paid up capital, report on fraudulent transactions relating to Internet Banking, Bank's financial and risk management policies, penalties imposed / penal action taken against bank, information on management discussion and analysis of financial condition and results of operations, Management letters of internal control weaknesses issued by the statutory auditors, Scrutiny of inter-corporate loans and investments compliance framework, policies and its implementation, minutes of executive committees, valuation of undertakings or assets of the Bank, substantial defaults, Policies on Insider Trading, storage and retrieval of books of accounts maintained in electronic mode, to approve the concurrent audit policy and to recommend appointment of CFO etc.

3.a.3 Internal Audit:

The Internal Audit Department of the Bank conducts internal audit on a pan India basis and is also supported by external agency in some of the areas of internal audit. The Chief Internal Auditor presents his report to the Audit Committee on quarterly basis.

3.a.4 Meetings & Attendance:

Nine Meetings of Audit Committee were held during FY 2019-20 i.e. on April 25, 2019, July 16, 2019, July 29, 2019, August 10, 2019, September 16, 2019, October 09, 2019, November 01, 2019, November 20, 2019 and February 26, 2020 and not more than one hundred and twenty days lapsed between two consecutive meetings of the Audit Committee.

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Name of Member / Invitee	No. of Meetings		
	Held	Eligible to attend@	Attended
Mr. Uttam Prakash Agarwal	9	8	8
Mr. Brahm Dutt	9	9	9
Mr. Anil Jaggia	9	9	9
Mr. Maheswar Sahu	9	5	4
Mr. R. Gandhi	9	8	8
Mr. Ravinder Kumar Khanna	9	5	5
Mr. Subhash Chander Kalia	9	4	4
Dr. Pratima Sheorey	9	4	4
Mr. Ajai Kumar	9	1	1
Invitees			
Mr. Subhash Chander Kalia	N.A.	N.A.	4
Mr. Ravneet Singh Gill	N.A.	N.A.	8

@ Number of meetings held during the tenure of the Director as a Member/Chairman of the Committee

Note: No meeting of the Audit Committee was held from the date of re-constitution i.e. Mar 26, 2020 till the end of the financial year.

b) Nomination & Remuneration Committee:

3.b.1 Constitution & Composition:

The constitution and composition of the Nomination & Remuneration Committee during the year was as under:

Name of Member	Position	Category	Date of Appointment in Committee	Date of Cessation
From March 26, 2020 onwards				
Mr. Mahesh Krishnamurti	Chairman	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Sunil Mehta	Member	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Atul Bheda	Member	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Swaminathan Janakiraman	Member	Nominee Director of State Bank of India	Mar 26, 2020	N.A.
Upto March 05, 2020				
Mr. Thai Salas Vijayan	Chairman	Non-Executive Independent Director	Jan 24, 2019	Mar 05, 2020
Mr. Brahm Dutt	Member	Non-Executive Independent Director	Apr 26, 2019	Mar 05, 2020
Mr. Anil Jaggia	Member	Non-Executive Independent Director	Aug 10, 2019	Mar 05, 2020
Dr. Pratima Sheorey	Member	Non-Executive Independent Director	Aug 10, 2019	Mar 05, 2020
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Member	Non-Executive Independent Director	Oct 23, 2012	Jun 10, 2019
Mr. R. Gandhi	Member	Non-Executive Independent Director	Jun 12, 2019	Nov 27, 2019
Mr. Subhash Chander Kalia	Member	Non-Executive Non-Independent Director	Jun 12, 2018	Mar 05, 2020

3.b.2 Terms of Reference:

The terms of reference of the Nomination & Remuneration Committee cover 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 Regulations. The broad terms of reference of the Nomination & Remuneration Committee includes - to review the current Board composition, its governance framework, composition of committees of the Board and their terms of reference, to examine on annual basis the qualification, knowledge, skill sets and experience of directors for fitment, scrutinize and recommend nomination for directorship, identify candidate for directorship and senior management position and to recommend their appointment and removal, to formulate criteria for performance evaluation, to carry on evaluation of performance of directors, to decide about extension of term of independent directors, to validate 'fit & proper' status of directors, to recommend board corporate governance guidelines and implement relevant policies and processes, to formulate criteria for qualification and positive attitude and independence of director(s), devise a policy on Board diversity, to recommend a policy relating on remuneration for the directors, key managerial

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personnel and other employees including performance/achievement bonus, perquisites, retirals, sitting fee etc. based on laid down principles, to review the Bank's overall compensation structure, grant of ESOPs and allot shares pursuant thereto, to function as the Compensation Committee, to review annual Human Capital Capacity Planning, list of risk takers, HCM Policies, Succession Planning and to perform any other function as may be stipulated under the Companies Act, SEBI Regulations, BR Act or RBI circulars/directives.

3.b.3 Meetings & Attendance:

Eleven Meetings of Nomination & Remuneration Committee were held during FY 2019-20 i.e. on April 17, 2019, April 25, 2019, May 16, 2019, June 11, 2019, July 16, 2019, August 10, 2019, September 16, 2019, October 24, 2019, December 05, 2019, January 10, 2020 and March 26, 2020.

The participation of the Members at the Meetings of the Committee held during the year were as under:

Name of Member / Invitee	No. of Meetings		
	Held	Eligible to attend@	Attended
From March 26, 2020 onwards			
Mr. Mahesh Krishnamurti	11	1	1
Mr. Sunil Mehta	11	1	1
Mr. Atul Bheda	11	1	1
Mr. Swaminathan Janakiraman	11	1	1
Upto March 05, 2020			
Mr. Thai Salas Vijayan	11	10	10
Mr. Brahm Dutt	11	8	8
Mr. Anil Jaggia	11	4	4
Dr. Pratima Sheorey	11	4	4
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	11	3	3
Mr. R. Gandhi	11	4	4
Mr. Subhash Chander Kalia	11	10	10
Invitees			
Mr. Prashant Kumar	N.A.	N.A.	1
Mr. Ravneet Singh Gill	N.A.	N.A.	10
Mr. R. Gandhi	N.A.	N.A.	1
Mr. Brahm Dutt	N.A.	N.A.	2

@ Number of meetings held during the tenure of the Director as a Member/Chairman of the Committee

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

3.b.4 Board Level Performance Evaluation Criteria including for Independent Directors:

The Bank has in place a Board Evaluation Framework setting out the process and the criteria for the Performance Evaluation. The said process is in line with the provisions of the Companies Act, 2013, Regulations 17 & 19 of the SEBI Listing Regulations and SEBI guidance note on the Board Evaluation dated January 05, 2017, which provides for carrying out the Performance Evaluation of the Individual Directors including Independent Directors, Non-Independent Directors, Managing Director & CEO and Chairman, Committees of the Board and the Board as a whole.

The framework is monitored, reviewed and updated by the Board as and when required, in consultation with the Nomination & Remuneration Committee, based on need and new compliance requirements, if any.

Annual Performance Evaluation of Board of Directors could not be carried out for the FY 2019-20 in view of supersession of the entire Board of Directors of the Bank (which was functional during the year) and Administrator was appointed by RBI for a period of 30 days. The new Board was re-constituted under the YBL Reconstruction Scheme just before the end of the financial year 2019-20.

3.b.5 Remuneration of Directors:

(a) Remuneration Policy:

The Bank has formulated and adopted a Remuneration Policy for its Directors, Key Managerial Personnel, Senior Management, Chairman and other employees of the Bank, in terms of Section 178 of the Companies Act, 2013, the relevant Rules made

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thereunder, Regulation 19 of the SEBI Listing Regulations and Guidelines / Circular issued by RBI, in this regard, from time to time.

The Remuneration Policy has been disclosed on the website of the Bank at https://www.yesbank.in/about-us/corporate-governance.

(b) Directors' Remuneration:

The details of the remuneration paid to the Executive Directors during FY 2019-20 are given below:

i) Executive Directors:

(Amount in ₹)

Name of the Director	Mr. Prashant Kumar (MD & CEO)	Mr. Ravneet Singh Gill (Ex-MD & CEO)
Salary	3,22,600	5,50,00,000
Stock Options	-	-
Performance linked incentives	-	-
Value of perquisites u/s 17(2) Income-tax Act, 1961	-	17,82,307
Others	-	26,40,000
Commission for FY 2018-19 $	-	-
Total	**3,22,600**	**5,94,22,307**
Commission for FY 2019-20 #	-	-

Note: The Bank had executed a service contract with Mr. Ravneet Singh Gill which includes notice period of three months subject to approval RBI. He was granted 50 lacs Stock Options on March 1, 2019 at Fair Market Value (FMV) and could exercise the Options granted as per the vesting schedule given under the YBL MD & CEO (New) Stock Option Plan 2019 which is 20%, 30% & 50% each year, from the end of 1st year from the grant date.

ii) Non-Executive Directors:

The details of the remuneration paid to the Non-Executive Directors during FY 2019-20 are given below:

(Amount in ₹)

Name of the Director	Salary	Others	Sitting Fees	Commission for FY 2018-19$	Total	Commission for FY 2019-20
Mr. Sunil Mehta	40,323	-	150,000	-	-	-
Mr. Mahesh Krishnamurti	-	-	150,000	-	-	-
Mr. Atul Bheda	-	-	150,000	-	-	-
Mr. Ananth Narayan Gopalakrishnan	-	-	100,000	-	-	-
Mr. Partha Pratim Sengupta	-	-	100,000	-	-	-
Mr. Swaminathan Janakiraman	-	-	150,000	-	-	-
Mr. R. Gandhi	-	-	2,650,000	-	**2,650,000**	-
Lt. Gen. Dr. Mukesh Sabharwal (Retd.)	-	-	800,000	1,000,000	**1,800,000**	-
Mr. Brahm Dutt	2,790,323	-	5,275,000	780,822	**88,46,145**	-
Mr. Ravinder Kumar Khanna	-	-	3,375,000	-	**3,375,000**	-
Mr. Ajai Kumar	-	-	875,000	916,667	**1,791,667**	-
Mrs. Shagun Kapur Gogia	-	-	2,900,000	-	**2,900,000**	-
Mr. Subhash Chander Kalia	-	-	6,025,000	1,000,000	**7,025,000**	-
Dr. Pratima Sheorey	-	-	2,575,000	750,000	**3,325,000**	-
Mr. Uttam Prakash Agarwal	-	-	2,550,000	250,000	**2,800,000**	-
Mr. Thai Salas Vijayan	-	-	2,425,000	250,000	**2,675,000**	-
Mr. Maheswar Sahu	-	-	3,250,000	250,000	**3,500,000**	-
Mr. Anil Jaggia	-	-	3,625,000	250,000	**3,875,000**	-
Mr. Vasant Gujrathi	-	-	-	250,000	**250,000**	-
Mr. Rentala Chandrashekhar	-	-	-	250,000	**250,000**	-

$ Commission pertaining to FY 2018-19 paid during FY 2019-20

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Notes:

a) The Non-Executive Directors were paid sitting fees of ₹100,000 for attending each meeting of the Board of Directors and ₹75,000 for attending Board Level Committee meetings and the sitting fees were revised to ₹50,000 for attending Board Level Committee meetings with effect from March 26, 2020.

b) The Bank did not pay any amount to Directors by way of salary and perquisites except to the MD & CEO and Non-Executive Chairman.

c) Commission is paid to the Directors pursuant to the approval of the shareholders' at the Annual General Meeting held on June 07, 2016, for payment of profit based commission from April 01, 2015 onwards and as per the provisions of Companies Act, 2013 and RBI Guidelines.

d) The Bank does not grant any Stock Options to any Non-Executive Directors of the Bank.

e) There were no other pecuniary relationships or transactions of non-executive Directors vis-à-vis the Bank (except normal banking transactions).

f) Please refer date of appointment and cessation in point no. 2(a). Mr. Vasant Gujarathi and Mr. Retala Chandrasekhar have resigned w.e.f. November 14, 2018 and November 19, 2018 respectively.

c) STAKEHOLDERS RELATIONSHIP & CUSTOMER SERVICE COMMITTEE:

During the year, "Stakeholders Relationship Committee" and "Service Excellence, Branding and Marketing Committee" (formed as per RBI requirement to handle customer grievances) were merged on March 26, 2020 into one Committee and the Committee was re-named as Stakeholders Relationship Committee & Service Excellence Committee. On June 25, 2020, Committee was further re-named as "Stakeholders Relationship Committee & Customer Service Committee" in order to strictly follow the nomenclature as provided in the Companies Act and RBI Circular.

3.c.1 Constitution & Composition:

The Stakeholders Relationship Committee & Customer Service Committee was re-constituted effective from March 26, 2020 as under:

Name of Member	Position	Category
Mr. Mahesh Krishnamurti	Chairman	Non-Executive Director
Mr. Atul Bheda	Member	Non-Executive Director
Mr. Partha Pratim Sengupta	Member	Nominee Director of State Bank of India
Mr. Swaminathan Janakiraman	Member	Nominee Director of State Bank of India

The composition of erstwhile Stakeholders Relationship Committee which was effective till March 05, 2020 was as under:

Name of Member	Position	Category	Date of Appointment	Date of Cessation
Mr. Maheswar Sahu	Chairman	Non-Executive Independent Director	Jan 29, 2019	Mar 05, 2020
Mr. Brahm Dutt	Member	Non-Executive Independent Director	Jan 29, 2019	Apr 26, 2019
Mr. Uttam Prakash Agarwal	Member	Non-Executive Independent Director	Nov 15, 2018	Jan 10, 2020
Mr. Thai Salas Vijayan	Member	Non-Executive Independent Director	Apr 26, 2019	Aug 10, 2019
Dr. Pratima Sheorey	Member	Non-Executive Independent Director	Aug 10, 2019	Mar 05, 2020
Ms. Shagun Kapur Gogia	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020

The composition of erstwhile Service Excellence, Branding and Marketing Committee which was effective till March 05, 2020 was as under:

Name of Member	Position	Category	Date of Appointment	Date of Cessation
Lt. Gen. Dr. Mukesh Sabharwal (Retd.)	Chairman*	Non-Executive Independent Director	Apr 27, 2016	Jun 10, 2019
Mr. Ravneet Singh Gill	Member	Executive Director (MD&CEO)	Mar 01, 2019	Mar 05, 2020
Dr. Pratima Sheorey	Chairperson#	Non-Executive Independent Director	Jun 12, 2018	Mar 05, 2020
Mr. Anil Jaggia	Member	Non-Executive Independent Director	Jan 29, 2019	Aug 10, 2019
Mr. Maheswar Sahu	Member	Non-Executive Independent Director	Jan 29, 2019	Aug 10, 2019

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Name of Member	Position	Category	Date of Appointment	Date of Cessation
Mr. R. Gandhi	Member	Additional Director appointed by RBI	Jun 12, 2019	Aug 10, 2019
Mr. Uttam Prakash Agarwal	Member	Non-Executive Independent Director	Aug 10, 2019	Jan 10, 2020
Mr. Thai Salas Vijayan	Member	Non-Executive Independent Director	Aug 10, 2019	Mar 05, 2020

* ceased to be Chairman w.e.f. April 26, 2019

#appointed as Chairperson w.e.f. April 26, 2019

3.c.2 Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee & Customer Service Committee cover all the areas mentioned under Section 178 (6) of the Companies Act, 2013, Regulation 20(4) read with Part D of Schedule II of SEBI LODR Regulations and RBI circular on the Customer Service Committee. The broad terms of reference in relation to investors include - to review and redress complaints from various security holders, measures and initiatives taken by the Bank for reducing the complaints, matters connected with transfers, transmissions, dematerialization, rematerialisation, splitting and consolidation of securities, performance of the Registrar and Transfer Agent of the Bank and recommends measures for overall improvement in the quality of investor services, effective exercise of voting rights by shareholders, adherence to the service standards and review Bank's perception amongst stakeholders. The broad terms of reference in relation to customers services includes to review product approval process, comprehensive deposit policy, customer feedback, measures for enhancing the quality of customer services, findings of triennial audit, branding, marketing and customer engagement activities, activities undertaken to promote digital payments, update on executive level committee, update on customer liability cases, internal ombudsman activities, control measure for ATMs & reporting of denial of ATM services and its reconciliation, trends of customer grievances, mis-selling of third party products, appropriateness of products to different customer segments, and Reconciliation of transactions at ATMs failure etc.

3.c.3 Meetings & Attendance:

Two meetings of Stakeholders Relationship Committee were held during FY 2019-20 i.e. on October 9, 2019 and February 26, 2020 and Two meetings of Service Excellence, Branding and Marketing Committee were held during FY 2019-20 i.e. on September 27, 2019 and February 26, 2020, the details of attendance at the said meetings are as under:

Stakeholders' Relationship Committee:

Name of Member	No. of Meetings		
	Held	Eligible to attend@	Attended
Mr. Maheswar Sahu, Chairman	2	2	2
Mr. Brahm Dutt	2	0	0
Mr. Uttam Prakash Agarwal	2	1	1
Mr. Thai Salas Vijayan	2	-	-
Dr. Pratima Sheorey	2	2	2
Ms. Shagun Kapur Gogia	2	2	2
Invitee			
Mr. Ravneet Singh Gill	N.A.	N.A.	1

@ Number of meetings held during the tenure of the Director as a Member/Chairman of the Committee

Service Excellence, Branding and Marketing Committee:

Name of Member	No. of Meetings during the year		
	Held	Eligible to attend@	Attended
Lt. Gen. Dr. Mukesh Sabharwal (Retd.)	2	0	0
Mr. Ravneet Singh Gill	2	2	2
Dr. Pratima Sheorey, Chairperson	2	2	2
Mr. Anil Jaggia	2	0	0
Mr. Maheswar Sahu	2	0	0
Mr. R. Gandhi	2	0	0
Mr. Uttam Prakash Agarwal	2	1	1
Mr. Thai Salas Vijayan	2	2	1

@ Number of meetings held during the tenure of the Director as a Member/Chairman of the Committee

3.c.4 Status of Investor Complaints:

Shareholders' Complaints during FY 2019-20:

Particulars	No. of Complaints
Investor complaints pending as at April 1, 2019	27
Investor complaints received during the year ended on March 31, 2020	2,421
Investor complaints resolved during the year ended March 31, 2020	2,444
Investor complaints pending as on March 31, 2020	4

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Shareholders' Requests during FY 2019-20:

Particulars	No. of Requests
Investor requests pending as at April 1, 2019	13
Investor requests received during the year ended on March 31, 2020	1,452
Investor requests resolved during the year ended March 31, 2020	1,433
Investor requests pending as on March 31, 2020	32

The Bank receives investor complaints through various sources and informs the Stakeholders Relationship Committee of the Board on the resolution and redressal of the complaints, and also to the Board on quarterly basis. The Bank receives investor complaints from Stock Exchanges, SEBI Complaints Redress System (SCORES), Registrar of Companies, Mumbai, through the Bank's Registrar and Transfer Agents, directly from investors' correspondence and from the investors personal visits to the Bank.

The Bank has designated Email IDs namely shareholders@yesbank.in for Equity investors and bondholders@yesbank.in for bond holders for reporting complaints/ grievances. The said email Ids are also displayed on the website of the Bank.

3.c.5 Details of Compliance Officer:

Mr. Shivanand R. Shettigar, Group Company Secretary also acts as the Compliance Officer of the Bank.

d) RISK MANAGEMENT COMMITTEE:

The Committee was re-named as "Risk Management Committee" from "Risk Monitoring Committee" in the Board meeting held on June 25, 2020.

3.d.1 Constitution & Composition:

The constitution and composition of the Risk Management Committee during the year was as under:

Name of Member	Position	Category	Date of Appointment	Date of Cessation
From March 26, 2020 onwards				
Mr. Sunil Mehta	Chairman	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Atul Bheda	Member	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Partha Pratim Sengupta	Member	Nominee Director of State Bank of India	Mar 26, 2020	N.A.
Mr. Swaminathan Janakiraman	Member	Nominee Director of State Bank of India	Mar 26, 2020	N.A.
Mr. Prashant Kumar	Member	Executive Director (MD&CEO)	Mar 26, 2020	N.A.
Upto March 05, 2020				
Mr. Thai Salas Vijayan	Chairman*	Non-Executive Independent Director	Aug 10, 2019	Mar 05, 2020
Mr. Ravneet Singh Gill	Member	Executive Director (MD&CEO)	Mar 01, 2019	Mar 05, 2020
Mr. Brahm Dutt	Member	Non-Executive Independent Director	April 27, 2016	Mar 05, 2020
Mr. Anil Jaggia	Member	Non-Executive Independent Director	Aug 10, 2019	Mar 05, 2020
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Member	Non-Executive Independent Director	Nov 15, 2018	Jun 10, 2019
Mr. R. Gandhi	Member	Additional Director appointed by RBI	Jun 12, 2019	Mar 05, 2020
Mr. Ajai Kumar	Member	Non-Executive Non-Independent Director	Apr 27, 2016	Jun 09, 2019
Mr. Subhash Chander Kalia	Chairman	Non-Executive Non-Independent Director	Apr 26, 2018	Aug 10, 2019
Mr. Subhash Chander Kalia	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020
Ms. Shagun Kapur Gogia	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020

* appointed as Chairman w.e.f. Aug 10, 2019 in place of Mr. Subhash Chander Kalia

3.d.2 Terms of Reference:

The terms of reference of the Risk Management Committee encompasses the review items as required by the Reserve Bank of India and it also cover entire gamut of risk management for the organization as a whole. The broad terms of reference of Risk Management Committee includes - to promote prudent risk culture in the bank, assessment of risk universe for adequacy, to monitor risk profile of the Bank (including credit risk, market risk, liquidity risk, IRRBB, operational risk, model risk,

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reputation risk, information security risk, cyber security related risk, etc.) as outlined in the ICAAP document, to evaluate the adequacy of the risk management function and competency of the risk team, to oversee enterprise risk management framework, to review and approve risk management policies, processes & risk management framework and its effectiveness to review, assess and approve Bank's Risk Appetite & limits and stress testing scenarios and its monitoring, to provide direction for corrective action, to review bank's portfolio and provide guidance, to review minutes of the various executive committees setup under the risk framework etc.

3.d.3 Meetings & Attendance:

Four meetings of the Risk Management Committee were held during FY 2019-20 i.e. on April 25, 2019, July 16, 2019, September 16, 2019 and October 24, 2019.

The participation of the Members at the Meetings of the Committee held during the year were as under:

Name of Member / Invitee	No. of Meetings during the year		
	Held	Eligible to attend@	Attended
Mr. Thai Salas Vijayan	4	2	2
Mr. Ravneet Singh Gill	4	4	4
Mr. Brahm Dutt	4	4	4
Mr. Anil Jaggia	4	2	2
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	4	1	1
Mr. R. Gandhi	4	3	2
Mr. Ajai Kumar	4	1	1
Mr. Subhash Chander Kalia	4	4	4
Ms. Shagun Kapur Gogia	4	2	2

@ Number of meetings held during the tenure of the Director as a Member/Chairman of the Committee

e) Corporate Social Responsibility Committee:

3.e.1 Constitution & Composition:

The constitution and composition of the Corporate Social Responsibility Committee during the year was as under:

Name of Member	Position	Category	Date of Appointment	Date of Cessation
From March 26, 2020 onwards				
Mr. Atul Bheda	Chairman	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Mahesh Krishnamurti	Member	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Swaminathan Janakiraman	Member	Nominee Director of State Bank of India	Mar 26, 2020	N.A.
Upto March 05, 2020				
Mr. Brahm Dutt	Chairman*	Non-Executive Independent Director	Apr 26, 2019	Mar 05, 2020
Mr. Maheswar Sahu	Member†	Non-Executive Independent Director	Jan 29, 2019	Mar 05, 2020
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Member	Non-Executive Independent Director	Jun 12, 2018	Jun 10, 2019
Dr. Pratima Sheorey	Member	Non-Executive Independent Director	Jun 12, 2018	Mar 05, 2020
Ms. Shagun Kapur Gogia	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020
Mr. Ravneet Singh Gill	Member	Executive Director (MD&CEO)	Mar 01, 2019	Mar 05, 2020

* Appointed as Chairman w.e.f. Apr 26, 2019

† Ceased to be a Chairman w.e.f. Apr 26, 2019

3.e.2 Terms of Reference:

The terms of reference of the Corporate Social Responsibility (CSR) Committee cover all the areas mentioned under Section 135 (3) of the Companies Act, 2013. The broad terms of reference of the CSR committee include - to formulate and recommend a Corporate Social Responsibility Policy, to recommend amount of expenditure for CSR

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activities, to monitor CSR Policy, to institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities, to consider and recommend the Annual CSR Report, to formulate and recommend to the Board, the BANK's Donation Policy, review the functioning of the Sustainability Council, review and recommend to the Board, the Third party Assurance provider for assurance services on non-financial reporting, review the functioning of YES FOUNDATION and to perform any other function as may be statutorily prescribed from time to time.

3.e.3 Meetings & Attendance:

Three meetings of the Corporate Social Responsibility Committee were held during FY 2019-20 i.e. on April 25, 2019, July 16, 2019 and October 10, 2019. The participation of the Members at the Meeting of the Committee held during the year were as under:

Name of Member / Invitee	No. of Meetings during the year		
	Held	Eligible to attend@	Attended
Mr. Brahm Dutt	3	2	2
Mr. Maheswar Sahu	3	3	3
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	3	1	1
Dr. Pratima Sheorey	3	3	3
Ms. Shagun Kapur Gogia	3	1	1
Mr. Ravneet Singh Gill	3	3	3

@ Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

f) Board Credit Committee:

3.f.1 Constitution & Composition:

The constitution and composition of the Board Credit Committee during the year was as under:

Name of Member	Position	Category	Date of Appointment	Date of Cessation
From March 26, 2020 onwards				
Mr. Sunil Mehta	Chairman	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Mahesh Krishnamurti	Member	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Swaminathan Janakiraman	Member	Nominee Director of State Bank of India	Mar 26, 2020	N.A.
Mr. Prashant Kumar	Member	Executive Director (MD&CEO)	Mar 26, 2020	N.A.
Upto March 05, 2020				
Mr. Ajai Kumar	Chairman	Non-Executive Non-Independent Director	Apr 27, 2016	Jun 09, 2019
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Member	Non-Executive Independent Director	Jun 12, 2018	Jun 10, 2019
Mr. Subhash Chander Kalia	Chairman*	Non-Executive Non-Independent Director	Jun 12, 2018	Mar 05, 2020
Mr. Brahm Dutt	Member	Non-Executive Independent Director	Jan 18, 2018	Mar 05, 2020
Mr. Maheswar Sahu	Member	Non-Executive Independent Director	Jun 12, 2019	Mar 05, 2020
Mr. Ravinder Kumar Khanna	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020
Ms. Shagun Kapur Gogia	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020
Mr. Ravneet Singh Gill	Member	Executive Director (MD&CEO)	Dec 10, 2019	Mar 05, 2020

*Appointed as Chairman w.e.f. Jun 12, 2019

3.f.2 Terms of Reference:

The broad terms of reference of the Board Credit Committee include - to approve credit proposals or any other aspects related to it as outlined in the Credit Policy and investment proposals as per Investment policy, to review specific cases/matters referred to it by executive committees, credit status of approved accounts and the minutes of executive committees, to perform any other function as may be required statutorily or suggested by the regulators.

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3.f.3 Meetings & Attendance:

Nineteen Meetings of the Board Credit Committee were held during the FY 2019-20 i.e. on April 24, 2019, May 17, 2019, June 13, 2019, June 24, 2019, July 12, 2019, July 29, 2019, August 26, 2019, September 16, 2019, September 27, 2019, October 10, 2019, October 23, 2019, November 06, 2019, November 20, 2019, December 04, 2019, December 18, 2019, January 08, 2020, January 22, 2020, February 07, 2020 and February 25, 2020.

The participation of the Members at the Meetings of the Committee held during the year were as under:

Name of Member / Invitee	No. of Meetings during the year		
	Held	Eligible to attend@	Attended
Mr. Ajai Kumar	19	2	2
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	19	2	2
Mr. Subhash Chander Kalia	19	19	19
Mr. Brahm Dutt	19	19	19
Mr. Maheswar Sahu	19	17	15
Mr. Ravinder Kumar Khanna	19	13	13
Ms. Shagun Kapur Gogia	19	13	12
Mr. Ravneet Singh Gill	19	5	4
Invitee			
Mr. Ravneet Singh Gill	N.A.	N.A.	12

@ Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

Note: (i) Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

g) IT Strategy Committee:

3.g.1 Constitution & Composition:

The constitution and composition of the IT Strategy Committee during the year was as under:

Name of Member	Position	Category	Date of Appointment	Date of Cessation
From March 26, 2020 onwards				
Mr. Mahesh Krishnamurti	Chairman	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Sunil Mehta	Member	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Partha Pratim Sengupta	Member	Nominee Director of State Bank of India	Mar 26, 2020	N.A.
Mr. Prashant Kumar	Member	Executive Director (MD&CEO)	Mar 26, 2020	N.A.
Upto March 05, 2020				
Mr. Anil Jaggia	Chairman	Non-Executive Independent Director	Jan 29, 2019	Mar 05, 2020
Mr. Ajai Kumar	Member	Non-Executive Non-Independent Director	Apr 27, 2016	Jun 09, 2019
Mr. Maheswar Sahu	Member	Non-Executive Independent Director	Jan 29, 2019	Aug 10, 2019
Dr. Pratima Sheorey	Member	Non-Executive Independent Director	Jun 12, 2018	Aug 10, 2019
Mr. Thai Salas Vijayan	Member	Non-Executive Independent Director	Apr 26, 2019	Aug 10, 2019
Mr. R. Gandhi	Member	Additional Director appointed by RBI	Jun 12, 2019	Nov 27, 2019
Mr. Uttam Prakash Agarwal	Member	Non-Executive Independent Director	Aug 10, 2019	Jan 10, 2020
Mr. Subhash Chander Kalia	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020
Mr. Ravinder Kumar Khanna	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020

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3.g.2 Terms of Reference:

The broad terms of reference of the IT Strategy Committee includes - to perform oversight over executive level committee - IT Steering Committee, to investigate any IT related activities, to approve IT strategy in alignment with business strategy, to approve IT Policy, Cyber Security Policy and Cyber Crisis Management Plan, to provide guidance on IT organization structure, to review effectiveness of strategic planning process and its implementation to ensure IT delivers value to the business, to review IT & Security tools investments and budgets with balance of risk and benefit and sustaining of bank's growth, to review performance of IT function, to review cyber security tools and processes in line with regulatory directives, to review Prepaid Instruments Security Policy, to monitor effective deployment and use and of IT resources, to familiarize with IT risks and controls and global cyber security threat landscape and provide guidance to the management, to assess performance of senior management in implementing IT strategies, to issue high level policy guidance related to risk, funding or sourcing tasks, to provide guidance in designing IT architecture for the business, to review Uptime Threshold for the ATMs, to review key achievements and metrics for digital channel and payment products, disaster recovery readiness and; to perform any other function as may be required statutorily or directed or suggested by the regulators.

3.g.3 Meetings & Attendance:

Four meetings of the IT Strategy Committee were held during FY 2019-20 i.e. on April 24, 2019, July 16, 2019, October 09, 2019 and January 22, 2020. The participation of the Members at the Meetings of the Committee held during the year were as under:

Name of Member / Invitee	No. of Meetings during the year		
	Held	Eligible to attend@	Attended
Mr. Anil Jaggia	4	4	4
Mr. Ajai Kumar	4	1	1
Mr. Maheswar Sahu	4	2	2
Dr. Pratima Sheorey	4	2	2
Mr. Thai Salas Vijayan	4	1	1
Mr. R. Gandhi	4	2	2
Mr. Uttam Prakash Agarwal	4	1	1
Mr. Subhash Chander Kalia	4	2	2
Mr. Ravinder Kumar Khanna	4	2	2
Invitee			
Mr. Ravneet Singh Gill	N.A.	N.A.	2

@ Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

h) Fraud, Wilful Defaulters and Non-Cooperative Borrowers Monitoring Committee:

During the year, "Board Committee on Wilful Defaulters and Non Co-operative Borrowers" was consolidated into "Fraud Monitoring Committee" on March 26, 2020 and the Committee was re-named as Fraud, Wilful Defaulters and Non-Cooperative Borrowers Monitoring Committee.

3.h.1 Constitution & Composition:

The Fraud, Wilful Defaulters and Non-Cooperative Borrowers Monitoring Committee was re-constituted effective from March 26, 2020 as under:

Name of Member	Position	Category
Mr. Prashant Kumar	Chairman	Executive Director (MD&CEO)
Mr. Atul Bheda	Member	Non-Executive Director
Mr. Partha Pratim Sengupta	Member	Nominee Director of State Bank of India
Mr. Swaminathan Janakiraman	Member	Nominee Director of State Bank of India

The composition of erstwhile Fraud Monitoring Committee which was effective till March 05, 2020 was as under:

Name of Member	Position	Category	Date of Appointment	Date of Cessation
Mr. Ravneet Singh Gill	Chairman	Executive Director (MD&CEO)	Mar 01, 2019	Mar 05, 2020
Mr. Ajai Kumar	Member	Non-Executive Non-Independent Director	Jan 29, 2019	Jun 09, 2019
Mr. Subhash Chander Kalia	Member	Non-Executive Non-Independent Director	Apr 26, 2018	Aug 10, 2019
Mr. Uttam Prakash Agarwal	Member	Non-Executive Independent Director	Nov 15, 2018	Aug 10, 2019

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Name of Member	Position	Category	Date of Appointment	Date of Cessation
Mr. Anil Jaggia		Non-Executive Independent Director	Jan 29, 2019	Aug 10, 2019
Mr. Thai Salas Vijayan	Member	Non-Executive Independent Director	Aug 10, 2019	Mar 05, 2020
Dr. Pratima Sheorey	Member	Non-Executive Independent Director	Aug 10, 2019	Mar 05, 2020
Mr. R. Gandhi	Member	Additional Director appointed by RBI	Aug 10, 2019	Mar 05, 2020
Mr. Ravinder Kumar Khanna	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020
Ms. Shagun Kapur Gogia	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020

The composition of erstwhile Board Committee on Wilful Defaulters and Non Co-operative Borrowers which was effective till March 05, 2020 was as under:

Name of Member	Position	Category	Date of Appointment	Date of Cessation
Mr. Ravneet Singh Gill	Chairman	Executive Director (MD&CEO)	Mar 01, 2019	Mar 05, 2020
Mr. Ajai Kumar	Member	Non-Executive Non-Independent Director	Jan 29, 2019	Jun 09, 2019
Mr. Uttam Prakash Agarwal	Member	Non-Executive Independent Director	Nov 15, 2018	Jan 10, 2020
Mr. Subhash Chander Kalia	Member	Non-Executive Non-Independent Director	Nov 15, 2018	Mar 05, 2020
Mr. Anil Jaggia	Member	Non-Executive Independent Director	Jan 29, 2019	Mar 05, 2020
Mr. Maheswar Sahu	Member	Non-Executive Independent Director	Aug 10, 2019	Mar 05, 2020
Mr. Ravinder Kumar Khanna	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020

3.h.2 Terms of Reference:

The terms of reference of the Fraud, Wilful Defaulters and Non-Cooperative Borrowers Monitoring Committee includes terms of reference of both the erstwhile committees. The broad terms of reference includes – to monitor and review in detail all frauds, involving an amount of ₹1 Crore and above so as to - identify the systematic lacunae and plug the same, identify reasons for delay in detection and reporting of frauds, monitor progress of the investigations by investigating agencies and recovery position thereof, ensure that staff accountability and action against staff is completed quickly, review the efficacy of the remedial action taken to prevent recurrence of frauds; to review the report on the Red Flag Accounts (RFA); to review electronic banking frauds; to review and confirm the order of the executive committee for classification of borrowers as "Non-Cooperative Borrowers" (NCB) or "Wilful Defaulter"(WD); half yearly review of status of NCB & WD; to decide on removal of the names from NCB or WD list reported to CRILC; to review or consider publication of the photographs of wilful defaulters; and to perform any other function as may be required statutorily or directed or suggested by the regulators.

3.h.3 Meetings & Attendance:

No meeting of the Fraud, Wilful Defaulters and Non-Cooperative Borrowers Monitoring Committee was held from the date of re-constitution i.e. Mar 26, 2020 till the end of the financial year.

Fraud Monitoring Committee:

Four Meetings of the erstwhile Fraud Monitoring Committee were held during FY 2019-20 i.e. on April 25, 2019, June 16, 2019, October 10, 2019 and January 22, 2020. The participation of the Members at the Meetings of the Committee held during the year were as under:

Name of Member / Invitee	No. of Meetings during the year		
	Held	Eligible to attend@	Attended
Mr. Ravneet Singh Gill	4	4	4
Mr. Ajai Kumar	4	1	1
Mr. Subhash Chander Kalia	4	2	2
Mr. Uttam Prakash Agarwal	4	2	2
Mr. Anil Jaggia	4	2	2
Mr. Thai Salas Vijayan	4	2	2

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Name of Member / Invitee	No. of Meetings during the year		
	Held	Eligible to attend@	Attended
Dr. Pratima Sheorey	4	2	2
Mr. R. Gandhi	4	2	1
Mr. Ravinder Kumar Khanna	4	2	2
Ms. Shagun Kapur Gogia	4	2	2

@ Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

Board Committee on Wilful Defaulters and Non Co-operative Borrowers:
Three meetings of the erstwhile Board Committee on Wilful Defaulters and Non Co-operative Borrowers were held during FY 2019-20 i.e. on April 16, 2019, October 24, 2019 and February 25, 2020. The participation of the Members at the Meetings of the Committee held during the year were as under:

Name of Member / Invitee	No. of Meetings during the year		
	Held	Eligible to attend@	Attended
Mr. Ravneet Singh Gill	3	3	3
Mr. Ajai Kumar	3	1	1
Mr. Uttam Prakash Agarwal	3	2	2
Mr. Subhash Chander Kalia	3	3	3
Mr. Anil Jaggia	3	3	3
Mr. Maheswar Sahu	3	2	2
Mr. Ravinder Kumar Khanna	3	2	2

@ Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

i) CAPITAL RAISING COMMITTEE:

3.i.1 Constitution & Composition:

The constitution and composition of the Capital Raising Committee during the year was as under:

Name of Member	Position	Category	Date of Appointment	Date of Cessation
From March 26, 2020 onwards				
Mr. Sunil Mehta	Chairman	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Mahesh Krishnamurti	Member	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Atul Bheda	Member	Non-Executive Director	Mar 26, 2020	N.A.
Mr. Swaminathan Janakiraman	Member	Nominee Director of State Bank of India	Mar 26, 2020	N.A.
Mr. Prashant Kumar	Member	Executive Director (MD&CEO)	Mar 26, 2020	N.A.
Upto March 05, 2020				
Mr. Ravneet Singh Gill	Chairman†	Executive Director (MD&CEO)	Mar 01, 2019	Mar 05, 2020
Mr. Brahm Dutt	Chairman†	Non-Executive Independent Director	Apr 26, 2019	Mar 05, 2020
Mr. Ajai Kumar	Member	Non-Executive Non-Independent Director	Apr 27, 2016	Jun 09, 2019
Mr. Subhash Chander Kalia	Member	Non-Executive Non-Independent Director	Jan 29, 2019	Aug 10, 2019
Mr. Subhash Chander Kalia (Re-appointment)	Member	Non-Executive Non-Independent Director	Jan 10, 2020	Mar 05, 2020
Mr. Thai Salas Vijayan	Member	Non-Executive Independent Director	Apr 26, 2019	Aug 10, 2019
Mr. Anil Jaggia	Member	Non-Executive Independent Director	Aug 10, 2019	Mar 05, 2020

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Name of Member	Position	Category	Date of Appointment	Date of Cessation
Mr. Uttam Prakash Agarwal	Member	Non-Executive Independent Director	Aug 10, 2019	Jan 10, 2020
Mr. Ravinder Kumar Khanna	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020
Ms. Shagun Kapur Gogia	Member	Non-Executive Non-Independent Director	Aug 10, 2019	Mar 05, 2020

† Mr. Brahm Dutt was appointed as Chairman in place of Mr. Ravneet Singh Gill w.e.f. Aug 10, 2019

3.i.2 Terms of Reference:

The broad terms of reference of the Capital Raising Committee include - to analyze capital raising options through various securities; to approve issue of securities in one or more tranches and determine price/price range for the securities; to engage/ appoint market intermediaries and experts for management of issue; to approve expenditure relating to capital and fund raising exercise; to perform all issue related activities and to do all such acts, deeds as the Board may delegate in connection with the capital and fund-raising exercise.

3.i.3 Meetings & Attendance:

Eleven Meetings of the Capital Raising Committee were held during FY 2019-20 i.e. on April 18, 2019, August 08, 2019, August 30, 2019, October 10, 2019, November 14, 2019, November 29, 2019, January 09, 2020, January 21, 2020, January 28, 2020, February 06, 2020 and February 17, 2020. The participation of the Members at the Meetings of the Committee held during the year were as under:

Name of Member / Invitee	No. of Meetings during the year		
	Held	Eligible to attend@	Attended
Mr. Ravneet Singh Gill	11	11	10
Mr. Brahm Dutt	11	10	10
Mr. Ajai Kumar	11	1	1
Mr. Subhash Chander Kalia	11	6	6
Mr. Thai Salas Vijayan	11	1	1
Mr. Anil Jaggia	11	9	9

Name of Member / Invitee	No. of Meetings during the year		
	Held	Eligible to attend@	Attended
Mr. Uttam Prakash Agarwal	11	5	5
Mr. Ravinder Kumar Khanna	11	9	9
Ms. Shagun Kapur Gogia	11	9	9
Invitee			
Mr. Subhash Chander Kalia	N.A.	N.A.	3

@ Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

Note: (i) Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

j) Meeting of the Independent Directors:

The current composition of Board of Directors of the Bank does not comprise of Independent Director as it is governed under of the YBL Reconstruction Scheme, 2020 notified by the Government of India.

The Independent Directors of the Bank held a meeting on April 26, 2019 and October 10, 2019 without the presence of the non-independent Directors and senior management team of the Bank. All the Independent Directors as on the date of the respective meeting had attended the meetings. The Independent Directors discussed matters as required under the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

k) Empowered Committee of the Board (ECB):

The Empowered Committee of Board was constituted with effect from December 23, 2019 for limited period with specific purpose to focus on cost optimization measures and evaluating plan B, in case Bank could not raise Capital on time.

Six Committee Meeting of Empowered Committee of the Board were held during FY 2019-20 i.e. on December 23, 2019, December 30, 2019, January 07, 2020 and January 09, 2020, January 21, 2020 and January 28, 2020.

Pursuant to notification of YBL Reconstruction Scheme, 2020 entire Board was superseded and therefore this Committee was automatically dissolved on March 5, 2020.

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4. DISCLOSURES:

(a) Related Party Transactions:

During the year, the Bank has entered into transactions with the related parties in the ordinary course of business. The Bank has not entered into any materially significant transactions with the related parties including Promoters, Directors, Key Managerial Personnel, Subsidiaries or Relatives of the Directors, which could lead to a potential conflict with the interest between the Bank and these parties. The details of the transactions with related parties, if any, were placed before the Audit Committee from time to time. There were no material individual transactions with related parties, which were not in the ordinary course of business of the Bank, nor were there any transactions with related parties, which were not on arm's length basis. There are no Related Party Transactions to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

The Board of Directors has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The same is displayed on the website of the Bank at https://www.yesbank.in/about-us/corporate-governance.

(b) Strictures and Penalties:

During the year, Reserve Bank of India ("RBI") vide its Speaking Order dated April 22, 2019 imposed a penalty of ₹1,125,000/- (Rupees Eleven Lakhs Twenty Five Thousand only) under Section 30(1) of the Payment and Settlement Systems Act, 2007 on the Bank.

The Bank has also paid fine of ₹159,300 (Rupees One Lakh Forty Five Thousand Eight Hundred only) (including applicable taxes) to BSE Limited and National Stock Exchange of India Limited for delay in publishing its results for the quarter and nine months ended December 31, 2019 in terms of the provisions of SEBI Standard Operating Process. The delay in filing the financial results was due to the capital raising activities being undertaken by the Bank and a detailed reason was filed with the Exchanges for delay.

Further the Bank has paid a settlement amount of ₹5,160,000 (Rupees Fifty One Lakhs and Sixty Thousand only) and a sum of ₹1,445,000 (Rupees Fourteen Lakhs and Forty Five Thousand only) was paid by the Compliance Officer of the Bank in a matter regarding disclosure of Nil divergence to Stock Exchange. The amount was paid in terms of Securities and Exchange Board of India (Settlement proceeding) Regulations, 2018 without admitting or denying the guilt.

(c) Whistle Blower Policy:

In compliance with the provisions of SEBI Listing Regulations, Companies Act, 2013 and other applicable laws and in accordance with principles of good corporate governance, the Bank has devised and implemented a vigil mechanism, in the form of 'Whistle Blower Policy'. The policy devised is also aligned to the recommendations of Protected Disclosure Scheme for Private Sector Banks and Foreign Banks, instituted by RBI.

This policy enables a Whistle Blower to raise concerns relating to reportable matters (as elucidated in the said policy) such as breach of Bank's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, health & safety, environmental issues and wastage/misappropriation of bank funds/assets, etc., without fear of reprisals and to provide for independent investigation. The framework of the policy endeavors to simplify and smoothen the process for Whistle Blower and foster responsible reporting, a Whistle Blower cannot resort to the Whistle Blower Policy to report his/ her personal grievances.

The 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 victimization. As a responsible and vigilant organization, the Bank encourages responsible and fearless reporting of genuine concerns or grievances and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee regularly. None of the Whistle Blowers have been denied access to the Audit Committee. The details of the Whistle Blower Policy are available on the website of the Bank https://www.yesbank.in/about-us/corporate-governance.

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(d) Compliance with Mandatory Requirements of the Listing Regulations & Adoption of Non-mandatory Requirements of the Listing Regulations:

The Board of Directors reviews the compliance of all applicable laws every quarter. Bank has compliance framework for adherence to the mandatory requirements of Corporate Governance norms as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations 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 Regulation 27(1) of the SEBI Listing Regulations:

Separate posts of Chairman and Chief Executive Officer:

The Bank has separate positions of the Non-Executive Chairman and the Managing Director & Chief Executive Officer of the Bank.

Reporting of Internal Auditors:

The Head of Internal Audit reports functionally to the Audit Committee.

(e) Subsidiary Companies:

The Bank did not have any material subsidiary during the financial year 2019-20. The Bank has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the SEBI Listing Regulations and the same is displayed on the website of the Bank https://www.yesbank.in/about-us/corporate-governance

The Bank has three subsidiaries as of March 31, 2020 viz., YES Securities (India) Limited ('YSIL'), YES Asset Management (India) Limited ('YAMIL') and YES Trustee Limited ('YTL') and the Audited Annual Financial Statements of all the subsidiaries have been provided to the Audit Committee of the Bank. Further, the minutes of the meetings of the Board of subsidiary companies are placed in the meetings of the Board of Directors of the Bank for their review. Statement of significant transactions/arrangements entered into by the unlisted subsidiary companies of the Bank are 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 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/publically:

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 utilization of funds raised through Qualified Institutions Placement as specified under Regulation 32 (7A):

The Bank has utilized the funds raised through qualified institutions placement made by the Bank during FY 2019-20 for the purposes which was stipulated in the Placement Document.

(h) Certificate under Regulation 34(3) of SEBI Listing Regulations:

A Certificate pursuant to the Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, from M/s. U. Hedge & Associates, Practicing Company Secretaries, 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 to form part of this report.

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(i) Recommendation 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 subsidiaries on a consolidated basis, for services rendered by Statutory auditors and its affiliates entities, is given below:

Particulars	FY 2019-20 (₹ in million)
Audit Fees	24.31
Statutory Certificates	13.00
Fees for other services*	15.68
Reimbursement of Expenses	0.78
Total	53.76

*includes fees adjusted from Share Premium account, towards certification and other attest services in respect of capital raised during the year.

(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	2
Number of complaints filed during the financial year	8
Number of complaints disposed of during the financial year	8
Number of complaints pending as on the end of the financial year	2

(l) Code of Conduct and Ethics:

The Board has formulated and adopted Code of Conduct and Ethics for the Board of Directors and Senior Management. The said code has been hosted on the website of the Bank at https://www.yesbank.in/about-us/corporate-governance.

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 Compliances of conditions of Corporate Governance from M/s. Mehta & Mehta, Company Secretaries which is annexed to the Directors' Report. M/s. Mehta & Mehta has confirmed that the Bank has complied with the conditions of Corporate Governance as prescribed under SEBI Listing Regulations with exception reported therein.

(n) Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account:

During the year, no shares have been transferred from Demat Suspense Account to Investor Education and Protection Fund Account.

(o) Managing Director & CEO / CFO Certification:

The Managing Director & CEO and the Chief Financial Officer ('CFO') have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, for the Financial Year 2019-2020 and the same was placed before the Board of Directors at its meeting held on May 6, 2020.

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 Prevention of Insider Trading:

The Bank has in accordance with the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT Regulations) as amended from time to time, formulated the 'Code of Conduct for Prevention of Insider Trading' in Bank's Securities (Bank's Code) and the 'Code of Conduct for dealing in securities of other Listed and to be Listed entities' and also the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

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The amended Code is now only applicable to the 'Designated Persons' of the Bank and its Subsidiary companies. The Designated Persons are required to ensure fullest compliance with the Bank's Code at the time of dealing in Bank's Securities, which inter alia includes equity shares and debentures, (by way of Buy/ Sell/ ESOP exercise/ Pledge Creation/ Pledge Revocation and Invocation of Pledge, etc.). The dealing in Securities also covers Securities acquired by way of transmission (as a legal heir)/ Gift/ Off-market Transactions, etc.

For the ease of convenience of the employees and as a part of Bank's digitization initiative, the reporting mechanism/ process which facilitates employees in reporting of transactions in Securities of the Bank was automated by the Bank and made available to the employees under the head of 'YES ACTS' and can be accessed by the employees through intranet. The said system also helps the Compliance Officer in monitoring of transactions done by Insiders and for sending advisories to the defaulting employees who failed to ensure compliance with the Bank's Code, which may result in monetary implications for defaulting employees as may be decided by the Disciplinary Committee depending on the instance of default. The system also allows employees to submit online disclosures while dealing in the Securities of the Bank, i.e. submission of initial and continual disclosures and obtaining of pre-clearances and also to submit periodic declarations and updating UPSI recipients' database etc.

The Bank has also put in place a 'Code of Conduct for dealing in Securities of other Listed and to be Listed entities by the employees of specified departments ('Grey List Entities') as the employees of such departments might have access to UPSI of Grey List entities for various reasons, viz., Business relationship and exposure, etc.

The Bank has organized awareness sessions at the Corporate Office for the benefit of employees with a view to enlighten employees about the applicability of the Bank's Code and reporting requirements under the Bank's Code.

(q) Dividend Distribution Policy:

In terms of the provisions of Regulation 43A of the SEBI Listing Regulations, 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/about-us/corporate-governance.

(r) Integrated Reporting:

SEBI issued a circular dated February 6, 2017 on 'Integrated Reporting by Listed Entities' advising top 500 listed entities, which are required to prepare Business Responsibility Report, to adopt Integrated Reporting ('IR') on a voluntary basis from the FY 2017-18 onwards. As a frontrunner in mainstreaming triple bottom line reporting, Bank was India's 1st Bank to release its annual report in line with International Integrated Reporting Council's Integrated Reporting (IR) guidelines with Annual Report for FY 2015-16. The Bank continues to publish its Annual Report in line with IR guidelines for FY 2019-20.

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5. SHAREHOLDERS INFORMATION:

(a) General Body Meetings:

The details of General Body Meeting(s) for the previous three financial years held at Hall of Culture, Ground Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai 400018 and the special resolutions passed thereat are given below:

Meeting Type and Day, Date and time	Special Resolution
Extra-Ordinary General Meeting Friday, February 7, 2020 at 11:00 A.M.	1. To Authorize Capital Raising Through Issuance of Equity Shares or Other Convertible Securities
15th Annual General Meeting Wednesday, June 12, 2019 at 11.00 A.M.	1. Re-appointment Mr. Brahm Dutt (DIN: 05308908) as an Independent Director for the second term. 2. Authorisation for capital raising through an issuance of debt instruments. 3. Authorisation for capital raising through issuance of Equity Shares or other convertible securities.
14th Annual General Meeting Tuesday, June 12, 2018 at 11.00 A.M.	1. Approval for increase in the borrowing limits from ₹70,000 Crores to ₹110,000 Crores. 2. Approval for borrowing/ raising funds in Indian/ foreign currency by issue of debt securities upto ₹30,000 Crore (the 'NCDs') to eligible investors on private placement basis. 3. Approval for raising of capital upto USD 1 Billion by issue of shares or convertible securities in one or more tranches provided however that the aggregate amount raised shall not result in increase of the issued and subscribed equity share capital of the Bank by more than 10% of the then issued and subscribed equity shares of the Bank. 4. Approval of Employee Stock Option Scheme of the Bank - YBL ESOS-2018. 5. Approval for extending the benefits of Employee Stock Option Scheme to the eligible Employees of the Subsidiary Companies of the Bank.
13th Annual General Meeting Tuesday, June 06, 2017 at 4:00 P.M.	1. Approval for increase in the borrowing limits from ₹50,000 crores to ₹70,000 crores 2. Approval for borrowing/ raising funds in Indian/foreign currency by issue of debt securities including but not limited to non-convertible debentures, MTN (Medium-Term Notes), bonds upto ₹20,000 crores to eligible investors on private placement basis

(b) Passing of Resolution through Postal Ballot:

During the year under review, no resolution was passed through Postal Ballot. However, in the current Financial Year 2020-21, the Bank has sought approval of the Shareholders through postal ballot by passing the resolution for raising the additional capital up to ₹5,000 Crore through any of the permitted modes.

(c) Procedure for Postal Ballot:

In accordance with the General Circular No. 14/ 2020 dated April 8, 2020 and the General Circular No. 17/ 2020 dated April 13, 2020, in relation to "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" issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars") the approval of the shareholders of the Bank for authorizing capital raising through issuance of equity shares or other convertible securities was obtained through postal ballot (only through the remote e-voting process).

Further, In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules and the MCA Circulars, the Bank had extended only the remote e-voting facility for its Members, to enable them to cast their votes electronically instead of submitting the postal ballot form.

The Board of Directors had appointed Ms. Ashwini Inamdar, Partner, M/s Mehta and Mehta, Practicing Company Secretaries, failing her, Mr. Atul Mehta, Partner, M/s Mehta and Mehta, Practicing Company Secretaries, as a Scrutinizer for conducting the postal ballot (remote e-voting process).

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Further, the Bank had engaged the services of KFin Technologies Private Limited ("KFintech") for providing remote e-voting facilities to the Members, enabling them to cast their vote in a secure manner.

In compliance with the requirements of MCA circulars, the Bank had completed sending of Postal Ballot Notice dated April 21, 2020, on April 22, 2020, by email to only those members who have their email addresses registered with the Bank/Depository Participants. The Postal Ballot Notice was sent by email to all those members, whose names were appearing on the Register of Members/List of Beneficial Owners, received from NSDL and CDSL as on the cut-off date i.e. April 17, 2020. To facilitate shareholders whose email address was not registered to receive the notice electronically and cast their vote electronically, Bank had made special arrangement with its Registrar & Share Transfer Agent for registration of email addresses in terms of the General Circular No. 17/2020 issued by Ministry of Corporate Affairs dated April 13, 2020. The process for registration of email addresses was provided to the shareholders.

The e-voting period was kept open from Thursday, April 23, 2020 (10:00 hours IST) and ended on Friday, May 22, 2020 (17:00 hours IST).

Post-closing of voting period at 17:00 hours (IST) on Friday, May 22, 2020, the Scrutinizer submitted their report to the Chairman and the result of the postal ballot was declared by the Chairman on the same day i.e. May 22, 2020.

The Special Resolution, as set out in the Postal Ballot Notice dated April 21, 2020 was passed with Requisite Majority.

(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. The results are also communicated through newspaper advertisements in prominent national and regional dailies like the Economic Times, Mint, Free Press Journal, Navshakti, Financial Express, DNA Money and Hindu Business Line as well as important investor magazines such as Dalal Street and Capital Market.

(2) The Financial Results, Official News Releases and Presentations are also displayed on the website of the Bank (HYPERLINK "http://www.yesbank.in" www.yesbank.in).

(3) The presentations made to Institutional Investors and Financial Analysts on the Company's Financial Results are displayed on the website of the Bank (HYPERLINK "http://www.yesbank.in" www.yesbank.in). The Bank also informs the Schedule of meeting with the Institutional Investors and Financial Analysts to the Stock Exchanges.

(4) 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 HYPERLINK "http://www.bseindia.com" www.bseindia.com and the National Stock Exchange of India Limited (NSE) at HYPERLINK "http://www.nseindia.com" www.nseindia.com.

(5) Filings are also made to the London Stock Exchange, Singapore Stock Exchange and India International Exchange IFSC Limited.

(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, 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.

(e) Changes in Equity Share Capital of the Bank:

As on March 31, 2020, the paid-up equity share capital of the Bank was 12,550,472,231 (One thousand two hundred fifty-five crore four lakhs seventy-two thousand two hundred and thirty one only) equity shares of ₹2 each aggregating to ₹25,100,944,462 (Rupees Two thousand Five Hundred Ten crore nine lakhs forty-four thousand four hundred and sixty-two only).

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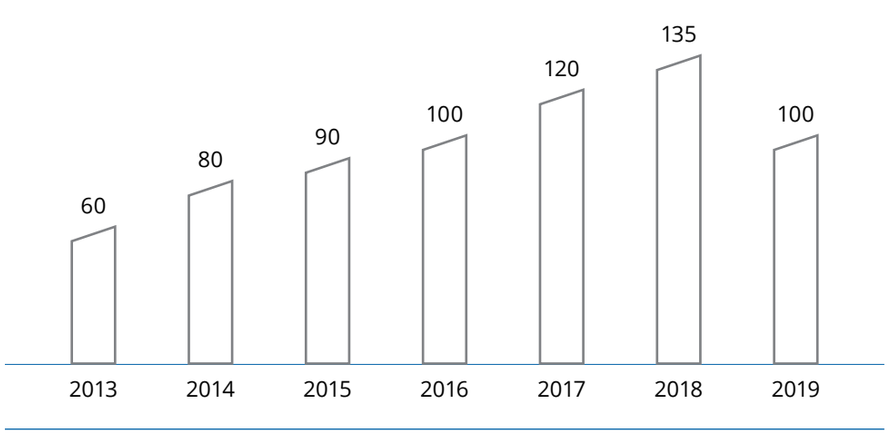
The table below gives details of equity evolution of the Bank during the year under review:

Date of Allotment	Type of Issue	No. of Equity Shares Allotted	Face Value (in ₹)	Cumulative Equity Share Capital (No. of shares)
April 11, 2019	ESOPs	1,004,949	2.00	2,316,037,988
April 25, 2019	ESOPs	396,250	2.00	2,316,434,238
May 16, 2019	ESOPs	430,250	2.00	2,316,864,488
May 29, 2019	ESOPs	94,250	2.00	2,316,958,738
June 11, 2019	ESOPs	673,050	2.00	2,317,631,788
June 26, 2019	ESOPs	1,258,275	2.00	2,318,890,063
July 16, 2019	ESOPs	153,250	2.00	2,319,043,313
August 10, 2019	ESOPs	211,600	2.00	2,319,254,913
August 15, 2019	QIP	231,055,018	2.00	2,550,309,931
September 16, 2019	ESOPs	22,300	2.00	2,550,332,231
November 13, 2019	ESOPs	140,000	2.00	2,550,472,231
March 14, 2020	Allotment under YBL Reconstruction Scheme	10,000,000,000	2.00	12,550,472,231

(e) Dividend:

In view of the lack of distributable surplus and the directions from the Reserve Bank of India vide circular DOR.BP.BC.No.64/21.02.067/2019-20 dated April 17, 2020 to all the Banks not to pay any dividend till further notice, the Board of Directors of the Bank has not recommend dividend for the F.Y 2019-2020.

The Dividend History of the Bank for past seven years is given below:



(f) Unclaimed Dividend and Transfer of Dividend and Shares to IEPF:

In terms of the provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Bank is statutorily required to transfer to the Investor Education & Protection Fund ('IEPF'), established by the Central Government, all dividends remaining unpaid / unclaimed for a period of 7 (Seven) years, thereon, from the date of transfer of such Dividend to the Unpaid Dividend Account. Once such amounts are transferred to IEPF, no claim of the shareholder shall lie against the Bank. However, the shareholders may claim their unclaimed amount as per the procedures / guidelines issued by the Ministry of Corporate Affairs (MCA). Dividends for and upto the Financial Year ended March 31, 2012 have already been transferred to the IEPF and Dividend for the Financial Year ended March 31, 2013 shall be transferred to IEPF after the due date i.e. July 09, 2020.

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The details of Unclaimed Dividends for the Financial Year 2012-13 onwards and the last date for claiming such Dividends are given below:

Dividend for the year ended	Date of Declaration of Dividend	Last date of claiming Dividend
March 31, 2013	June 8, 2013	July 09, 2020
March 31, 2014	June 14, 2014	July 17, 2021
March 31, 2015	June 06, 2015	July 05, 2022
March 31, 2016	June 07, 2016	July 06, 2023
March 31, 2017	June 06, 2017	July 05, 2024
March 31, 2018	June 12, 2018	July 11, 2025
March 31, 2019	June 12, 2019	July 11, 2026

Shareholders who have not encashed their Dividend Warrants relating to the Dividends as specified above are advised to send their request letter for issue of demand drafts to KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) or Nodal officer of the Bank, Mr. Shivanand R. Shettigar. The details of unpaid/unclaimed dividends are available on the website of the Bank https://www.yesbank.in/about-us/investors-relation/shareholder-information/ir-regulations.

Transfer of 'Underlying Shares' in respect of which Dividend has not been claimed for seven consecutive years or more, to the IEPF:

In terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, members are requested to note that the shares in respect of which dividends have been unpaid or unclaimed for seven consecutive years or more shall be credited to the IEPF Demat Account maintained with depositories. Upon transfer of such shares, all benefits (eg. bonus, spilt etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

In this connection, the Bank had sent intimation letters to members in respect of the shares on which dividend had remained unpaid or unclaimed for seven consecutive years or more, requesting them to claim such dividend so as to avoid the corresponding shares being transferred to the IEPF authority. Simultaneously, an advertisement to this effect was published in leading English and vernacular newspapers.

The aforesaid Rules also prescribe the procedure to be followed by an investor to claim the Shares / Dividend amount transferred to IEPF. Shares which are transferred to the IEPF Demat Account can be claimed back by the shareholder from IEPF Authority by following the procedure prescribed under the aforesaid rules.

The information pertaining to unpaid / unclaimed dividends for last seven years and the details of such members whose unclaimed dividend / shares have been transferred to IEPF Authority is also available on the Bank's website https://www.yesbank.in/about-us/investors-relation/ shareholder-information/ir-regulations.

Intimation to the Investors for claiming of Dividends:

Intimation has been sent to the relevant shareholders at regular intervals for encashing of unclaimed dividend on equity shares declared by the Bank from time to time and corresponding equity shares.

Guidelines to claim Unclaimed Dividends/Shares:

Unclaimed Dividends/Shares which have been transferred to the designated account of the IEPF Authority, in accordance with the said Rules, can be claimed by the Shareholders through the website of the IEPF Authority (http://www.iepf.gov.in). Please follow the steps detailed below:

(i) Download the Form IEPF - 5 from the website of IEPF (http://www.iepf.gov.in). Read the instructions provided on the instructions kit along with the e-form carefully before filling the form.

(ii) After filling the form save it on the computer and submit the duly filled form by following the instructions given in the upload link on the IEPF website.

(iii) On successful uploading, the acknowledgment will be generated indicating the SRN. This SRN is to be used for future tracking of the form.

(iv) After uploading the form, submit the following documents to Nodal Officer (IEPF) of the Bank in an envelope marked "Claim for refund from the IEPF Authority:

a. Self-attested copy of e-Form.

b. Indemnity Bond in original.

c. Copy of acknowledgment.

d. Other documents as mentioned in the Form IEPF-5.

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Report on Corporate Governance

The general information of the Bank, required for filing the aforesaid Form, are as under:

i) Corporate Identification Number (CIN) of Company: **L65190MH2003PLC143249**

ii) Name of the Company: **YES Bank Limited**

iii) Address of Registered Office of the Company: **'YES BANK Tower, IFC -2, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400013, Maharashtra.**

(g) Queries at Annual General Meeting:

Shareholders desiring any information with regard to the accounts are requested to write to the Bank at an early date so as to enable the management to keep the information ready. The queries relating to operational and financial performance may be raised at the Annual General Meeting (AGM).

The Shareholders can post Questions/ Comments at the time of AGM (till the end of the meeting) and view the answers for the same during the live webcast of AGM.

(h) Details of utilization of funds:

During the year under review, the Bank has made an issue of Equity Shares through Qualified Institutional Placement Process. The funds were utilized for the purpose which was stated in the Placement Document

(i) Policies of the Bank:

As a part of good Corporate Governance, the Bank has from time to time adopted various policies/codes which are hosted on the website of the Bank at https://www.yesbank.in/about-us/corporate-governance.

6. GENERAL SHAREHOLDERS INFORMATION:

(a) Date, time & venue of the Annual General Meeting:

The date, time and venue of the 16th Annual General Meeting of the Company is as under:

Date : 10/09/2020 Time: 11.00 a.m.

Venue : Through VC/OAVM. The deemed venue of the meeting is YES BANK Tower, IFC -2, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400013.

(b) Financial Year:

The Financial Year of the Company starts on April 1 and ends on March 31 of next year.

(c) Cut-off Dates:

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 at the appointed time will be mentioned in the AGM Notice.

(d) Dividend Payment Date:

The Bank has not proposed any Dividend for the Financial Year 2019-20.

(e) Listing on Stock Exchanges, ISIN & Stock Code:

The Securities of the Bank are listed on following stock exchanges.

Domestic Listing – New ISIN INE528G01035	**Old ISIN-INE528G01027**
(Equity Shares)	(Equity Shares & Debt Securities)
National Stock Exchange of India Limited	**BSE Limited**
Exchange Plaza, Plot no. C - 1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.
Stock Code: YESBANK	**Stock Code: 532648**

Note:

(1) Listing Fees for the Financial Year 2020-21 has been paid to the above-mentioned stock exchanges.

(2) The Equity Shares of the Bank have not been suspended from trading on the said Stock Exchanges or by any Regulatory/ Statutory Authority.

(3) 75% of shares held by existing shareholder as on March 13, 2020 and 75% of shares allotted to the investors (except State Bank of India) under the YBL Reconstruction Scheme are locked in for a period of 3 years from March 13, 2020

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International Listing (Medium Term Note)

The Singapore Exchange Securities Trading Ltd.
2, Shenton Way #02-02, SGX Centre 1, Singapore – 068804.

The London Stock Exchange International Securities Market
10, Paternoster Square, London, EC4M 7LS, United Kingdom.

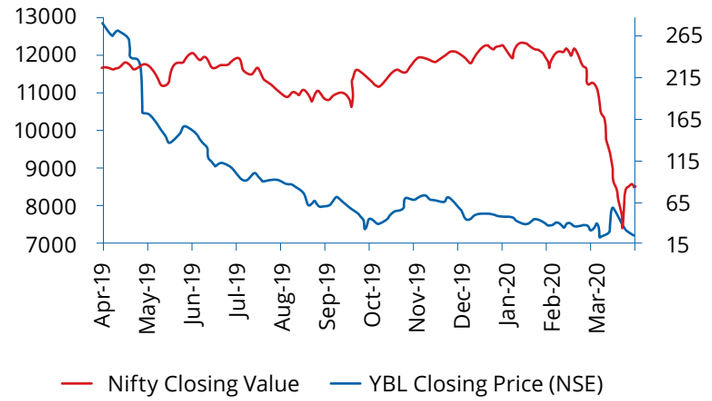
India International Exchange IFSC Limited
1st Floor, Unit No. 101, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat – 382355, India.

(f) Market Price Data: High, Low during each month in last financial year:

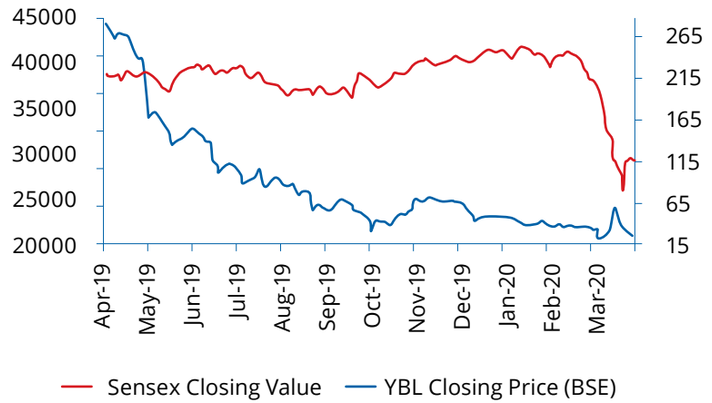
Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-19	286	165.6	813,184,121	285.9	165.3	68,842,526
May-19	178	132.45	1,565,618,537	178.05	133.05	121,299,641
Jun-19	153.85	98.7	1,716,032,479	153.8	98.75	124,912,380
Jul-19	110.5	79.15	3,317,065,684	110.6	81.75	220,435,456
Aug-19	92.45	53.2	3,748,508,516	92.4	53.15	269,785,073
Sep-19	75.45	40.95	4,276,976,041	72.55	40.95	302,934,076
Oct-19	78.7	29	7,440,593,360	76.65	29.05	543,757,406
Nov-19	75.3	56.65	5,262,615,947	75.35	59.95	435,561,026
Dec-19	69.3	40.75	5,713,962,071	70.5	40.7	385,773,545
Jan-20	48.5	36.55	3,628,930,807	48.5	36.55	190,687,546
Feb-20	40.75	33.6	2,869,682,109	40.7	33.6	164,468,609
Mar-20	87.3	5.65	5,956,997,149	87.95	5.55	493,071,748

(g) Performance of the Bank's Equity Shares as compared with Indices:

NSE NIFTY Indices during the F.Y. 2019-20



S&P BSE SENSEX during the F.Y. 2019-20



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(h) Registrar and Share Transfer Agents:

EQUITY	DEBT
KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500 032 Phone No: 040- 6716 2222 Fax No: 040-2300 1153 Contact Person: Ms. Shobha Anand / Mr. Sridhar Balamurli E-mail: einward.ris@kfintech.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/Mr. Sharad Amin E-mail: mumbai@linkintime.co.in

International Listing (Medium Term Note)

The Hongkong and Shanghai Banking Corporation Limited
Level 30, HSBC Main Building,
1 Queen's Road Central, Hong Kong.

(i) Share Transfer System:

The Board has delegated the authority for approving transfer, transmission, etc. of the Bank's securities to the Managing Director & CEO and the Group Company Secretary.

The Bank's shares are traded under compulsory dematerialized mode. A half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges.

(ii) Updation of Permanent Account Number (PAN) and Bank Details:

Members' attention is invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated April 20, 2018 pursuant to which the Bank has written to shareholders holding shares in physical form requesting them to furnish their PAN and Bank details for payment of dividend through electronic mode. Those shareholders who are yet to respond to the Bank's request in this regard are once again requested to take action in the matter at the earliest.

Further, Members who hold shares in physical form are advised that SEBI has mandated that no transfer of shares in physical form will be permitted. In view of the same, the Members are requested to kindly dematerialize their holdings in the securities of the Bank.

(iii) Reconciliation of Share Capital Audit:

Reconciliation of Share Capital Audit, as mandated by SEBI, has been carried out by Company Secretary in Practice on quarterly basis, and reports on the reconciliation of total issued and listed capital with that of total share capital admitted/ held in dematerialized form with NSDL and CDSL and those held in physical form.

The Report in this regard has been submitted to stock exchanges viz., National Stock Exchange of India Ltd. and BSE Ltd. on a quarterly basis and being placed before the Board of Directors of the Bank for its review.

(j) Distribution of Shareholding as on March 31, 2020:

Sr. No.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	19,88,242	97.35	88,34,79,457	7.04
2	5001 - 10000	31,384	1.54	22,41,49,205	1.79
3	10001 - 20000	13,654	0.67	19,08,10,266	1.52
4	20001 - 30000	3,962	0.19	9,74,47,438	0.78
5	30001 - 40000	1,685	0.08	5,90,40,070	0.47
6	40001 - 50000	924	0.05	4,19,53,583	0.33
7	50001 - 100000	1,569	0.08	10,89,85,634	0.87
8	100001 and above	981	0.05	10,94,46,06,578	87.21
	TOTAL:	**20,42,401**	**100.00**	**12,55,04,72,231**	**100.00**

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Shareholding Pattern as on March 31, 2020:

Sr. No.	Category of shareholders	No. of shares	%
I	**Promoter & Promoter Group**		
	Rana Kapoor	0	0.00
	Madhu Kapur	14,07,25,000	1.12
	Morgan Credit Private Limited	0	0.00
	Yes Capital India (Private) Limited	900	0.00
	Mags Finvest Private Ltd	3,72,15,025	0.30
	Sub-Total	**17,79,40,925**	**1.42**
II	**Other Institutions**		
	Mutual Funds /UTI	6,98,72,294	0.56
	Alternate Investment Funds	75,546	0.00
	Foreign Portfolio Investors	23,37,24,036	1.86
	Qualified Institutional Buyer	4,81,949	0.00
	Sub-Total	**30,41,53,825**	**2.42**
III	**Financial Institutions /Banks**		
	ICICI Bank Ltd	1,00,02,00,610	7.97
	State Bank of India	6,05,00,00,000	48.21
	Axis Bank Limited	60,00,00,000	4.78
	The Federal Bank Ltd	24,13,32,522	1.92
	IDFC First Bank Limited	20,97,94,680	1.67
	Bandhan Bank Limited	30,00,00,000	2.39
	Kotak Mahindra Bank Ltd	45,27,50,000	3.61
	Housing Development Finance Corporation Limited	1,00,00,00,000	7.97
	other FIs/Bank	11,640	0.00
	Sub-Total	**9,85,40,89,452**	**78.52**
IV	**Insurance Companies**		
	LIC Of India Along With Its Various Schemes	20,55,15,999	1.64
	Other Insurance Companies	36,86,066	0.03
	Sub-Total	**20,92,02,065**	**1.67**

Sr. No.	Category of shareholders	No. of shares	%
V	**Other Non-Institutions**		
	Bodies Corporate	9,94,45,566	0.79
	NBFCs Registered with RBI	3,18,275	0.00
	I E P F	1,34,274	0.00
	Trusts	25,40,236	0.02
	Clearing Members	16,48,79,623	1.31
	Sub-Total	**26,73,17,974**	**2.13**
VI	**Individuals**		
	Individuals holding nominal share capital up to ₹2 lakh	1,47,96,04,034	11.79
	Individuals holding nominal share capital in excess of ₹2lakh	12,27,01,989	0.98
	H U F	3,04,57,277	0.24
	Non-Resident Indians	6,41,73,454	0.51
	Non-Resident Indian Non-Repatriable	1,81,69,404	0.14
	Foreign Nationals	2,129	0.00
	Employees	2,26,59,703	0.18
	Sub-Total	**1,73,77,67,990**	**13.85**
	Total	**12,55,04,72,231**	**100.00**

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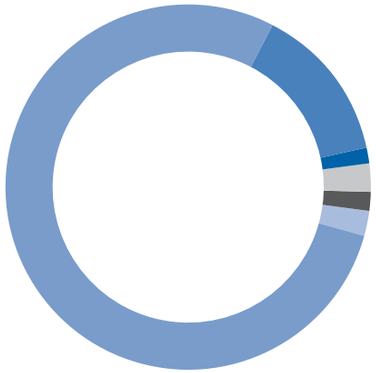
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SHAREHOLDING PATTERN (%)



- Banks/Financial Institutions - 78.52
- Individuals - 13.85
- Promoter & Promoter Group - 1.42
- Other Institutions (MF/AIF/FPI/QIB) - 2.42
- Insurance Companies - 1.67
- Other Non-Institutions (Bodies Corporates/NBFC/Trust/IEPF/Clearing Members) - 2.13

MF - Mutual Funds /UTI
AIF - Alternate Investment Funds
FPI- Foreign Portfolio Investors
QIB - Qualified Institutional Buyer

(k) Dematerialization of shares and liquidity:

As on March 31, 2020, the Share Capital of the Bank was held in the dematerialized form comprising of 12,550,368,946 Equity Shares of face value of ₹2 each (99.99%), out of which (94.99%) with NSDL and (5.01%) with CDSL, only 103,285 shares were being held in physical form (0.01%).

Shareholders are requested to convert their physical holdings into electronic holdings which will negate risks associated with physical certificates.

(l) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Bank does not have any Outstanding GDRs / ADRs / Warrants or any other Convertible instrument as on date.

(m) 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.

(n) Plant Locations:

Being a Banking Company, the Bank operates its business through a network of 1135 branches located all across the India. The details of the Branch Addresses are available on the website of the Bank.

(o) Address for Correspondence for investors:

Mr. Shivanand R. Shettigar, Group Company Secretary
YES Bank Tower, IFC 2, 15th Floor, Senapati Bapat Marg,
Elphinstone Road (West), Mumbai 400013.
Phone No.: 022-33669000/33478301 Fax No.: 022-24214521
Email: shareholders@yesbank.in

(p) Credit Ratings and Change/Revisions in Credit Ratings for Debt Instruments:

(1) **CRISIL A2;** (CRISIL A2) rating from CRISIL to the **Certificate of Deposit Program** of the Bank

(2) **'CARE D;** (Single D) rating from CARE to the **Additional Tier – I Basel III** Compliant Bond Issue of the Bank

(3) **'CARE C; Credit watch with developing implications'** (Single C; Credit watch with developing implications) rating from **CARE to the Basel III Compliant Tier II** Bond Issue of the Bank

(4) **'CARE D;** (Single D) rating from CARE to the **Tier I Perpetual** Bond Issue of the Bank-

(5) **'CARE C; Credit watch with developing implications'** (Single C; Credit watch with developing implications) rating from CARE to the **Upper Tier II** Issue of the Bank

(6) **'CARE B; Credit watch with developing implications'** (Single B; Credit watch with developing implications) rating from CARE to the **Lower Tier II** Issue of the Bank

(7) **'CARE B; Credit watch with developing implications'** (Single B; Credit watch with developing implications) rating from CARE to the **Infrastructure Bond** Issue of the Bank

(8) **'[ICRA]D (hyb); (ICRA D Hybrid) rating from ICRA to the Additional Tier – I Basel III** Compliant Bond Issue of the Bank

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(9) **'[ICRA]BB (hyb); Rating Watch with Developing Implications'** (ICRA Double B Hybrid ; Outlook: Rating Watch with Developing Implications') rating from ICRA to the **Basel III Compliant Tier II** Bond Issue of the Bank

(10) **'[ICRA]D;** (ICRA D) rating from ICRA to the **Tier I Perpetual** Bond Issue of the Bank

(11) **'[ICRA]BB; Rating Watch with Developing Implications'** (ICRA Double B ; Outlook: Rating Watch with Developing Implications') rating from ICRA to the **Upper Tier II** Issue of the Bank

(12) **'[ICRA]BB+; Rating Watch with Developing Implications'** (ICRA Double B plus; Outlook: Rating Watch with Developing Implications') rating from ICRA to the **Lower Tier II** Issue of the Bank

(13) **'[ICRA]BB+; Rating Watch with Developing Implications'** (ICRA Double B plus; Outlook: Rating Watch with Developing Implications') rating from ICRA to the **Infrastructure** Bond Issue of the Bank

(14) **'IND B+; Rating Watch Evolving'** (Single B Plus; Outlook: Rating Watch Evolving) rating from India Ratings to the **Basel III Compliant Tier II** Bond Issue of the Bank

(15) **'IND BB-; Rating Watch Evolving** (Double B minus; Outlook: Rating Watch Evolving) rating from India Ratings to the **Infrastructure** Bond Issue of the Bank

(16) **Caa1; Outlook: Positive** rating from **Moody's Investors Service** to the Long term rating of the bank

(17) **NP** rating from **Moody's Investors Service** to the Short term rating of the bank

(18) **'BWR D;** (BWR Single D) rating from Brickworks to the **Tier I Perpetual Bond** Issue of the Bank

(19) **'BWR D;** (BWR Single D) rating from Brickworks to the **Upper Tier II** Issue of the Bank

(20) **'BWR D;** (BWR Single D) rating from Brickworks to the **Lower Tier II** Issue of the Bank

(q) Debenture Trustees:

IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai – 400 001. Contact Person: Mr. Sunny Nihalani, Vice President Phone No: 022 – 4080 7001 Fax No.: 022 – 6631 1776	**Axis Trustee Services Limited** Axis House, Ground floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025 Contact Person: Mr. Anil Grover – Deputy General Manager Phone no: 022 – 6226 0084 Fax No: 022 – 2425 4200

For and on behalf of the Board of Directors
YES BANK Limited

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Sunil Mehta
Non Executive Chairman
(DIN: 00065343)

Place: Mumbai
Date: June 29, 2020

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Compliance with the Code of Conduct and Ethics

I confirm that all Directors and Members of the Senior Management have affirmed compliance with YES BANK Code of Conduct and Ethics.

For **YES BANK Limited**

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Place: Mumbai
Date: June 29, 2020

CEO / CFO Certification

We, Mr. Prashant Kumar, Managing Director & CEO and Mr. Anurag Adlakha, Group 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 Financial Year ended March 31, 2020 of the Bank and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   ii. these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

d. We have indicated, to the Auditors and the Audit Committee:

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Bank's internal control system over financial reporting.

Yours faithfully
For **YES BANK Limited**

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Anurag Adlakha
Group Chief Financial Officer

Place: Mumbai
Date: May 06, 2020

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Certificate on Corporate Governance

To,
The Members,
YES Bank Limited

We have examined the compliance of conditions of Corporate Governance by Yes Bank Limited (hereinafter referred as "Company") for the Financial year ended March 31, 2020 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Bank for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

Notes:

- Pursuant to the Yes Bank Limited reconstruction Scheme, 2020, notified by the Ministry of Finance, Government of India, effective from March 13, 2020 a new Board was appointed on March 26, 2020 & post the Reconstruction Scheme 2020, the composition of the said Board was not in accordance with Regulation 17 of Listing Regulations. The said Scheme has overriding effect to all other applicable laws, rules and regulations in respect of the matters specified in the Scheme.
- Due to lockdown under COVID-19, Certification on this Certificate on Corporate Governance is done on the basis of documents made available to us in electronic form (i.e. scanned documents sent through e-mail) by the Secretarial Team of the Bank and such documents will be verified physically after the lockdown is lifted.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner
FCS No : 9409
CP No. : 11226

Place : Mumbai
Date : June 25, 2020
UDIN : F009409B000377744

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Certificate Under Regulation 34(3) of SEBI Listing Regulations

To,
The Members of YES Bank Limited
YES Bank Tower, IFC–II, 15th Floor,
Senapati Bapat Marg, Elphinstone (W), Mumbai 400013

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of YES Bank Limited having CIN L65190MH2003PLC143249 and having registered office at YES Bank Tower, IFC–II, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai 400013 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from to time). In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of Company for the Financial Year ending March 31, 2020, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Mr. Prashant Kumar	07562475	26-03-2020
2.	Mr. Sunil Mehta	00065343	26-03-2020
3.	Mr. Mahesh Krishnamurti	02205868	26-03-2020
4.	Mr. Atul Bheda	03502424	26-03-2020
5.	Mr. Rama Subramaniam	03341633	26-03-2020
6.	Mr. Ananth Narayan Gopal Krishnan	05250681	26-03-2020
7.	Mr. Partha Sengupta	08273324	26-03-2020
8.	Mr. Swaminathan Janakiraman	08516241	26-03-2020

The aforesaid Directors were appointed in pursuance of Yes Bank Limited Reconstruction Scheme, 2020 notified by Reserve Bank of India (RBI) and in accordance with the Clause 5(6) of the said scheme which is stated hereunder:

"The appointment of the directors shall have effect, notwithstanding non-fulfillment of any requirement as to minimum shareholding, qualification, experience or any other condition, for being a director of the reconstructed bank".

Further ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For U. Hegde & Associates,
Company Secretaries,

Umashankar K Hegde
(Proprietor)
C.P. No- 11161 # M.No- ACS 22133
ICSI UDIN: A022133B000554951

Place: Mumbai
Date : August 06, 2020

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Annual Business Responsibility Report (ABRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: **L65190 MH 2003 PLC 143249**
2. Name of the Company: **YES BANK Limited**
3. Registered address: **YES BANK Tower, IFC – 2, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai 400 013, India**
4. Website: **www.yesbank.in**
5. E-mail id: **yestouch@yesbank.in**
6. Financial Year reported: **FY 2019-20**
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

   As per India's National Industrial Classification 2008 (NIC-2008):

   Section K – Financial and Insurance Activities

   Division 64 - Financial service activities, except insurance and pension funding
8. List three key products/services that the Company manufactures/provides (as in balance sheet):

   a) Retail Banking

   b) Corporate Banking

   c) Treasury
9. Total number of locations where business activity is undertaken by the Company

a. Number of International Locations (Provide details of major 5)

Two – The Bank has representative offices in Abu Dhabi. The Bank also operates an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT).

b. Number of National Locations

The Bank has 1,135 branches, two National Operating Centers in Mumbai and New Delhi, one National Centralized Operations Management and Services Delivery facility in Chennai and 1,423 ATMs, as on March 31, 2020.

10. Markets served by the Company – Local/State/National/International/

YES BANK is a pan-India Bank, with branches and ATMs in all states and Union Territories of India. YES BANK operates one Representative Office in Abu Dhabi (UAE) to enhance its engagement with businesses and Indians in GCC regions and an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT) which is akin to a foreign branch and caters to the requirements of clients based in overseas and domestic jurisdictions, as permitted by RBI from time to time.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹): **2,510.0944 crore**
2. Total Turnover (₹): **37,923.0977 crore**
3. Total profit after taxes (₹): **Loss of 16,418.031 crore**
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): **0.97%** (% calculated based on average net profits of previous 3 financial years calculated as per Section 198 of the Companies Act, 2013)
5. List of activities in which expenditure in 4 above has been incurred:-

   i. Livelihood and Water Security

   ii. Employability and Entrepreneurship

   iii. Environmental Sustainability

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

   Yes (three subsidiaries)

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2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Some BR activities of YES BANK's three subsidiary companies are conducted as part of the parent company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

The Managing Director and CEO is responsible for implementation of the BR policy/policies

b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	**n/a**
2.	Name	**Mr Srinath Komarina**
3.	Designation	**Senior President, Responsible Banking**
4.	Telephone number	**+91 22 3347 9852**
5.	e-mail id	**responsible.banking@yesbank.in**

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

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

* All policies of the Bank have been developed as a result of detailed consultations and research on the best practices adopted by banks and organizations across the national and international industry norms, and per the requirements of the Bank.

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1. The Code of Ethics for employees and certain policies, including the Citizen's Charter, Charter of Customer Rights, Grievance Redressal and Banking Practice Code are available on the website at https://www.yesbank.in/regulatory_policies.
2. Yes, for certain policies and procedures.
3. The Bank has in place the Environment & Social Policy, which integrates environmental and social risks into its overall credit risk assessment framework. The Summary of the Policy is available at https://www.yesbank.in/beyond-banking/responsible-banking/responsible-banking/facilitating-responsible-investments/environmental-and-social. The Bank has the Environmental Management Policy which focuses on achieving greater environmental sustainability within the Bank's operations. The Policy is accessible at https://www.yesbank.in/regulatory_policies.
4. Employee focused policies are accessible only by employees and are not shared in the public domain. The bank's Human Capital Management practices and activities can be accessed at https://www.yesbank.in/work-with-us.
5. YES BANK views the unbanked and under-banked population in rural and urban India as a primary stakeholder for financial inclusion. Through its products and services focused at the Base of the Pyramid, the Bank aims to positively impact this marginalized and disadvantaged stakeholder group. The Bank has policies in place, and adheres to regulatory guidelines, to drive its business practices. The Bank as a Code of Commitment to the MSME Sector, accessible at https://www.yesbank.in/footer/regulatory-policies/banking-practice-code.
6. The Bank has several policies and guidelines in place for ensuring all stakeholder rights and the regulatory laws are adhered to in its operations. Through its policies on environmental and social risk assessment, the Bank ensures compliance of all pertinent regulations in its lending portfolio as well. Similarly, the Bank ensures that all regulations are adhered to in its CSR activities.
7. The Bank's Environmental Management Policy is available on the Bank's website at https://www.yesbank.in/pdf/emp. The Bank's CSR Policy is accessible at https://www.yesbank.in/pdf/ybl_corporate_social_responsibility_policy.

   The Bank's complete response to its environmental priorities and commitments, through business activities, CSR, and other activities, is available in its Sustainability Report, accessible at https://www.yesbank.in/about-us/investor-relations/yes-bank-sustainability-report
8. The Bank aims to take a leadership position in influencing public policy and discourse by hosting and participating in thought platforms and through knowledge research. Details can be accessed at https://www.yesbank.in/beyond-banking. For additional details, please refer to the responses to Principle 7 in this BRR.
9. In addition to the Bank's business activities focusing on inclusive growth, and equitable and sustainable development, highlighted in Point 5 above, the Bank creates a positive impact through its CSR activities. The activities and impact are included in the Sustainability Disclosures that is a part of this Annual Report.

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

– Not applicable

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

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3. Governance related to BR

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

  The Bank has a Corporate Social Responsibility (CSR) Committee of the Board, which meets at least twice in a year. The Managing Director & CEO and the Senior President, Responsible Banking, attend all meetings of CSR Committee.

  The Bank has an internal system in place for reviewing the BR performance, headed by the Senior President, Responsible Banking which is further reviewed by Managing Director and CEO. The Senior President, Responsible Banking is also a part of a seven member management level Internal CSR Expense Committee (ICEC) whose working is overseen at CSR Committee of the Board.

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

  YES BANK publishes its Sustainability Disclosures as part of its Annual Report which is based on the GRI framework. The Disclosures for FY 2019-20 are included in this Annual Report and can be accessed at https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports.

  The Bank also reports on its sustainability performance in its annual Sustainability Report, based on UN Principles for Responsible Banking and Taskforce on Climate-related Financial Disclosures.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.**

   No

   Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

   The Anti-Bribery and Anti-Corruption Policy is implemented to all the agents, associates, consultants, advisors, contractors, sub-contractors, suppliers of goods and/or services, representatives or intermediaries engaged by the Bank. These entities shall also be required to follow the Policy while carrying on their assignments with the Bank. Further, the Bank shall in all respects be within its rights to inspect the books of accounts and other documents of all such agents, associates, consultants, advisors, contractors, sub-contractors, suppliers of goods and/or services, representatives or intermediaries, as part of an investigation in alleged/identified case(s) of corruption/bribery.

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

   Please refer to page numbers 263 for Customer Complaints and page number 161 for Shareholder Complaints, in this Annual Report.

   For Employee complaints, please refer to page 192 in this Annual Report.

Principle 2

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

i. **Digital Banking –** YES MONEY, YES PAY, Aadhar Enabled Payment Scheme (AEPS), Smart City mobile application for Coimbatore City Municipal Corporation, Yuva Pay solution

ii. **Inclusive and Social Banking –** YES LEAP/YES Joint Liability Group (Women Group lending), Micro Individual Business Loan, Micro Insurance, Asset & Liability services through BC Managed Banking Outlets (BCBOs), digital interventions include on-boarding of customers through M-Keys, digital field reporting in Microsoft Kaizala, digital training modules, semi-automated loan management system (Ganaseva), cashless disbursements

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iii. **Strategic Government Advisory –** YES BANK working with various state governments and their entities to support them in their sustainable mobility initiatives across Punjab, Rajasthan, Telangana and Goa

iv. **Sustainable Investment Banking and Corporate Finance –** Lending and advisory in clean energy

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

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

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

In the reporting year, YES BANK continues to be 14001:2015 Environment Management System certified. As on March 31, 2020, YES BANK is leading the BFSI sector globally with the highest number of ISO 14001 certified green facilities with 732 certified locations, including 5 corporate offices, YES SECURITIES and the Abu Dhabi Representative Office. This marks the latest milestone achieved by the Bank in its journey in becoming a leading environmentally friendly bank.

Please refer to page numbers 45 for key initiatives focusing on achieving resource consumption efficiency at the Bank, and the impact achieved, in this Annual Report.

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

Given that the Bank's primary product offerings are financial services, resource consumption during usage by consumers is not a significant material issue for the banking sector in general. During the year, the Bank's 732 locations, including 5 corporate offices, YES SECURITIES and the Abu Dhabi Representative Office were certified for ISO 14001:2015 Environment Management System, under which the Bank makes maximum effort to raise awareness among its customers on efficient resource consumption.

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

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

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

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

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

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

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

In addition to the Bank's procurement largely carried out through the Strategic Procurement Unit, given that the Bank has branches in all states and Union Territories in India, it also procures locally for daily use items and services such

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as stationary, food and beverages and local transport. It works with most local vendors to align them with the Bank's procurement requirements and standards. The Bank has centrally defined Procurement Policy and practices which govern such engagement models.

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

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

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

   The Bank's waste management practices are a part of this Annual Report.

Principle 3

1. **Please indicate the Total number of employees.**

   YES BANK had 22,973 employees as on March 31, 2020.

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

Financial Year ending	Fixed Term Contract/ Employees (Trainee/Advisor, etc.)
Head Count as on March 31, 2018	67
Head Count as on March 31, 2019	39
Head Count as on March 31, 2020	25

3. **Please indicate the Number of permanent women employees.**

   The Bank had 4,256 permanent women employees on March 31, 2020.

4. **Please indicate the Number of permanent employees with disabilities**

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

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

   The Bank does not have an employee association.

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

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

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

S.No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	8	2
3.	Discriminatory employment	Nil	Nil

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

i. **Permanent Employees**

The Bank, through a dedicated team, YES SCHOOL OF BANKING, provides training in banking, skill development and personality development, among others. The Bank's training programs are divided into 5 broad categories: Behavioural and Leadership Skills, Employee Induction, Mandatory Policies and Compliance, Process Training and Product Training. In the reporting period, 74.7% (17,161) employees were trained under 5,044 classroom-based training programs.

ii. **Permanent Women Employees**

3,255 women employees were imparted classroom-based training during the year, which is over 76.48 % of the Bank's total women employees.

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iii. Casual/Temporary/Contractual Employees

The Bank provides training on the Bank's policies and process to advisors, trainees, etc. as and when required.

iv. Employees with Disabilities

The Bank, being an Equal Opportunity Employer, makes no distinction between employees on the basis of disabilities. All employees are imparted training basis their training requirements and profile.

Principle 4

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

   Yes

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

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

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

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

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

Principle 5

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

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

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

   The Bank did not receive any complaint related to human rights violations from internal or external stakeholders. Complaints related to sexual harassment are covered separately under Principle 3.

Principle 6

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

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

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

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

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

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

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2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N**

   Yes.

   If yes, please give hyperlink for webpage etc.

   YES BANK is a signatory to international protocols and initiatives, such as the UNEP Finance Initiative, UN Global Compact, CDP (formerly Carbon Disclosure Project), the Natural Capital Finance Alliance, where it works on creating awareness and impact at a global level, on issues of environmental and social significance.

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

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

   The Bank is the first bank globally to migrate to the ISO 14001:2015 certification for Environment Management System, and as on March 31, 2020, YES BANK is leading the BFSI sector globally with the highest number of ISO 14001 certified green facilities with 732 certified locations, including 5 corporate offices, YES SECURITIES and the Abu Dhabi Representative Office.

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

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

   Yes. The Bank assesses its environmental risk in multiple ways. The Bank's Environment and Social Policy, which is based on international best practices such as the Equator Principles and IFC Guidelines, integrates Environmental and Social risks into its overall credit risk assessment mechanism.

   YES BANK is the first bank globally to migrate to the ISO 14001:2015 certification for Environment Management System, with 732 certified locations, including 5 corporate offices, YES SECURITIES and the Abu Dhabi Representative office. Guided by the certification and its Environmental Management Policy, the Bank assesses the environment risks of its operations.

   As part of its overall risk management framework, the Bank has a Reputational Risk Management Committee overseeing its E&S risk preparedness across its business operations and community activities.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   There is no project funded by the Bank which is linked to Clean Development Mechanism (CDM) / availing Certified Emission Reduction (CER) certificates.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N.**

   Yes

   If yes, please give hyperlink for web page etc.

   YES BANK has a significant debt and advisory portfolio in the Indian banking space, in renewable energy. In December 2015, on the occasion of COP21 at Paris, the Bank took a public commitment to mobilize funding of USD 5 billion for climate action up to 2020. The Bank had also taken a commitment to mobilize USD 1 billion till 2023, and USD 5 billion till 2030 for solar projects.

   The Bank's clean technology portfolio in debt and advisory is included in the Sustainability Disclosures section of this Annual Report.

   Internally, under its ISO 14001:2015 certification for Environment Management System, the Bank has launched several initiatives to rationalize resource consumption, reduce waste consumption and pilot projects involving usage of alternate sources of energy.

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As part of its CSR commitments, the Bank is driving several initiatives that focus on energy efficiency in the MSME sector, provide clean and safe drinking water for rural communities, and support protection of endangered species.

The Bank's initiatives and actions are included in this Annual Report.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. The Bank's primary wastes – paper and electronic waste, are recycled to the maximum extent possible through third party vendors. The Bank's emissions and waste are within permissible limits of the laws applicable. At the branches, where the Bank uses Diesel generator sets due to erratic electricity supply, it ensures it only uses low noise and low emission sets with proper procedures in place to handle the used oil.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

The Bank has not received any notice during the reporting year.

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

a. CII

b. FICCI

c. ASSOCHAM

d. Indian Banks Association

e. AIMA

MD & CEO is the official representative at these industry bodies.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;**

Yes

If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Bank, through broad level actions and initiatives, actively works towards influencing national and global policy and industry action on pertinent causes such as climate action, digital economy, and economic reforms. The Bank is a member of protocols and alliances in India and abroad that bring like-minded stakeholders together on specific issues.

Principle 8

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes. The Bank has focused Business Units whose products and services promote inclusive growth and equitable development in India. The Inclusive and Social Banking unit has a range of financial products and services targeting the Bottom of the Pyramid in rural and urban India.

Through the Digital Banking unit, the Bank is driving digital payments across all economic sections of the economy and is driving the use of rising mobile and internet connectivity among Indians for banking activities.

Through its CSR mandate, the Bank is driving key initiatives in livelihood and water security, skill development, and environmental sustainability, among others.

The details of the Bank's key programs and initiatives are included in the Sustainability Disclosures as a part of this Annual Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The Bank's products and services catering to the Bottom of the Pyramid and digital banking services are driven directly by the Banking Units, which may partner with Business Correspondents, technology providers, and others, to drive the projects on-ground.

The Bank's CSR projects are driven primarily by the Responsible Banking unit in conjunction with pertinent Business Units. In addition, YES FOUNDATION, the

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Bank's social development arm, is a separate charitable Trust driving several initiatives of its own across India. The Bank partners with NGOs for several of its CSR projects to drive implementation on the ground.

3. **Have you done any impact assessment of your initiative?**

   Yes. The socio-economic and environmental impact of the Bank's products and services catering to the Bottom of the Pyramid and its CSR initiatives are included in the Sustainability Disclosures section of this Annual Report.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   In FY 2019-20, YES BANK spent ₹40.54 Crore on CSR, in accordance with Schedule VII of the Companies Act 2013.

   A brief outline of the Bank's direct contribution to community development is included in Annexure 1 – The Annual Report on Corporate Social Responsibility (CSR) Activities, on page 54 of this Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   YES BANK's community development initiatives are driven by its five-pronged approach towards CSR – Promote, Invest, Engage, Collaborate and Monitor. The Bank's CSR Policy guides the Bank in ensuring that its initiatives are mapped to the focus areas and are relevant, effective and replicable. All projects have clear feedback mechanisms weaved into them, with a focus on long term sustainability and active community ownership.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Please refer to page number 263 in this Annual Report.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)**

   Yes. The Bank follows the highest standards of product and service responsibility, in complete compliance with all the regulations set by the Reserve Bank of India. The Bank is a member of the Banking Codes and Standards Board of India (BCSBI), which is an independent watchdog for service quality of the Banking sector.

   Under the aegis of the YES SCHOOL OF BANKING, all employees are trained on pertinent regulations and requirements, and employees in client-facing roles are provided enhanced training on product suitability and appropriateness. As per regulatory guidelines, all notices, regulations and policies are mandatorily displayed at the Bank's branches.

   A comprehensive list of Regulatory Policies can be accessed on the Bank's website at https://www.yesbank.in/regulatory_policies.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive**

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behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Please refer to page 246 of this Annual Report for Section 18.6.2 - Disclosure of Penalties imposed by RBI.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes. As the Bank operates in the highly customer-centric banking sector hence customer satisfaction, service experience and overall Customer Experience are of critical importance. The Bank put in place a very robust customer survey process where in we measure transactional Net Promoter Score (known as NPS) across channels and business's like Branch Banking, Call Centers, Relationship Manager, Rural Banking Group, Digital Channels, ATM'S and Assets. In addition to this the Bank also conducts periodic customer satisfaction surveys, and there are strong systems in place for internal checks of branch quality and physical safety. The Bank's Complaints Management System is ISO 10002:2004 certified.

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Independent Auditor's Report

To the Members of
YES Bank Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the standalone financial statements of YES Bank Limited (the 'Bank'), which comprise the standalone balance sheet as at 31 March 2020, the standalone profit and loss account, the standalone cash flow statement for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the 'Basis of Qualified opinion' section of our report, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (the 'Act') in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2020, and its loss, and its cash flows for the year ended on that date.

Basis of Qualified opinion

We draw attention to Note 18.3 of the standalone Financial Statements, which indicates that during the year ended 31 March 2020, the Bank has breached the regulatory requirements of the Reserve Bank of India ('RBI') regarding maintaining the minimum Common Equity Tier ('CET') 1 and Tier 1 capital ratios which indicates the position of capital adequacy of a bank. The breach is primarily on account of the increase in the provision for advances during the year ended 31 March 2020 as the Bank has decided, on a prudent basis, to enhance its Provision Coverage Ratio on its Non-Performing Asset (NPA) loans over and above minimum RBI loan level provisioning. Further, the write back of the Additional Tier ('AT') 1 bonds on 14 March 2020 also resulted in the breach of Tier 1 capital ratio as at 31 March 2020. The CET1 ratio and the Tier 1 capital ratios for the Bank as at 31 March 2020 stood at 6.3% and 6.5 % as compared to the minimum requirements of 7.375% and 8.875% respectively. This implies that the Bank will have to take effective steps to augment its capital base in the year 2020-21. Further, in view of the RBI norms relating to the breach of the aforesaid ratios, there is uncertainty around RBI's potential action for such a breach. We are unable to comment on the consequential impact of the above regulatory breach on these standalone financial statements.

We draw attention to Note 18.6.69 to the Standalone financial statements, which discloses that the Bank became aware in September 2018 through communications from stock exchanges of an anonymous whistle-blower complaint alleging irregularities in the Bank's operations, potential conflicts of interests in relation to the former MD and CEO and allegations of incorrect NPA classification. The Bank conducted an internal enquiry of these allegations, which resulted in a report that was reviewed by the Board of Directors in November 2018. Based on further inputs and deliberations in December 2018, the Audit Committee of the Bank engaged an external firm to independently examine the matter. During the year ended 31 March 2020, the Bank identified certain further matters which arose from other independent investigations initiated by the lead banker of a lenders' consortium on the companies allegedly favoured by the former MD and CEO. In March 2020, the Enforcement Directorate has launched an investigation into some aspects of dealings and transactions by the former MD and CEO basis draft forensic reports from external agencies which further pointed out to conflict of interest between the former MD and CEO and certain companies and arrested him. In view of the fact that these enquiries and investigations are still ongoing, we are unable to comment on the consequential impact of the above matter on these standalone financial statements.

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 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 qualified opinion on the standalone financial statements.

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Material uncertainty related to going concern

We draw attention to Note 18.3 of the Standalone Financial Statements, which indicates that the Bank has incurred a loss of ₹16,418 crores for the year ended 31 March 2020. Particularly during the last six months, there has also been a significant decline in the Bank's deposit base, an increase in their NPA ratios resulting in breach of loan covenants on its foreign currency debt and credit rating downgrades resulting in partial prepayment of foreign currency debt linked to external credit rating. The Bank has also breached minimum Statutory Liquidity Ratio (SLR) and Liquidity Coverage Ratio requirements of RBI during the year and has provided an amount of ₹334 crores for the expected penalty on the SLR breach. The Bank has also breached the RBI mandated CET1 ratio and Tier 1 capital ratio which stood at 6.3%.and 6.5% as compared to the minimum requirements of 7.375% and 8.875% respectively. This requires the Bank to take effective steps to augment its capital base in the year 2020-21. The breach of the CET1 and Tier 1 requirements was also impacted by the decision of the Bank to enhance its Provision Coverage Ratio, on a prudent basis, on its NPA loans over and above RBI's minimum loan provisioning norms. Further, on 5 March 2020, the Central Government, based on the RBI's application imposed a moratorium under section 45 of the Banking Regulation Act, 1949 for a period of 30 days effective 5 March 2020. The RBI, in consultation with the Central Government and in exercise of the powers under section 36ACA of the Banking Regulation Act 1949, superseded the Board of Directors of the Bank on 5 March 2020. The above indicators of financial stress and actions taken by the RBI resulted in a significant withdrawal of deposits.

On 13 March 2020, the Government of India notified the Yes Bank Limited Reconstruction Scheme 2020 ('the Scheme') [notified by the Central Government, in exercise of the powers conferred by sub section (4) and subsection 7 of section 45 of the Banking Regulation Act, 1949]. Under this Scheme the authorized share capital of the Bank was increased to ₹6,200 crores. The Bank has received capital from investors amounting to ₹10,000 crores on 14 March 2020. The State Bank of India (SBI) and other banks and financial institutions invested in the Bank at a price of ₹10 per equity share of the Bank (₹2 face value with a ₹8 premium). SBI is required to hold upto 49% with a minimum holding of 26% by SBI in the Bank (which is subject to a 3 year lock in). Other investors are subject to a 3 year lock in for 75% of the investments they make in the Bank under this Scheme. Existing investors (other than investors holding less than 100 shares) in the Bank are also subject to a lock in for 75% of their holding as per this Scheme. A new Board of Directors, CEO and MD and Non Executive Chairman have also been appointed pursuant to the Scheme. In addition, the moratorium imposed on the Bank on 5 March 2020 was vacated on 18 March 2020 as per the Scheme. RBI has also granted short-term funding to the Bank for the period of 90 days. The Bank has submitted a proposal seeking extension for a period of one year. The draft reconstruction scheme proposed on 6 March 2020 had also envisaged that the Bank would be able to write back Additional Tier 1 (AT1) securities amounting to ₹8,695 crores to equity. However, the final Scheme issued by the Government of India on 13 March 2020 does not contain any reference to the write back of the AT1 securities. Based on the legal advice on the contractual terms of the AT 1 bonds, the Bank has fully written back AT 1 bonds aggregating to ₹8,415 crores on 14 March 2020. This action by the Bank has been legally challenged through a writ petition in the Hon'ble Bombay High court.

In line with the RBI's COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020, the Bank has granted a moratorium of three months on the payment of all instalments and/or interest, as applicable, falling due between 1 March 2020 and 31 May 2020 to all eligible borrowers classified as Standard, even if overdue, as on 29 February 2020.

In the opinion of the Bank, based on the financial projections prepared by the Bank and approved by the Board for the next 3 years, the capital infusion, lines of liquidity provided by RBI and the reconstruction Scheme, the Bank will be able to realize its assets (including its deferred tax asset) and discharge its liabilities in its normal course of business and hence the financial statements have been prepared on a going concern basis. The said assumption of going concern is *inter-alia* dependent on the Bank's ability to achieve improvements in liquidity, asset quality and solvency ratios and mitigate the impact of Covid-19 and thus a material uncertainty exists that may cast a significant doubt on the Bank's ability to continue as a going concern. However, as stated above, as per management and the Board, there are mitigating factors to such uncertainties including the amount of capital funds that have been raised in March 2020, the nature and financial resources of new investors who have infused funds in the Bank, the new Board of Directors, CEO and MD and part time Chairman appointed as per the Scheme and the extent of regulatory support provided to the Bank by the RBI.

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Our conclusion on the Standalone Financial Statements is not modified in respect of this matter.

Emphasis of matter

We draw attention to Note 18.6.51 of the standalone financial statements, which states that the Bank has a total deferred tax asset of ₹8,281 crores as at 31 March 2020. As per the requirements of AS 22 – Income Taxes, based on the financial projections prepared by the Bank and approved by the Board of Directors, the Bank has assessed that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The Bank expects to have a taxable profit for the future years. Our conclusion is not modified in respect of this matter.

We draw attention to Note 18.4 of the standalone financial statements which states that the Bank had made an additional provision of ₹15,422 crores for the period ended 31 December 2019 on a prudent evaluation of the status of NPAs based on discussion with regulator over and above the RBI norms relating to the minimum provision to be made by banks on their loans and advances. The additional provision is judgmental based on the quality and status of specific loans identified by the Bank as at 31 March 2020. We believe that this judgment exercised by the Bank is appropriate. Our conclusion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Identification of Non-Performing Assets ('NPAs') and Provisions on Advances **Charge: ₹27,806 crores for year ended 31 March 2020** **Provision: ₹24,253 crores at 31 March 2020**	

Refer to the accounting policies in the standalone financial statements: "Significant Accounting Policies- use of estimates" and "Note18.5.3 to the standalone financial statements: Advances"

Significant estimates and judgment involved

Identification of NPAs and provisions in respect of NPAs and restructured advances are made based on management's assessment of the degree of impairment of the advances subject to and guided by the minimum provisioning levels prescribed under the RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning, prescribed from time to time. The provision on NPA are also based on the valuation of the security available. In case of restructured accounts, provision is made for erosion/ diminution in fair value of restructured loans, in accordance with the RBI guidelines.

We identified identification of NPAs and provision on advances as a key audit matter because of the level of management judgement involved in determining the provision (including the provisions on assets which are not classified as NPAs) and the valuation of the security of the NPA loans and on account of the significance to these estimates to the financial statements of the Bank.

On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.

Our key audit procedures included:

Test of design / controls

- Assessed the design, implementation and operating effectiveness of key internal controls over approval, recording and monitoring of loans, monitoring process of overdue loans, measurement of provisions, identification of NPA accounts and assessing the reliability of management information (including overdue reports). In addition, for corporate loans we tested controls over the internal ratings process, monitoring of stressed accounts including credit file review processes and review controls over the approval of significant individual impairment provisions.
- Evaluated the design, implementation and operating effectiveness of key internal controls over the valuation of security for NPAs.
- Tested management review controls over measurement of provisions including documentation of the relevant approvals along with basis and rationale of the provision and disclosures in financial statements.
- Obtained and reviewed the Bank's policy and application of moratorium provided to customers in response to COVID 19.

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Key audit matter	How the matter was addressed in our audit

Identification of Non-Performing Assets ('NPAs') and Provisions on Advances (continued)

We have identified the impact of, and uncertainty related to the COVID-19 pandemic as a key event and consideration for recognition and measurement of NPAs on account of application of regulatory package and relaxations announced by the Reserve Bank of India on asset classification, regulatory reporting and provisioning.

Management has conducted an assessment of the loan portfolio which may be impacted on account of COVID-19 with respect to moratorium benefit, and provision computation to borrowers prescribed by the regulatory package.

- Involved information system specialists in the audit of this area to gain comfort over data integrity and calculations, including system reconciliations.

Substantive tests

- Test of details for a selection of exposures over calculation of NPA provisions including valuation of collaterals for NPAs as at 31 March 2020; the borrower-wise NPA identification and provisioning determined by the Bank and also tested related disclosures by assessing the completeness, accuracy and relevance of data and to ensure that the same is in compliance with the RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning.
- We tested computations of provisions established by the Bank in response to the RBI's guidance on customers for which COVID related moratoriums have been provided.
- We also selected a sample of high risk borrowers to test potential cases of loans repaid during the period, from fresh disbursement(s) made to these borrowers.
- We selected a sample (based on quantitative and qualitative thresholds) of large corporate clients and performed the following procedures:
  - Reviewed the statement of accounts, approval process, board minutes, credit review of customer, review of Special Mention Accounts reports and other related documents to assess recoverability and the classification of the facility in accordance with the Prudential Norms on Income Recognition, Asset Classification and Provisioning issued by the RBI; and
  - For a risk based sample of corporate loans not identified as displaying indicators of impairment by management, challenged this assessment by reviewing the historical performance of the customer and assessing whether any impairment indicators were present.

Key audit matter	How the matter was addressed in our audit

Identification of Non-Performing Assets ('NPAs') and Provisions on Advances (continued)

Information technology

IT systems and controls

The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. Amongst, its multiple IT systems, seven systems are key for its overall financial reporting.

In addition, large transaction volumes and the increasing challenges to protect the integrity of the Bank's systems and data, cyber security has become a more significant risk in recent periods.

Our key IT audit procedures included:

- We focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.
- We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.
- We tested the design and operating effectiveness of key controls over user

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Key audit matter	How the matter was addressed in our audit
Information technology (continued)	
Further, the prevailing COVID-19 situation, has caused the required IT applications to be made accessible on a remote basis. We have identified 'IT systems and controls' as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture.	access management which includes granting access right, new user creation, removal of user rights and preventive controls designed to enforce segregation of duties. - For a selected group of key controls over financial and reporting systems, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. - Other areas that were assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users and controls to ensure that developers and production support did not have access to change applications, the operating system or databases in the production environment. - Security configuration review and related tests on certain critical aspects of cyber security on network security management mechanism, operational security of key information infrastructure, data and client information management, monitoring and emergency management. - Assessment of data security controls in the context of a large population of staff working from remote location at the year end.

Key audit matter	How the matter was addressed in our audit
Valuation of Investments	
Refer to the accounting policies in the standalone financial statements: "Significant Accounting Policies- use of estimates", "Note 18.5.2 to the standalone financial statements: Investments" **Subjective estimates and judgment involved** **Investments** Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' ('HTM') categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments classified as HTM are carried at amortised cost. Where, in the opinion of management, a diminution other than temporary, in the value of investments has taken place, appropriate provisions are required to be made. Investments classified as AFS and HFT are marked- to-market on a periodic basis as per the relevant RBI guidelines. We identified valuation of investments as a key audit matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, Commercial papers and Certificate of deposits, security receipts) based on the policy and methodology developed by the Bank, impairment assessment for HTM book and the overall significant investments to the financial statements of the Bank.	Our key audit procedures included: **Test of design / controls** - Assessed the design, implementation and operating effectiveness of management's key internal controls over classification and valuation. - Read investment agreements / term sheets entered into during the current year, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments. **Substantive tests** - For sample of instruments we re-performed valuations. For cases where no direct observable inputs were used, we examined and challenged the assumptions used by the Bank in determination of Net assets and cashflows while using a discounted cashflow method. - Assessed whether the financial statement disclosures appropriately reflect the Bank's exposure to investments with reference to the requirements of the prevailing RBI guidelines.

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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 information included in the Bank's Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the Bank's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Director's Responsibility 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 of these standalone financial statements that give a true and fair view of the state of affairs, loss 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, 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Management and Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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

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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 Directors 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 a 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The standalone balance sheet and the standalone 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.

A. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:

   (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

   (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

   (c) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited 24 branches.

B. Further, as required by Section 143(3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (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, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

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(e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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'.

C. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Bank has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note18.6.70 to the standalone financial statements;

ii. the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 18.6.67 to the standalone financial statements;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank - Refer Note 18.6.59 to the standalone financial statements; and

iv. The disclosures required on holdings as well as dealing in Specified bank notes during the period from 8 November 2016 to 30 December 2016 as envisaged in notification G.S.R. 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs is not applicable to the Bank.

D. 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 do not apply.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156
UDIN:20113156AAAABL2843

Mumbai
May 6, 2020

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Annexure A

to the Independent Auditor's Report of even date on the standalone financial statements of YES Bank Limited for the year ended 31 March 2020

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")

(Referred to in paragraph (B)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to standalone financial statements of YES Bank Limited ("the Bank") as of 31 March 2020 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, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 based on the internal financial control with reference to financial statement criteria established by the Bank considering the essential components of internal control stated in the Guidance Note. 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").

AUDITOR'S 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, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 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, 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 company'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.

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Annexure A

A company'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 company; (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 company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company'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 become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156
UDIN:20113156AAAABL2843

Mumbai
May 6, 2020

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Standalone Balance Sheet

as at March 31, 2020

(₹ in thousands)

	Schedule	As at March 31, 2020	As at March 31, 2019
Capital and Liabilities			
Capital	1	25,100,944	4,630,066
Reserves and surplus	2	192,161,992	264,411,895
Deposits	3	1,053,639,434	2,276,101,818
Borrowings	4	1,137,905,026	1,084,241,089
Other liabilities and provisions	5	169,461,829	178,876,786
TOTAL		**2,578,269,225**	**3,808,261,654**
Assets			
Cash and balances with Reserve Bank of India	6	59,436,550	107,977,369
Balances with banks and money at call and short notice	7	24,393,460	160,917,748
Investments	8	439,148,259	895,220,327
Advances	9	1,714,432,943	2,414,996,024
Fixed assets	10	10,090,882	8,169,955
Other assets	11	330,767,131	220,980,231
TOTAL		**2,578,269,225**	**3,808,261,654**
Contingent liabilities	12	4,585,260,892	6,541,580,198
Bills for collection		51,201,926	50,592,373
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156

For and on behalf of the Board of Directors
YES BANK Limited

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Sunil Mehta
Chairman
(DIN: 00065343)

Atul Bheda
Director
(DIN: 03502424)

Partha Pratim Sengupta
Director
(DIN: 08273324)

Anurag Adlakha
Group Chief Financial Officer

Shivanand R. Shettigar
Group Company Secretary

Mumbai
May 6, 2020

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Standalone Profit and Loss

for the period ended March 31, 2020

(₹ in thousands)

		Schedule	For the year ended March 31, 2020	For the year ended March 31, 2019
I.	**Income**			
	Interest earned	13	260,666,039	296,247,473
	Other income	14	118,564,938	45,901,526
	TOTAL		**379,230,977**	**342,148,999**
II.	**Expenditure**			
	Interest expended	15	192,613,725	198,157,160
	Operating expenses	16	67,292,114	62,642,768
	Provisions and contingencies	17	283,505,448	64,146,283
	TOTAL		**543,411,287**	**324,946,211**
III.	**Profit**			
	Net profit for the year		(164,180,310)	17,202,788
	Profit brought forward		107,595,597	103,753,016
	TOTAL		**(56,584,713)**	**120,955,804**

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Standalone Profit and Loss

for the period ended March 31, 2020

(₹ in thousands)

	Schedule	For the year ended March 31, 2020	For the year ended March 31, 2019
IV. Appropriations			
Transfer to Statutory Reserve		-	4,300,697
Transfer to Capital Reserve		6,655,507	1,010,096
Transfer to Investment Reserve		147,226	6,707
Transfer to Investment Fluctuation Reserve		-	539,066
Dividend paid		4,633,917	6,223,989
Tax on Dividend paid		952,516	1,279,652
Balance carried over to balance sheet		(68,973,879)	107,595,597
TOTAL		**(56,584,713)**	**120,955,804**
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		
Earning per share (Refer Sch. 18.6.39)			
Basic (₹)		(56.07)	7.45
Diluted (₹)		(56.06)	7.38
(Face Value of Equity Share is ₹2/-)			

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156

Mumbai
May 6, 2020

For and on behalf of the Board of Directors
YES BANK Limited

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Sunil Mehta
Chairman
(DIN: 00065343)

Atul Bheda
Director
(DIN: 03502424)

Partha Pratim Sengupta
Director
(DIN: 08273324)

Anurag Adlakha
Group Chief Financial Officer

Shivanand R. Shettigar
Group Company Secretary

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Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ in thousands)

		Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from Operating Activities			
Net profit before taxes		**(208,259,197)**	**23,573,471**
Adjustment for			
Depreciation for the year		3,356,319	3,015,420
Amortization of premium on investments		2,459,276	2,102,585
Provision for investments		64,819,073	6,824,889
Provision for standard advances		(19,410,781)	22,514,059
Provision/write off of non performing advances		278,060,357	25,669,535
Other provisions		4,115,686	2,767,116
AT1 Write-down		(84,150,000)	-
(Profit)/Loss on sale of land, building and other assets		(3,282)	(3,947)
	(i)	**40,987,451**	**86,463,128**
Adjustments for :			
Increase / (Decrease) in Deposits		(1,222,462,384)	268,720,342
Increase/(Decrease) in Other Liabilities		54,542,767	38,016,714
(Increase)/Decrease in Investments		241,926,711	(160,198,010)
(Increase)/Decrease in Advances		422,502,724	(405,326,931)
(Increase)/Decrease in Other assets		(108,247,101)	(48,182,922)
	(ii)	**(611,737,283)**	**(306,970,807)**
Payment of direct taxes	(iii)	(5,655,486)	(26,103,985)
Net cash generated from / (used in) operating activities (A) (i+ii+iii)		**(576,405,318)**	**(246,611,664)**
Cash flow from Investing Activities			
Purchase of fixed assets		(5,339,514)	(2,912,885)
Proceeds from sale of fixed assets		65,547	55,372
Investment in subsidiaries		(150,000)	(1,185,000)
(Increase) / Decrease in Held To Maturity (HTM) securities		147,017,008	(58,775,403)
Net cash generated / (used in) from investing activities (B)		**141,593,041**	**(62,817,916)**

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Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ in thousands)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from financing activities		
Increase in Borrowings	141,354,847	313,708,193
Tier II Debt raised	-	30,420,000
Innovative Perpetual Debt (paid)/raised	-	(1,754,400)
Tier II Debt repaid during the year	(4,024,500)	(5,430,400)
Proceeds from issue of Share Capital (net of share issue expense)	118,639,176	953,472
Dividend paid during the year	(4,633,917)	(6,223,989)
Tax on dividend paid	(952,516)	(1,279,652)
Net cash generated from / (used in) financing activities (C)	**250,383,090**	**330,393,224**
Effect of exchange fluctuation on translation reserve (D)	(635,925)	587,809
Net increase in cash and cash equivalents (A+B+C+D)	**(185,065,112)**	**21,551,453**
Cash and cash equivalents as at April 1st	**268,895,117**	**247,343,664**
Cash and cash equivalents as at Mar 31st	**83,830,009**	**268,895,117**
Notes to the Cash flow statement:		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	59,436,550	107,977,369
Balances with Banks and Money at Call and Short Notice	24,393,459	160,917,748
Cash and cash equivalents as at March 31st	**83,830,009**	**268,895,117**

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156

Mumbai
May 6, 2020

For and on behalf of the Board of Directors
YES BANK Limited

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Sunil Mehta
Chairman
(DIN: 00065343)

Atul Bheda
Director
(DIN: 03502424)

Partha Pratim Sengupta
Director
(DIN: 08273324)

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(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 1 - Capital		
Authorised Capital		
30,000,000,000 equity shares of ₹2/- each	**60,000,000**	**6,000,000**
20,000,000 preference shares of ₹100/- each	2,000,000	2,000,000
Issued, subscribed and paid-up capital (Refer Sch 18.6.1)		
12,550,472,231 equity shares of ₹2/- each	25,100,944	4,630,066
(March 31, 2019 : 2,315,033,039 equity shares of ₹2/- each)		
TOTAL	**25,100,944**	**4,630,066**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 2 - Reserves and Surplus		
I. Statutory Reserves		
Opening balance	48,934,100	44,633,403
Additions during the year	-	4,300,697
Deductions during the year	-	-
Closing balance	**48,934,100**	**48,934,100**
II. Share Premium		
Opening balance	100,987,679	100,058,339
Additions during the year (Refer Sch 18.6.1)	99,118,298	929,340
Deductions during the year	950,000	-
Closing balance	**199,155,977**	**100,987,679**
III. Capital Reserve		
Opening balance	5,534,577	4,524,481
Additions during the year (Refer Sch 18.6.3)	6,655,507	1,010,096
Deductions during the year	-	-

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 2 - Reserves and Surplus		
Closing balance	**12,190,084**	**5,534,577**
IV. Investment Reserve		
Opening balance	232,904	226,197
Additions during the year (Refer Sch 18.6.4)	147,226	6,707
Deductions during the year	-	-
Closing balance	**380,130**	**232,904**
V Foreign Currency Translation Reserve		
Opening balance	613,295	25,486
Additions during the year	(635,925)	587,809
Deductions during the year	-	-
Closing balance	**(22,630)**	**613,295**
VI. Cash Flow Hedge Reserve		
Opening balance	(25,323)	(244,057)
Additions during the year (Refer Sch 18.6.5)	(15,533)	218,734
Deductions during the year	-	-
Closing balance	**(40,856)**	**(25,323)**
VII. Investment Fluctuation Reserve		
Opening balance	539,066	-
Additions during the year	-	539,066
Deductions during the year	-	-
Closing balance	**539,066**	**539,066**
VIII. Balance in Profit and Loss Account	**(68,973,880)**	**107,595,597**
TOTAL	**192,161,992**	**264,411,895**

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	As at March 31, 2020	As at March 31, 2019
Schedule 3 - Deposits		
A. I. Demand Deposits		
i) From Banks	7,932,044	17,301,403
ii) From Others	87,061,069	268,119,467
II. Savings Bank Deposit	185,635,246	467,112,348
III. Term Deposits		
i) From banks	86,786,217	184,849,906
ii) From others (incl. CD's issued)	686,224,858	1,338,718,694
TOTAL	**1,053,639,434**	**2,276,101,818**
B. I. Deposits of branches in India	1,053,300,945	2,274,954,791
II. Deposits of branches outside India	338,489	1,147,027
TOTAL	**1,053,639,434**	**2,276,101,818**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 4 - Borrowings		
I. Innovative Perpetual Debt Instruments (IPDI) and Tier II Debt		
A. Borrowing in India		
i) IPDI	5,870,000	90,020,000
ii) Tier II Borrowings	177,759,000	180,759,000
TOTAL (A)	**183,629,000**	**270,779,000**
B. Borrowings outside India		
i) IPDI	-	-
ii) Tier II Borrowings	5,674,875	6,215,786
TOTAL (B)	**5,674,875**	**6,215,786**
TOTAL (A+B)	**189,303,875**	**276,994,786**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
II. Other Borrowings		
A. Borrowings in India		
i) Reserve Bank of India	520,380,000	-
ii) Other banks	18,350,000	57,147,925
iii) Other institutions and agencies	278,921,592	345,669,057
TOTAL (A)	**817,651,592**	**402,816,982**
B. Borrowings outside India TOTAL (B)	**130,949,559**	**404,429,321**
TOTAL (A+B)	**948,601,151**	**807,246,303**
TOTAL (I+II)	**1,137,905,026**	**1,084,241,089**

(1) Secured borrowings are ₹524,379,868 thousands (March 31, 2019 : ₹4,996,813 thousands).

(2) Including ₹237,121,724 thousands of refinance borrowing (March 31, 2019: ₹302,872,244 thousands) ₹16,450,000 thousands (March 31 2019: ₹16,450,000 thousands) of Green Infrastructure Bonds raised to fund 'Green Projects' and ₹21,350,000 thousands (March 31, 2019: ₹21,350,000 thousands) of Long Term Infrastructure Bonds raised to finance affordable housing and infrastructure projects.

(3) Includes bonds of ₹36,032,742 thousands (March 31, 2019: ₹32,909,865 thousands) of Medium Term Notes issued from International Business Unit (IBU) in GIFT city Gujarat to fund its growth.

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(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 5 - Other Liabilities & Provisions		
I. Bills payable	2,867,243	3,913,805
II. Inter-office adjustments (net)	-	-
III. Interest accrued	22,639,407	37,455,379
IV. Others (including provisions)		
- Provision for standard advances	12,597,187	32,007,968
- Country risk provision	69,000	532,784
- Others	128,339,480	104,966,850
- Income Tax Provision	2,949,512	-
TOTAL	**169,461,829**	**178,876,786**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 6 - Cash and Balances with Reserve Bank of India		
I. Cash in hand	16,307,411	6,333,912
II. Balances with Reserve Bank of India		
- In current account	43,129,139	101,643,457
- In other account	-	-
TOTAL	**59,436,550**	**107,977,369**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 7 - Balances with Banks and Money at Call and Short Notice		
I. In India		
Balances with banks-		
i) In current accounts	6,091,720	1,988,954
ii) In other deposit accounts	255,095	5,089
Money at call and short notice		
i) With Banks	-	-
ii) With other institutions	-	-
iii) Lending under reverse repo (RBI & Banks)	13,200,000	88,310,161
TOTAL (I)	**19,546,815**	**90,304,204**
II. Outside India		
i) In current account	4,532,635	39,148,020
ii) In other deposit account	-	-
iii) Money at call and short notice	314,010	31,465,525
TOTAL (II)	**4,846,645**	**70,613,545**
TOTAL (I+II)	**24,393,460**	**160,917,748**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 8 - Investments (Net of provisions)		
A. Investments in India		
i) Government Securities	329,069,163	553,611,120
ii) Other approved securities	-	-
iii) Shares	243,865	429,168
iv) Debentures and bonds	74,399,345	154,985,441
v) Subsidiaries and/or joint ventures	1,986,700	2,240,000
vi) Others (CPs, CDs, Security Receipts, Pass through certificates etc)	31,937,625	60,825,681
TOTAL (I)	**437,636,698**	**772,091,410**

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	As at March 31, 2020	As at March 31, 2019
Schedule 8 - Investments (Net of provisions)		
B. Investments outside India		
i) Government Securities	-	120,595,843
ii) Share	-	9,421
iii) Debentures and bonds	-	2,523,653
iv) Others (CPs, CDs, Security Receipts, Pass through certificates etc)	1,511,561	-
TOTAL (II)	**1,511,561**	**123,128,917**
TOTAL (I+II)	**439,148,259**	**895,220,327**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 9 - Advances		
A. i) Bills purchased and discounted	22,086,320	42,078,951
ii) Cash credit, overdrafts and loans payable on demand	342,942,031	412,651,470
iii) Term loans*	1,349,404,592	1,960,265,603
TOTAL	**1,714,432,943**	**2,414,996,024**
* Provision on Non Performing Advances (NPAs) has been netted off from Term Loans		
B. i) Secured by tangible assets (includes advances secured by fixed deposits and book debt)	1,301,095,908	1,961,505,002
ii) Covered by Bank/Government guarantees	2,720,758	10,366,160
iii) Unsecured[1]	410,616,277	443,124,862
TOTAL	**1,714,432,943**	**2,414,996,024**

1 Includes advances of ₹37,671,709.07 thousands (March 31, 2019: ₹128,510,880 thousands) for which security documentation is either being obtained or being registered. As at March 31, 2020 advances amounting to ₹12,738,207.03 thousand (March 31, 2019 : ₹2,403,000 thousands) has been secured by intangible securities such as charge over the rights, licenses, authority, etc.

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 9 - Advances		
C. I Advances in India		
i) Priority sectors	470,973,962	539,338,050
ii) Public sector	488,829	56,671
iii) Banks	1,119,061	674,817
iv) Others	1,100,969,962	1,686,228,220
TOTAL (I)	**1,573,551,813**	**2,226,297,758**
II Advances outside India		
i) Due from Banks	5,853	431,707
ii) Due from Others	140,875,277	188,266,559
(a) Bills purchased and discounted	-	-
(b) Syndicated and Term loans	35,862,373	30,796,065
(c) others	105,012,904	157,470,494
TOTAL (II)	**140,881,130**	**188,698,266**
TOTAL (I+II)	**1,714,432,943**	**2,414,996,024**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 10 - Fixed Assets		
I. Premises		
At cost as on March 31st of preceding year	378,031	378,031
Additions during the year	-	-
Deductions during the year	-	-
Accumulated depreciation to date	(21,006)	(14,704)
TOTAL (I)	**357,025**	**363,327**

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(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 10 - Fixed Assets		
II. Other Fixed Assets (including furniture and fixtures and software)		
At cost as on March 31st of preceding year	18,108,761	15,232,744
Additions during the year	2,905,665	3,133,713
Deductions during the year	(310,177)	(257,697)
Accumulated depreciation to date	(13,904,030)	(10,801,920)
TOTAL (II)	**6,800,219**	**7,306,840**
TOTAL (I+II)	**7,157,244**	**7,670,167**
Capital work-in-progress	2,933,638	499,788
TOTAL	**10,090,882**	**8,169,955**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 11 - Other Assets		
I. Interest Accrued	22,506,873	39,033,483
II. Advance tax and tax deducted at source (net of provision)	-	4,801,326
III. Deferred tax asset (Refer Sch 18.6.51)	82,809,960	25,329,143
IV. Non-Banking assets acquired in satisfaction of claims	353,000	353,000
V. Others	225,097,298	151,463,279
TOTAL	**330,767,131**	**220,980,231**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 12 - Contingent Liabilities		
I. Claims against the bank not acknowledged as debts	612,500	549,157
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	1,519,467,414	2,834,098,764
IV. Liability on account of outstanding derivative contracts		
- Single currency Interest Rate Swap	1,866,270,431	1,702,671,190
- Others	548,274,930	868,291,165
V. Guarantees given on behalf on constituents		
- In India	420,131,381	437,258,909
- Outside India	-	-
VI. Acceptances, endorsement and other obligations	198,799,106	390,140,737
VII. Other items for which the bank is contingently liable		
- Purchase of securities pending settlement	836,632	3,622,750
- Capital commitment	3,199,380	2,937,672
- Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	53,681	32,834
- Foreign exchange contracts (Tom & Spot)	25,887,555	300,477,020
- Custody	1,727,883	-
- Bills Rediscounting	-	1,500,000
TOTAL	**4,585,260,892**	**6,541,580,198**

Contingent Liability on account of outstanding forward exchange contracts and single currency interest rate swap as on March 31, 2020 includes notional amount of ₹1,067,721,532 thousands and ₹543,032,121 thousands (Mar 31, 2019: ₹2,035,934,447 thousands and ₹407,303,929 thousands) guaranteed by CCIL representing 70.27% and 29.10% (Mar 31, 2019: 71.84% and 23.92%) of total outstanding forward exchange contracts and single currency interest rate swaps respectively.

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(₹ in thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Schedule 13 - Interest Earned		
I. Interest/discount on advances/bills	212,611,879	229,226,405
II. Income on investments	42,609,208	60,484,215
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2,103,677	3,975,738
IV. Others	3,341,275	2,561,115
TOTAL	**260,666,039**	**296,247,473**

(₹ in thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Schedule 14 - Other Income		
I. Commission, exchange and brokerage	15,261,935	36,361,452
II. Profit on the sale of investments (net)	11,134,575	3,174,838
III. Profit/(Loss) on the revaluation of investments (net)	-	-
IV. Profit/(Loss) on sale of land, building and other assets	3,282	3,947
V. Profit on exchange transactions (net)	3,731,959	1,570,297
VI. Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII. Miscellaneous income	88,433,187	4,790,992
TOTAL	**118,564,938**	**45,901,526**

Miscellaneous income for the period ended March 31, 2020 includes extraordinary income on account of write down of Additional Tier I Bonds amounting to ₹84,150,000 thousands

(₹ in thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Schedule 15 - Interest Expended		
I. Interest on deposits	120,052,790	136,871,140
II. Interest on Reserve Bank of India/inter-bank borrowings/Tier I and Tier II debt instruments	66,661,229	60,764,723
III. Others	5,899,706	521,297
TOTAL	**192,613,725**	**198,157,160**

(₹ in thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Schedule 16 - Operating Expenses		
I. Payments to and provisions for employees	25,998,717	24,697,653
II. Rent, taxes and lighting	4,462,409	4,173,931
III. Printing and stationery	393,774	423,256
IV. Advertisement and publicity	274,273	648,283
V. Depreciation on Bank's property	3,356,319	3,015,420
VI. Directors' fees, allowances and expenses	54,242	43,413
VII. Auditors' fees and expenses	42,500	23,203
VIII. Law charges	151,949	90,931
IX. Postage, telegrams, telephones, etc.	643,740	647,585
X. Repairs and maintenance	351,547	420,294
XI. Insurance	2,161,614	2,078,487
XII. Other expenditure	29,401,030	26,380,312
TOTAL	**67,292,114**	**62,642,768**

(₹ in thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Schedule 17 - Provisions & Contingencies		
I. Provision for taxation (Refer Sch 18.6.33)	(44,078,887)	6,370,684
II. Provision for investments	64,819,073	6,824,889
III. Provision for standard advances	(19,410,781)	22,514,059
IV. Provision/write off for non performing advances	278,060,357	25,669,535
V. Other Provisions	4,115,686	2,767,116
TOTAL	**283,505,448**	**64,146,283**

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18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

18.1 Background

YES BANK is a publicly held bank engaged in providing a wide range of banking and financial services. YES BANK is a banking company governed by the Banking Regulation Act, 1949. The Bank was incorporated as a limited company under the Companies Act, 1956 on November 21, 2003. The Bank received the licence to commence banking operations from the Reserve Bank of India ('RBI') on May 24, 2004. Further, YES BANK was included to the Second Schedule of the Reserve Bank of India Act, 1934 with effect from August 21, 2004. Also the Bank has a branch at International Financial Services Centre ('IFSC') at GIFT City, Gujarat ('IBU'). The Bank classifies transactions undertaken by IBU as overseas operation.

On March 13, 2020, the Government of India notified the "Yes Bank Ltd. Reconstruction Scheme, 2020" (Scheme). As per the Scheme, authorized capital has been increased from ₹11,000 million to ₹62,000 million. The State Bank of India (SBI) and other investors invested in the Bank at a price of ₹10 per equity share of the Bank (₹2 face value with a ₹8 premium). As per the scheme, SBI is required to hold upto 49% with a minimum holding of 26% by SBI in the Bank (which is subject to a 3 year lock in). Other investors are subject to a 3 year lock in for 75% of the investments they make in the Bank under this Scheme. Existing investors (other than investors holding less than 100 shares) in Yes Bank are also subject to a lock in for 75% of their holding as per this Scheme.

18.2 Basis of preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the Reserve Bank of India (RBI) from time to time, the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the accrual method of accounting and the historical cost convention, unless otherwise stated by RBI guidelines.

18.3 Assessment of Going Concern:

In the aftermath of the IL&FS crisis in September 2018, the financial sector had been heavily constrained from a liquidity stand-point. Also, rising defaults in Power and Infra sector in second half of 2019 have taken a toll on the stressed book of various Banks and NBFCs. In this macro environment, given its low capital covers, the Bank has been adversely impacted on account of elevated slippages in its corporate book especially in power and infra sector. The Bank reported a marginal profit for the quarters ended 30 June 2019 and reported loss in the quarter ended September 30, 2019. For the quarter ended December 31, 2019, as a consequence of increase in NPAs, additional recording slippages post period end and increase in PCR, the reported loss was ₹185,604 million. The Bank had also breached the RBI mandated Common Equity (CET1) ratio which stood at 0.62% at 31 December 2019 as compared to the requirement of 7.375%. The delay in capital raising triggered the downgrade of the Bank's rating by Rating Agencies.

In addition the deposit outflow in early October on account of a combination of events such as invocation of Promoter's pledged shares\IT glitches for Yes Bank (and others)\ problems arising from financial distress in Punjab and Maharashtra Cooperative Bank led to a continuing breach in Liquidity Coverage Ratio (LCR) starting October 2019 and continues till date. The Bank's deposit base has seen a reduction from ₹2,094,973 million as at September 30, 2019 to ₹1,657,554 million as at December 31, 2019. The deposit position as at 31 March 2020 is ₹1,053,639 million and has reduced further to ₹1,027,179 million as at May 02, 2020. The Bank had also prepaid ~USD 1.18 billion (₹85,000 million) by February 29, 2020. On March 5, 2020, the Central Government, based on the RBI's application imposed a moratorium under section 45 of the Banking Regulation Act, 1949 for a period of 30 days effective March 5, 2020 which was lifted on March 18, 2020. Further, the RBI, in consultation with the Central Government and in exercise of the powers under section 36ACA of the Banking Regulation Act 1949, superseded the Board of Directors of the Bank on March 5, 2020. As per the moratorium a restriction was imposed on the withdrawal by depositors of amounts up to ₹50,000 and the Bank also could not grant or renew loans or make any investments.

On March 13, 2020, the Government of India notified the "Yes Bank Ltd. Reconstruction Scheme, 2020" (Scheme). As per the Scheme, authorized capital has been increased from ₹11,000 million to ₹62,000 million. The State Bank of India (SBI) and other investors invested in 10,000 million shares at a price of ₹10 per equity share of the

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Bank (₹2 face value with a ₹8 premium). The Bank has received capital amounting to ₹100,000 million as of March 14, 2020 from a consortium of Banks and Financial Institution led by State Bank of India. SBI is required to hold upto 49% with a minimum holding of 26% by SBI in the Bank (which is subject to a 3 year lock in). Other investors are subject to a 3 year lock in for 75% of the investments they make in the Bank under this Scheme. Existing investors (other than investors holding less than 100 shares) in Yes Bank are also subject to a lock in for 75% of their holding as per this Scheme.

A new Board of Directors, MD & CEO and Non Executive Chairman have also been appointed under the Scheme. The Bank has since obtained a Board approval to raise additional equity of upto ₹150,000 million. As a consequence of the reconstitution the Bank was deemed to be un-viable. Consequently, write-back of certain Basel III additional tier 1 Bonds(" AT 1 Bonds") issued by the Bank had been triggered. Hence, such AT 1 Bonds amounting to ₹84,150 million have been fully written down permanently. The Trustees, on behalf of the holders of AT 1 Bonds have filed a writ petition seeking to challenge the decision of the Bank to write down AT 1 bonds. The Bank, based on the legal opinion of its external independent legal counsel is of the view that the merits of the Bank's decision to write back the AT 1 bonds is in accordance with the contractual terms for issuance of AT 1 Bonds. The Bank had also been granted a short term special liquidity facility for 90 days (ending on June 16, 2020) from the RBI. The Bank has written to RBI for an extension of the same for a year. The Bank also raised CDs of ₹72,000 million as at March 31, 2020. As a consequence of the above factors the Bank's loss post tax and AT 1 write back (exceptional income) is ₹164,180 million. The Bank's CET1 ratio is 6.3% (regulatory requirement with CCB of 7.375%) and tier 1 capital ratio is 6.5% (regulatory requirement of 8.875%) as at March 31, 2020. The Bank has substantially enhanced its PCR and strengthened its Balance Sheet. However, RBI's current framework on 'Prompt Corrective Action' (PCA) considers regulatory breaches in CET as a potential trigger. The Bank remains in constant communication with RBI on the various parameters and ratios and RBI has not imposed any fine on the Bank for the regulatory breaches.

The Bank's deposit base has seen a reduction from ₹2,276,102 million as at March 31, 2019 to ₹1,053,639 million as at March 31, 2020 (Position as at May 02, 2020 ₹1,027,179 million). Consequently, the Bank's quarterly average 'Liquidity Coverage Ratio' (LCR) has fallen from 74% for the quarter ended December 31, 2019 to 40% for the quarter ended March 31, 2020 (regulatory limit 100%), position as at May 02, 2020 34.8%(regulatory limit 80%). The Bank also has a deferred tax asset of ₹82,810 million as at March 31, 2020. Though the Bank has made a loss of ₹164,180 million for the year ended March 31, 2020, the Bank has a taxable profit for the year ended March 31, 2020.

In the month of March 2020, SARS-CoV-2 virus responsible for COVID-19 continued to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic outlook and activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Bank's future results will depend on related developments, which remain highly uncertain.

While further reduction in deposits lost post moratorium may cast material uncertainty, particularly in the current COVID scenario, the Bank under the leadership of new management and Reconstituted Board is confident that it can tide over the current issues successfully.

This belief is reinforced by the pedigree of new investors of the Bank (led by State Bank of India and other Financial Institutions). Further, The Bank's management and board of directors have made an assessment of its ability to continue as a going concern based on the projected financial statements for the next 3 years and are satisfied that the proposed capital infusion and the Bank's strong customer base and branch network will enable the Bank to continue its business for the foreseeable future, so as to be able to realize its assets and discharge its liabilities in its normal course of business. As such, the financial statements continue to be prepared on a going concern basis.

18.4 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered while reporting amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

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Estimation of uncertainties relating to the global health pandemic from COVID-19:

From the quarter ended December 31, 2019, the Bank considers slippages in Corporate NPAs post the period end till the date of results / financial statement, while determining NPAs and related provisioning requirements. Further, the Bank had decided, on a prudent basis, to enhance its Provision Coverage Ratio on its NPA loans over and above the RBI loan level provisioning requirements. As a result, the Bank recognized additional provisions of ₹154,220 million for the period ended December 31, 2019.

Subsequently, RBI issued guidelines on COVID-19 Regulatory Package, under which, the Bank granted a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020. For all such accounts where the moratorium is granted (except advances at IFSC Banking Unit (IBU)), the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms) and as the asset classification as of March 31, 2020 has been retained based on the overdue status as at February 29, 2020. Hence on account of above mentioned RBI circular dated April 17, 2020, Bank has not considered slippages post March 31, 2020 till the date of results / financial statement.

In line with RBI requirements, the Bank holds necessary provisions as at March 31, 2020 against the assets where the asset classification benefit has been extended on account of standstill requirements.

Refer disclosure 18.6.24 - Disclosure under COVID19 Regulatory Package

18.5 Significant accounting policies

18.5.1 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

- Interest income is recognized in the profit and loss account on accrual basis, except in the case of non-performing assets. Interest on non-performing assets is recognized as per the prudential norms of the RBI. Penal Interest is recognized upon certainty of its realization.
- Dividend income is recognized when the right to receive payment is established.
- Commission on guarantees issued by the Bank is recognized as income over the period of the guarantee.
- Commission on Letters of Credit ('LC') issued by the Bank is recognized as income at the time of issue of the LC.
- Income on non-coupon bearing discounted instruments is recognized over the tenure of the instrument on a straight line basis. In case of coupon bearing discounted instruments, discount income is recognized over the tenor of the instrument on yield basis.
- In case of Bonds and Pass Through Certificates (PTC), premium on redemption, if any, is amortised over the tenure of the instrument on a yield basis.
- Revenue from financial advisory services is recognized in line with milestones achieved as per terms of agreement with clients which is reflective of services rendered.
- Facility fees and loan processing fees are recognised when due and realizable.
- Other fees and commission are accounted for as and when they became due.

18.5.2 Investments

Classification and valuation of the Bank's investments are carried out in accordance with RBI Circular DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015.

Accounting and Classification

The Bank follows settlement date accounting for Investments. In compliance with RBI guidelines, all investments, are categorized as "Held for trading" ('HFT'), "Available for sale" ('AFS') or "Held to maturity" ('HTM') at the time of its purchase. For the purpose of disclosure in the balance sheet, investments are classified as disclosed in Schedule 8 ('Investments') under six groups (a) government securities (b) other approved securities (c) shares (d) bonds and debentures (e) subsidiaries and joint ventures and (f) others.

a) Cost of acquisition

Costs such as brokerage pertaining to investments, paid at the time of acquisition and broken period interest are charged to the profit and loss account as per the RBI guidelines.

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b) Basis of classification

Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category. Investments that the Bank intends to hold till maturity are classified under the HTM category, or as per RBI guidelines. Securities which are not classified in the above categories are classified under the AFS category.

c) Transfer between categories

Reclassification of investments from one category to the other, if done, is in accordance with RBI guidelines. Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/ HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice- a- versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

d) Valuation

Investments categorized under AFS and HFT categories are marked to market (MTM) on a periodical basis as per relevant RBI guidelines. Net depreciation, if any, in the category under the classification mentioned in Schedule 8 ('Investments') is recognized in the profit and loss account. The net appreciation, if any, in the category under each classification is ignored, except to the extent of depreciation previously provided. The book value of individual securities is not changed consequent to periodic valuation of investments.

Investments received in lieu of restructured advances scheme are valued in accordance with RBI guidelines. Any diminution in value on these investments is provided for and is not used to set off against appreciation in respect of other performing securities in that category. Depreciation on equity shares acquired and held by the Bank under restructuring scheme is provided as per RBI guidelines.

Investments classified under the HTM category are carried at their acquisition cost and any premium over the face value, paid on acquisition, is amortised on a straight line basis over the remaining period to maturity. Amortization expense of premia on investments in the HTM category is deducted from interest income in accordance with RBI Circular DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015. Where in the opinion of management, a diminution, other than temporary in the value of investments classified under HTM has taken place, suitable provisions are made. Profit/loss on sale of investments in the 'Held to Maturity' category is recognised in the profit and loss account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve.

Equity investments in subsidiaries/joint ventures are classified under 'Held to Maturity'. The Bank assesses these investments for any permanent diminution in value and appropriate provisions are made.

Treasury Bills, Commercial Paper and Certificates of deposit being discounted instruments, are valued at carrying cost.

Pass Through Certificates purchased for priority sector lending requirements are valued at Book Value in accordance with RBI guidelines.

The market/ fair value applied for the purpose of periodical valuation of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/ quotes on the stock exchanges and for Subsidiary General Ledger ('SGL') account transactions, the prices as periodically declared by Financial Benchmarks India Pvt. Ltd.(FBIL).

The market/ fair value of unquoted government securities included in the AFS and HFT category is determined as per the prices published by FBIL. Further, in the case of unquoted bonds, debentures, pass through certificates (other than priority sector) and preference shares, valuation is carried out by applying an appropriate mark-up (reflecting associated credit risk) over the Yield to Maturity ('YTM') rates of government securities. Such mark up and YTM rates applied are as per the relevant rates published by FIMMDA/FBIL.

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is netted in the Investment schedule. The short position is marked to market and loss, if any, is charged to the Profit and Loss account while gain, if any, is ignored. Profit / Loss on settlement of the short position is recognised in the Profit and Loss account.

Units of Venture Capital Funds (VCF) held under AFS category are valued using the Net Asset Value (NAV) shown by VCF as per the financial statement. The VCFs are valued

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based on the audited results once in a year. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF.

Quoted equity shares are valued at their closing price on a recognized stock exchange. Unquoted equity shares are valued at the break-up value if the latest balance sheet is available, else, at ₹1 per company, as per relevant RBI guidelines.

At the end of each reporting period, security receipts issued by the asset reconstruction company are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction company are limited to the actual realization of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting date. In case of investment in Security Receipts on or after April 01, 2017 which are backed by more than 50% of the stressed assets sold by the bank or 10% of the stressed asset sold by the bank post April 01, 2018, provision for depreciation in value is made at higher of - provisioning rate required in terms of net assets value declared by Reconstruction Company(RC)/Securitization Company(SC) or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continue in the books of the Bank. All other investments in the Security Receipts are valued as per the NAV obtained from issuing RC/SC.

Investments in quoted Mutual Fund (MF) Units are valued at the latest repurchase price/net asset value declared by the mutual fund. Investments in un-quoted MF Units are valued on the basis of the latest re-purchase price declared by the MF in respect of each particular Scheme.

Investment in listed instruments of Real Estate Investment Trust (REIT)/Infrastructure Investment Trust (INVIT) is valued at closing price on a recognized stock exchange with the higher volumes. In case the instruments were not traded on any stock exchange within 15 days prior to date of valuation, valuation is done based on the latest NAV (not older than 1 year) submitted by the valuer.

Sovereign foreign currency bonds are valued using Composite Bloomberg Bond Trader (CBBT) price or Bloomberg Valuation Service (BVAL) price or on Treasury curve in the chronological order based on availability.

Non- Sovereign foreign currency Bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price , Bloomberg Generic price (BGN) , Last available CBBT pricing for the instrument or Proxy Bond Pricing from Bloomberg in the chronological order based on availability.

Masala bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price or as per FIMMDA guided valuation methodology for unquoted bonds in the chronological order based on availability.

Special bonds such as oil bonds, fertilizer bonds, UDAY bonds etc. which are directly issued by Government of India ('GOI') is valued based on FBIL valuation.

Equity shares in the Banks 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.

e) Profit/Loss on sale of Investments

Profit/Loss on sale of Investments in the HTM category is recognized in the profit and loss account and profit thereafter is appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit/Loss on sale of investments in HFT and AFS categories is recognized in the Profit and Loss account.

f) Accounting for repos / reverse repos

Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) including liquidity adjustment facility (LAF) with RBI are treated as collateralized borrowing and lending transactions respectively in accordance with RBI master circular No. DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015. The first leg of the repo transaction is contracted at the prevailing market rates. The difference between consideration amounts of first and second (reversal of first) leg reflects interest and is recognized as interest income/expense over the period of transaction.

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Bank also undertakes Repo and Reverse repo transactions from IFSC Banking Unit in GIFT City in Foreign currency Sovereign Securities and accounting is similar to the domestic repo transactions.

g) Investment fluctuation reserve

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.

Transferred 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.

18.5.3 Advances

Accounting and classification

Advances are classified as performing and non-performing based on the relevant RBI guidelines. Advances are stated net of specific provisions, interest in suspense, inter-bank participation certificates issued, direct assignment and bills rediscounted.

Asset classification

Provisioning

Provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of the advances, subject to the minimum provisioning level prescribed in relevant RBI guidelines. The specific provision levels for retail non-performing assets are also based on the nature of product and delinquency levels. Specific provisions in respect of non-performing advances are charged to the Profit and Loss account and included under Provisions and Contingencies. From the quarter ended December 31, 2019, the Bank consider slippages in Corporate NPAs post the period end till the date of results / financial statement, while determining NPAs and related provisioning requirements.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank has granted a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted (except advances at IFSC Banking Unit (IBU)), the asset classification as of March 31, 2020 has been retained based on the overdue status as at February 29, 2020. As a consequence the Bank has not recognized any slippage in asset classification from standard to NPA post February 29, 2020 on account of moratorium.

As per the RBI guidelines a general provision is made on all standard advances, including provision for borrowers having unhedged foreign currency exposure and for credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts. These also include 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. Such provisions are included in Schedule 5 - 'Other liabilities & provisions - Others'.

In respect of restructured standard and non performing advances, provision is made for the present value of principal and interest component sacrificed at the time of restructuring the assets, based on the RBI guidelines.

Accounts are written-off in accordance with the Bank's policies. Recoveries from bad debts written-off are recognised in the Profit and Loss account and included under other income.

In case of loans sold to asset reconstruction company, if consideration is more than net book value, the Bank records the security receipts as investment at Net Book Value as per RBI guidelines.

The Bank has in place a Country Risk management policy as part of its Board approved Credit policy, which is based on extant regulatory guidelines and addresses the identification, measurement, monitoring and reporting of country risk. Countries are categorized into seven risk categories, viz. Insignificant, Low Risk, Moderately Low Risk, Moderate Risk, Moderately Risk, High Risk and Very High Risk. The Bank calculates direct and indirect country risk in line with the policy requirements. Indirect exposure is reckoned at 50% of the exposure in case of countries where the net funded exposure exceeds 1% of the Bank's total assets. Further, if the net funded exposure of the Bank in respect of each country exceeds 1% of the Bank's total assets, provisioning is required to be made on exposure to such countries. Depending on the risk category of the country, provisioning is done on a graded scale ranging from 0.25% to 100% for exposures with contractual maturity greater than or equal to 180 days. In respect of

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short-term exposures with contractual maturity less than 180 days, 25% of the normal provision requirement is held.

18.5.4 Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Income and expenditure items of integral foreign operations (representative offices) are translated at the daily average closing rates and of non-integral foreign operations (foreign branches) at the monthly average closing rates.

Premia/discounts on foreign exchange swaps, that are used to hedge risks arising from foreign currency assets and liabilities, are amortized over the life of the swap.

Monetary foreign currency assets and liabilities are translated at the balance sheet date at rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI'). Foreign exchange contracts are stated at net present value using LIBOR/SWAP curves of the respective currencies 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.

In accordance with AS 11 'The Effects of changes in Foreign Exchange Rates', contingent liabilities in respect of outstanding foreign exchange forward contracts, derivatives, guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI corresponding to the balance sheet date.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date and the resulting profit / loss arising from exchange differences are accumulated in the Foreign Currency Translation Account until the disposal of the net investment in the non-integral foreign operations.

In accordance with the RBI clarification, the Bank does not recognise in the profit and loss account the proportionate exchange gains or losses held in the foreign currency translation reserve on repatriation of profits from overseas operations.

Currency future contracts are marked to market daily using settlement price on a trading day, which is the closing price of the respective future contracts on that day. While the daily settlement prices is computed on the basis of weighted average price of such contract, the final settlement price is taken as the RBI reference rate on the last trading day of the future contract or as may be specified by the relevant authority from time to time. All open positions are marked to market based on the settlement price and the resultant marked to market profit / loss is daily set.

18.5.5 Earnings per share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings per Share" notified under section 133 of the Companies Act 2013. Basic earnings per equity share have been computed by dividing net profit after tax for the year by the weighted average number of equity shares outstanding for the period.

Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares options outstanding during the period except where the results are anti-dilutive.

18.5.6 Accounting for derivative transactions

Derivative transactions comprises forward rate agreements, swaps and option contracts. The Bank undertakes derivative transactions for market making/trading and hedging on-balance sheet assets and liabilities. All market making/trading transactions are marked to market on a monthly basis and the resultant unrealized gains/losses are recognized in the profit and loss account.

Derivative transactions that are undertaken for hedging are accounted for on accrual basis except for the transaction designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements, which are accounted similar to the underlying asset or liability.

Cross currency interest rate swaps which are used by the Bank to hedge its foreign currency borrowings have been designated as cash flow hedges and are measured at fair value. The corresponding gain or loss is recognised as cash flow hedge reserve. Further to match profit/ loss on account of revaluation of foreign currency borrowing, the corresponding amount is recycled from cash flow hedge reserve to Profit and Loss account.

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The Bank follows the option premium accounting framework prescribed by FEDAI SPL-circular dated Dec 14, 2007. Premium on option transaction is recognized as income/ expense on expiry or early termination of the transaction. Mark to market (MTM) gain/loss (adjusted for premium received/paid on option contracts) is recorded under 'Other Income'.

The amounts received/paid on cancellation of option contracts are recognized as realized gains/losses on options. Charges receivable/payable on cancellation/ termination of foreign exchange forward contracts and swaps are recognized as income/ expense on the date of cancellation/ termination under 'Other Income'.

Valuation of Interest Rate Futures (IRF) is carried out on the basis of the daily settlement price of each contract provided by the exchange.

The requirement for collateral and credit risk mitigation on derivative contracts is assessed based on internal credit policy. Overdue if any, on account of derivative transactions are accounted in accordance with extant RBI guidelines.

As per the RBI guidelines on 'Prudential Norms for Off-balance Sheet Exposures of Banks' a general provision is made on the current gross MTM gain of the contract for all outstanding interest rate and foreign exchange derivative transactions.

18.5.7 Fixed assets

Fixed assets are stated at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost comprises the purchase price and any cost attributable for bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit /functioning capability from / of such assets.

18.5.8 Depreciation

Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, as determined by the management, at the rates mentioned below-

Class of asset	Useful life of Assets as per Companies Act, 2013	Useful life of Assets as per Bank's Accounting Policy
Owned Premises	60 years	60 years
Office equipment	5 years	5 years
Computer hardware[1]	6 years	3 years
Computer software *	6 years	4 years
Vehicles[1]	8 years	5 years
Furniture and Fixtures	10 years	10 years
Automated Teller Machines ('ATMs') [1]	15 years	10 years
Leasehold improvements to premises	-	Over the lease period or 9 years whichever is less.

*As per RBI Guidelines.

[1] Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

- Assets costing up to ₹5,000 are fully depreciated in the year of purchase.
- For assets purchased/ sold during the year, depreciation is being provided on pro rata basis by the Bank.
- Improvements to leasehold assets are depreciated over the remaining period of lease
- Reimbursement, if any, is recognised on receipt and is adjusted to the book value of asset and depreciated over the balance life of the asset
- Whenever there is a revision in the estimated useful life of the asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset
- The useful life of assets is based on historical experience of the Bank, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

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18.5.9 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such assets are considered to be impaired, the impairment is recognised by debiting the profit and loss account and is measured as the amount by which the carrying amount of the assets exceeds the recoverable amount of the assets.

18.5.10 Employee benefits

Employee Stock Option Scheme ('ESOS')

The Employee Stock Option Scheme ('the Scheme') provides for the grant of options to acquire equity shares of the Bank to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within specified periods.

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014. The Bank measures compensation cost relating to employee stock options using the intrinsic value method. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock (i.e. the last closing price on the stock exchange on the day preceding the date of grant of stock options) over the exercise price. The exercise price of the Bank's stock option is the last closing price on the stock exchange on the day preceding the date of grant of stock options and accordingly there is no compensation cost under the intrinsic value method.

Compensated absence

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, a defined benefit retirement plan, covering eligible employees. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent to 15 days' eligible salary payable for each completed year of service if the service is more than 5 years. The Bank accounts for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation.

The defined gratuity benefit plans are valued by an independent actuary as at the Balance Sheet date using the projected unit credit method as per the requirement of AS-15, Employee Benefits, to determine the present value of the defined benefit obligation and the related service costs. Under this method, the determination is based on actuarial calculations, which include assumptions about demographics, early retirement, salary increases and interest rates. Actuarial gain or loss is recognised in the Profit and Loss account.

Provident fund

In accordance with law, all employees of the Bank are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Bank contribute monthly at a pre determined rate. Contribution to provident fund are recognized as expense as and when the services are rendered. The Bank has no liability for future provident fund benefits other than its annual contribution.

In February 2019, the honorable Supreme Court of India in its judgment clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). The Bank has been legally advised that there are interpretative challenges on the application of judgment retrospectively and as such does not consider there is any probable obligations for past periods. The Bank has given effect of this judgment from April 01, 2019 prospectively.

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.

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18.5.11 Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term in accordance with Accounting Standard -19, Leases.

18.5.12 Income taxes

Tax expense comprises current and deferred tax. Current tax comprises of the amount of tax for the period determined in accordance with the Income Tax Act, 1961 and the rules framed there under. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence. Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized.

18.5.13 Provisions and contingent assets/liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank or a present obligation that arises from past events that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Bank does not recognize a contingent liability but discloses its existence in the financial statements

In accordance with AS 29, Provisions, Contingent Liabilities and Contingent Assets, the Bank creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

18.5.14 Cash and Cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

18.5.15 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognised in the Profit and Loss account.

18.5.16 Debit and credit cards reward points

The Bank estimates the probable redemption of debit and credit card reward points and cost per point using actuarial valuation method by employing an independent actuary, which includes assumptions such as mortality, redemption and spends.

Provisions for liabilities on said reward points are made based on the actuarial valuation report as furnished by the said independent actuary and included in other liabilities.

18.5.17 Bullion

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on a price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified in other income. The Bank also deals in bullion on a borrowing and lending basis and the interest paid / received thereon is classified as interest expense / income respectively.

18.5.18 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

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18.5.19 Segment information

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI.

18.5.20 Priority Sector Lending Certificates (PSLC)

The Bank, in accordance with RBI circular FIDD.CO.Plan.BC.23/ 04.09.01/2015-16 dated April 7, 2016, trades in priority sector portfolio by selling or buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

18.6 Capital

18.6.1 Equity Issue

During the financial year ended March 31, 2020, the Bank has issued 231,055,018 equity shares of ₹2 each for cash pursuant to a Qualified Institutions Placement (QIP) at ₹83.55 aggregating to ₹19,304.64 million.

On March 13, 2020, the Government of India notified the "Yes Bank Ltd. Reconstruction Scheme, 2020" (Scheme). As per the Scheme, authorized capital has been increased from ₹11,000 million to ₹62,000 million (₹8,000 million as at March 31, 2019). The State Bank of India (SBI) and other investors invested in the Bank at a price of ₹10 per equity share of the Bank (₹2 face value with a ₹8 premium). As per the scheme, SBI is required to hold upto 49% with a minimum holding of 26% by SBI in the Bank (which is subject to a 3 year lock in). Other investors are subject to a 3 year lock in for 75% of the investments they make in the Bank under this Scheme. Existing investors (other than investors holding less than 100 shares) in YES Bank are also subject to a lock in for 75% of their holding as per this Scheme. Further, as per final reconstruction scheme of the Bank, Bank has issued 10,000 million equity shares at ₹10 each aggregating to ₹100,000.00 million.

The share allotment under reconstruction scheme is given below:

Sr No.	Name of Investor	Subscription Amount (₹ in million)	Number of Equity Shares Allotted (in Million)
1	State Bank of India	60,500	6,050
2	Housing Development Finance Corporation Limited	10,000	1,000
3	ICICI Bank Limited	10,000	1,000
4	Axis Bank Limited	6,000	600
5	Kotak Mahindra Bank Limited	5,000	500
6	The Federal Bank Ltd	3,000	300
7	Bandhan Bank Limited	3,000	300
8	IDFC First Bank Limited	2,500	250
	TOTAL	**100,000**	**10,000**

The Bank accreted ₹79,550.00 million (net of estimated share issue expenses of ₹450.00 million) as premium. The Bank also issued 4,384,174 shares pursuant to the exercise of stock option aggregating to ₹284.53 million. During the financial year ended March 31, 2019, the Bank has issued 12,065,794 shares pursuant to the exercise of stock option aggregating to ₹953.47 million.

Movement in Share Capital

(₹ in million)

Share Capital	As at March 31, 2020	As at March 31, 2019
Opening Share Capital	4,630.07	4,605.93
Addition due to exercise of Stock Option	8.76	24.13
Addition due to shares issued for QIP	462.11	-
Addition due to shares issued under Reconstruction scheme	20,000.00	-
Closing Share Capital	**25,100.94**	**4,630.07**

18.6.2 Proposed Dividend:

The Bank has made loss during the year and as consequence to that the Bank has not declared any dividend. Further, the Reserve Bank of India, vide its circular dated April 17, 2020, has declared that banks shall not make any further dividend payouts from

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profit pertaining to financial year ended March 31, 2020, until further instructions with the view to conserve capital in the environment of heightened uncertainty caused by COVID- 19.

18.6.3 Capital Reserve

Profit on sale of investments in the Held to Maturity category is credited to the Profit and Loss Account and thereafter appropriated to capital reserve (net of applicable taxes and transfer to statutory reserve requirements). During the year ₹6,655.51 million (net of applicable taxes only) (previous year: ₹1,010.10 million) was transferred to Capital Reserve.

18.6.4 Investment Reserve

The Bank has transferred ₹147.23 million to Investment Reserve (Previous year: ₹6.71 million) (net of applicable taxes and transfer to statutory reserve requirements) on provisions for depreciation on investments credited to Profit and Loss Account.

18.6.5 Cash Flow Hedge Reserve

The Bank has debited ₹15.53 million to Cash Flow Hedge Reserve (Previous year: credited ₹218.73 million) on cross currency interest rate swaps which are used by the Bank to hedge its foreign currency borrowings and have been designated as cash flow hedges and are measured at fair value.

18.6.6 Investment Fluctuation Reserve (IFR)

The Bank had made losses during the year ended March 31, 2020, and hence the Bank has transferred Nil in IFR (Previous year: ₹539.07 million).

18.6.7 Capital Adequacy Ratio

Capital Adequacy Ratio as per RBI guidelines as at March 31, 2020 is given below:

(₹ in million)

Basel – III	As at March 31, 2020	As at March 31, 2019
Common Equity Tier I	151,738.68	256,989.71
Additional Tier I Capital	3,414.00	87,871.00
Tier-1 capital	**155,152.68**	**344,860.71**
Tier-2 capital	152,940.48	159,730.59
Total capital	**308,093.16**	**504,591.30**
Credit Risk – Risk Weighted Assets (RWA)	2,036,091.58	2,678,862.12
Market Risk – RWA	137,164.65	191,932.33
Operational Risk – RWA	228,985.68	184,986.56
Total risk weighted assets	**2,402,241.90**	**3,055,781.01**
Common Equity capital adequacy ratio (%)	**6.3%**	**8.4%**
Tier-1 capital adequacy ratio (%)	**6.5%**	**11.3%**
Tier-2 capital adequacy ratio (%)(*)	**2.0%**	**5.2%**
Total capital adequacy ratio (%)	**8.5%**	**16.5%**
Amount raised during the year by issue of IPDI	**-**	**-**
Amount raised during the year by issue of Tier II Capital	**-**	**30,420.00**

* Tier I ratio of the Bank was below the regulatory minimum requirements and hence as per RBI guidelines Tier II ratio is restricted to 2%

18.6.8 Tier I and Tier II Capital

During the financial year ended March 31 2020, the Bank has not issued Tier I or Tier II instruments.
During the financial year ended March 31 2019, the Bank has issued Tier II instruments amounting to ₹30,420 million:

(₹ in million)

Particulars	Nature of Security	Date of Issue	Coupon Rate (%)	Tenure	Amount
Rated Listed Non-convertible, Redeemable, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures	Debentures	September 17, 2018	9.12	10 Years	30,420
TOTAL					**30,420**

Write Down of AT1 Bonds

On March 13, 2020, pursuant to the provisions of Section 45 of the Banking Regulation Act, 1949, the Reserve Bank of India (RBI) reconstituted YES Bank Limited ("the Bank"). As a consequence of the reconstitution, the Bank was deemed to be non-viable. Further, the Bank incurred losses and breached RBI mandated Common Equity Ratio (CET 1) and other statutory ratios. This activated the triggers for write-down of Basel

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III additional tier 1 Bonds amounting to ₹84,150 million ("AT 1 Bonds") issued by the Bank. Accordingly, the Bank was constrained to write down AT Bonds on March 14, 2020. The Trustees, on behalf of the holders of AT 1 Bonds have filed a writ petition seeking to challenge the decision of the Bank to write down AT 1 bonds. The Bank, based on the legal opinion of its external independent legal counsel is of the view that the merits of the Bank's decision to write down the AT 1 bonds in accordance with the contractual terms for issuance of AT 1 Bonds.

Interest on Additional Tier I Capital (Unsecured, Non-Convertible, Tier I Subordinated Perpetual Bonds in the nature of Promissory Notes issued under Basel II guidelines) amounting to ₹84.0 million was not paid by the Bank as the regulatory ratio of the Bank were lower than the minimum required.

18.6.9 Investments

I) Value of Investments

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Gross value of Investments	**514,465.51**	**905,718.50**
– In India	509,999.97	782,311.14
– Outside India	4,465.54	123,407.36
Provision for depreciation*	**75,317.25**	**10,498.17**
– In India	72,363.27	10,219.73
– Outside India	2,953.98	278.45
Net Value of Investments	**439,148.26**	**895,220.33**
– In India	437,636.70	772,091.41
– Outside India	1,511.56	123,128.92

* Includes a provision of ₹68,254.23 million (previous year ₹987.81 million) held for non performing investments

II) Movement of provisions held towards depreciation on investments

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	10,498.18	3,673.29
Add: Provision made during the year	64,819.07	7,166.05
Less: Write off / write back of provision during the year	-	341.16
Closing Balance	**75,317.25**	**10,498.18**

Sales and transfers of securities to/from Held to Maturity (HTM) category

During the year ended March 31, 2020, the Bank has 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. The 5% threshold referred to above does not include onetime transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per extant RBI guidelines, sale of securities under pre-announced Open Market Operation (OMO) auction to the RBI and sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM. The book value of HTM investment sold during the year ended March 31, 2020 was ₹241,592.9 million. The market value of investments (excluding investments in subsidiaries) under HTM category was ₹316,942.3 million and was higher than the book value thereof as at March 31, 2020.

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18.6.10 Repo Transactions

The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2020:

(₹ in million)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at March 31, 2020
Securities sold under repos				
i) Government Securities	-	250,626.15	75,718.15	4,000.00
ii) Corporate debt securities	-	-	-	-
Security purchased under reverse repo				
i) Government Securities	-	104,176.27	12,596.33	-
ii) Corporate debt securities	-	-	-	-

The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2019:

(₹ in million)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at March 31, 2019
Securities sold under repos				
i) Government Securities	-	69,230.88	11,884.73	4,996.81
ii) Corporate debt securities	-	-	-	-
Security purchased under reverse repo				
i) Government Securities	-	96,027.29	20,868.98	20,310.16
ii) Corporate debt securities	-	-	-	-

The above table represents the book value of securities sold and purchased under repos, triparty repos (TREPS) and reverse repos with interbank counterparties. It does not include securities sold and purchased under Liquidity Adjusted Facility (LAF) with RBI.

Non-SLR Investment Portfolio

i. Issuer composition of Non SLR investments

Issuer composition of Non SLR investments as at March 31, 2020 is given below:

(₹ in million)

No	Issuer	Amount	Extent of private placement (a)	Extent of 'below investment grade' securities (b)	Extent of 'unrated' securities # (c)	Extent of 'unlisted' securities* (d)
i)	PSUs	-	-	-	-	-
ii)	Financial Institutions	115,898.28	79,892.87	79,318.77	3,065.10	9,236.96
iii)	Banks	-	-	-	-	-
iv)	Private Corporates	31,286.71	30,894.21	19,950.00	525.62	5,907.34
v)	Subsidiaries/ Joint ventures	2,390.00	2,390.00	-		2,390.00
vi)	Others	35,678.82	35,442.14	-	-	35,442.14
vii)	Provision held towards depreciation**	(75,174.72)				
	TOTAL	**110,079.10**	**148,619.22**	**99,268.77**	**3,590.71**	**52,976.44**

*Investments amounting to ₹49,426.43million are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities

excludes investment in equity shares and units, non –Indian government securities of IBU and non SLR government of India securities

** Includes a provision of ₹68,254.23 million held for non performing investments

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Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive.

Issuer composition of Non SLR investments as at March 31, 2019 is given below:

(₹ in million)

No	Issuer	Amount	Extent of private placement (a)	Extent of 'below investment grade' securities (b)	Extent of 'unrated' securities # (c)	Extent of 'unlisted' securities* (d)
i)	PSUs	1,112.80	1,112.80	-	-	62.80
ii)	Financial Institutions	129,659.42	86,742.28	-	3,065.10	15,756.38
iii)	Banks	696.05	0.00	-	0.00	696.05
iv)	Private Corporates	51,852.94	51,132.73	5,500.00	525.62	7,799.85
v)	Subsidiaries/ Joint ventures	2,240.00	2,240.00	-		2,240.00
vi)	Others	166,501.23	45,644.20	-	-	166,241.23
vii)	Provision held towards depreciation**	(10,453.24)	-			
	TOTAL	**341,609.21**	**186,872.01**	**5,500.00**	**3,590.71**	**192,796.31**

Investments amounting to ₹189,246.31 million are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities

excludes investment in equity shares and units, non –Indian government securities of IBU and non SLR government of India securities

** Includes a provision of ₹987.81 million held for non performing investments

Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive.

ii. Non-Performing Investments

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Opening Balance	1,154.08	674.94
Additions during the year	91,069.68	479.14
Reductions during the year	-	-
Closing Balance	92,223.76	1,154.08
Total Provision Held	68,254.23	987.81

18.6.11 Derivatives

Forward Rate Agreement/ Interest Rate Swap

The details of Forward Rate Agreements / Interest Rate Swaps outstanding as at March 31, 2020 is given below:

(₹ in million)

Sr. No	Items	As at March 31, 2020	As at March 31, 2019
i)	The notional principal of swap agreements	1,866,270.43	1,702,671.19
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements[1]	4,408.91	2,740.33
iii)	Collateral required by the bank upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps [Percentage Exposure to Banks] 1	11.02%	12.75%
	[Percentage Exposure to PSUs] 1	27.25%	22.14%
v)	The fair value of the swap book 2	(741.28)	(1,661.03)
	- INBMK	(696.49)	(179.66)
	- MIBOR	(380.88)	(1,280.48)
	- MIFOR	(993.94)	(542.91)
	- FCY IRS	1,330.02	342.03

[1]Losses and Credit risk concentration are measured as net receivable under swap contracts

[2]Fair values represent mark-to-market including accrued interest.

The nature and terms of the Rupee IRS as on March 31, 2020 are set out below:

(₹ in million)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	10	12,000.00	INBMK	Fixed Payable V/S Floating Receivable
Trading	1	1,000.00	INBMK	Fixed Receivable V/S Floating Payable
Trading	743	290,287.95	MIBOR	Fixed Payable V/S Floating Receivable
Trading	741	278,097.10	MIBOR	Fixed Receivable V/S Floating Payable
Trading	249	93,574.20	MIFOR	Fixed Payable V/S Floating Receivable
Trading	178	69,019.80	MIFOR	Fixed Receivable V/S Floating Payable

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The nature and terms of the FCY IRS as on March 31, 2020 are set out below:

(₹ in million)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	2	36,103.25	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	744	404,022.83	USD LIBOR	Fixed Payable V/S Floating Receivable
Trading	718	407,992.62	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	191	245,277.18	USD LIBOR	Floating Payable V/S Floating Receivable
Trading	35	4,562.73	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	53	5,265.57	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	1	139.26	JPY LIBOR	Fixed Payable V/S Floating Receivable
Trading	13	9,181.95	GBP LIBOR	Fixed Payable V/S Floating Receivable
Trading	13	9,659.74	GBP LIBOR	Fixed Receivable V/S Floating Payable
Trading	1	86.25	AUD LIBOR	Fixed Receivable V/S Floating Payable

The nature and terms of the Rupee IRS as on March 31, 2019 are set out below:

(₹ in million)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	13	15,760.00	INBMK	Fixed Payable V/S Floating Receivable
Trading	1	1,000.00	INBMK	Fixed Receivable V/S Floating Payable
Trading	630	278,870.61	MIBOR	Fixed Payable V/S Floating Receivable
Trading	645	261,024.55	MIBOR	Fixed Receivable V/S Floating Payable
Trading	266	103,934.30	MIFOR	Fixed Payable V/S Floating Receivable
Trading	173	64,632.70	MIFOR	Fixed Receivable V/S Floating Payable

The nature and terms of the FCY IRS as on March 31, 2019 are set out below:

(₹ in million)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	2	32,997.03	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	611	347,201.72	USD LIBOR	Fixed Payable V/S Floating Receivable
Trading	548	339,546.98	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	228	225,530.36	USD LIBOR	Floating Payable V/S Floating Receivable
Trading	36	4,728.11	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	42	5,304.32	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	1	124.84	JPY LIBOR	Fixed Payable V/S Floating Receivable

(₹ in million)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	14	11,152.68	GBP LIBOR	Fixed Payable V/S Floating Receivable
Trading	3	10,863.00	GBP LIBOR	Fixed Receivable V/S Floating Payable

18.6.12 Un-hedged / uncovered foreign currency exposure of the Bank

The Bank's foreign currency exposures as at March 31, 2020 that are not hedged/ covered by either derivative instruments or otherwise are within the Net Overnight Open Position limit (NOOP) and the Aggregate Gap limit, as approved by the RBI. NOOP is ₹5,561.32 million as at March 31, 2020 (March 31, 2019 ₹2,205.59 million).

18.6.13 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	As at March 31, 2020	As at March 31, 2019
1	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year :		
	- 6.79% Government Securities 2027	-	22,884.80
	-7.17% Government Securities 2028	66,193.40	173,803.40
	-6.68% Government Securities 2031	750.00	750.00
	-7.26% Government Securities 2029	207,328.40	-
	-7.27% Government Securities 2026	4,000.00	-
	-7.57% Government Securities 2033	5,050.00	-
	-6.45% Government Securities 2029	51,647.20	-
2	Notional Principal amount of exchange traded interest rate derivatives outstanding-		
	-7.17% Government Securities 2028	-	4,945.00
	-6.68% Government Securities 2031	-	750.00
	-6.45% Government Securities 2029	50.00	-
3	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"		

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Sr.No.	Particulars	As at March 31, 2020	As at March 31, 2019
4	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective"		

18.6.14 Currency Futures

The Bank had dealt in exchange traded currency forwards (Futures) during the financial year ended March 31, 2020 and March 31, 2019. As at March 31, 2020 the open contracts on the exchange were Nil and for March 31, 2019 were to the tune of USD 4.10 million (₹285.29 million) for April 2019 expiry.

18.6.15 Disclosures on risk exposure in derivatives

As per RBI Master circular DBR.BP.BC.No.23/21.04.018/2015-16 dated July 1, 2015, the following disclosures are being made with respect to risk exposure in derivatives of the Bank:

a) **Purpose:** The Bank uses Derivatives including Forwards & swaps for various purposes including hedging its currency and interest rate risk in its balance sheet, customer offerings and proprietary trading. The management of these products and businesses is governed by Market Risk Policy, Investment Policy, Derivatives Policy, Derivatives Appropriateness Policy, Hedging Policy and ALM policy.

b) **Structure:** The Board of Directors of the Bank have constituted a Board level sub-committee, the Risk Monitoring Committee ('RMC') and delegated to it all functions and responsibilities relating to the risk management policy of the Bank and its supervision thereof.

c) As part of prudent business and risk management practice, the Bank has also instituted a comprehensive limit and control structure encompassing Value-at-Risk (VAR), Sensitivity, 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 Bank reports all trading positions to the management on a daily basis. The Bank revalues its trading position on a daily basis for Management and Information System ('MIS') and control purposes and records the same in the books of accounts on a monthly basis.

g) For derivative contracts in the banking book designated as hedge, the Bank documents at the inception of the relationship between the hedging instrument and the underlying exposure, the risk management objective for undertaking the hedge and the ALCO monitors all outstanding hedges on a periodical basis. Further the Bank's 'Hedging Policy' has stipulated conditions to ensure that the Hedges entered into are effective.

h) Refer Note 18.5.6 for accounting policy on derivatives.

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The details of derivative transactions as at March 31, 2020 and March 31, 2019 are given below:

(₹ in million)

So. Nos.	Particulars	Currency derivatives[1] As at March 31, 2020	Currency derivatives[1] As at March 31, 2019	Interest rate derivatives[4] As at March 31, 2020	Interest rate derivatives[4] As at March 31, 2019
i)	Derivatives (Notional Principal Amount)				
	a) For hedging	5,642.15	24,894.18	36,103.25	32,997.03
	b) For trading	542,581.81	837,853.50	1,830,218.15	1,675,217.65
ii)	Marked to market positions[2]				
	a) Asset (+)	19,535.19	11,870.11	30,747.24	11,227.54
	b) Liability (-)	23,096.02	12,210.08	33,599.65	13,228.06
iii)	Credit exposure[3]	58,076.46	64,931.17	47,601.51	26,289.71
iv)	Likely impact of one percentage change in interest rate (100*PV01) (Refer Note 1&2 below)				
	a) on hedging derivatives	71.75	320.47	941.23	941.23
	b) on trading derivatives	725.32	1,283.29	1,425.50	2,205.81
v)	Maximum and minimum of 100*PV01 observed during the year (Refer Note 1&2 below)				
	a) on hedging				
	Maximum	339.25	564.00	1,209.84	1,779.17
	Minimum	71.40	308.14	848.67	1,082.50
	b) on trading				
	Maximum	1,455.90	1,368.24	2,362.83	2,932.88
	Minimum	670.30	348.04	1,200.15	1,654.17

[1]Currency derivatives includes options purchased and sold, cross currency interest rate swaps and currency futures.

[2]Trading portfolio including accrued interest.

[3]Mark to Market for credit exposure includes accrued interest.

[4]Interest rate derivatives include Interest Rate Swaps, forward rate agreements and exchange traded interest rate derivatives.

Note:

1) Denotes absolute value of loss which the Bank could suffer on account of a change in interest rates by 1% which however doesn't capture the off-setting exposures between interest rate and currency derivatives.

2) PV01 exposures reported above may not necessarily indicate the interest rate risk the Bank is exposed to, given that PV01 exposures in Investments (which may offset the PV01 reflected above) do not form part of the above table.

3) The notional principal amount of foreign exchange contracts classified as trading at March 31, 2020 amounted to ₹1,496,207.26 million (previous year: ₹ 2,816,549.88 million). For these trading contracts, as on March 31, 2020, marked to market position was asset of ₹34,541.65 million (Previous year: ₹40,879.82 million) and liability of ₹33,551.58 million (Previous Year: ₹42,674.09 million). The notional principal amount of foreign exchange contracts classified as hedging at March 31, 2020 amounted to ₹23,260.15 million (previous year: ₹17,548.88 million). Credit exposure on forward exchange contracts at March 31, 2020 was ₹ 57,079.44 million (Previous Year: ₹101,707.60 million) of which exposure on CCIL is ₹28,336.86 million (Previous Year: ₹55,019.15 million).

Asset quality

18.6.16 Non-Performing Advances

The details of movement of gross NPAs, net NPAs and provisions during the year ended March 31, 2020 and the year ended March 31, 2019 are given below :

(₹ in million)

Sr.No.	Particulars	March 31, 2020	March 31, 2019
(i)	Net NPA to Net Advances	5.03%	1.86%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	78,825.60	26,268.02
	(b) Additions (Fresh NPAs during the year)	372,724.86	79,703.31
	Subtotal (A)	**451,550.46**	**105,971.33**

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Sr.No.	Particulars	March 31, 2020	March 31, 2019
	Less:		
	(i) Up-gradations	25,593.93	11,149.95
	(ii) Recoveries	28,760.66	11,306.45
	(iii) Write-offs (including Technical Write Off)	68,419.98	4,689.33
	Sub-total (B)	**122,774.57**	**27,145.73**
	Gross NPAs (closing balance) (A-B)	328,775.89	78,825.60
(iii)	Movement of Net NPAs		
	(a) Opening Balance	44,848.50	13,127.46
	(b) Additions during the year	85,296.67	50,002.04
	(c) Reductions during the year	43,907.37	18,281.00
	(d) Closing balance	86,237.80	44,848.50
(iv)	Movement of provisions for NPAs (excluding provision on standard assets)		
	(a) Opening balance	33,977.10	13,140.56
	(b) Additions during the year	287,428.19	29,701.27
	(c) write off / write back of excess provision	78,867.20	8,864.73
	(d) Closing balance	242,538.09	33,977.10

From the quarter ended December 31, 2019, the Bank considers slippages in Corporate NPAs post the period end till the date of results / financial statement, while determining NPAs and related provisioning requirements. As a consequence NPA till March 13, 2020 was considered in the quarter ended December 2019 results. Subsequently, RBI gave guidelines vide circular dated March 27, 2020 and April 17, 2020 on COVID-19 Regulatory Package. Under which, the Bank granted a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020. The Bank in line with RBI circular has upgraded NPA's of ₹312.15 million (slipped between March 1, 2020 to March 13, 2020) which it had declared as NPA as at December 31, 2020.

During the financial year ended March 31, 2020, the Bank had written off certain NPA as a technical write off.

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Opening balance of Technical Write off as at April 01	-	-
Add: Technical Write off during the financial year	63,580.60	-
Less: Recoveries made from previously Technical Written off Accounts in previous financial year.	-	-
Closing balance of Technical Write off as at March 31	63,580.60	-

18.6.17 Provision coverage Ratio

The provision coverage ratio of the Bank as at March 31, 2020 computed as per the RBI guidelines is 73.77% (previous year 43.10%)

18.6.18 Divergence in Asset Classification and Provisioning for NPAs

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019. banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period. As part of the Risk Based Supervision (RBS) exercise for FY 2018-19 concluded in November 2019, the RBI has pointed out certain retrospective divergence in the Bank's asset classification and provisioning as on March 31, 2019. In conformity with the above mentioned RBI circular, the below table outlines divergences in asset classification and provisioning.

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Sr.	Particulars	
1	Gross NPAs as on March 31, 2019 as reported by the Bank	78,825.59
2	Gross NPAs as on March 31, 2019 as assessed by RBI	111,595.59
3	Divergence in Gross NPAs (2-1)	32,770.00
4	Net NPAs as on March 31, 2019 as reported by the Bank	44,848.49
5	Net NPAs as on March 31, 2019 as assessed by RBI	67,838.49
6	Divergence in Net NPAs (5-4)	22,990.00
7	Provision for NPAs as on March 31, 2019 as reported by the Bank	33,977.10
8	Provision for NPAs as on March 31, 2019 as assessed by RBI	43,757.10
9	Divergence in provisioning (8-7)	9,780.00
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2019	17,202.79
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning	10,840.31

18.6.19 Disclosure as per requirement of Prudential Framework for Resolution of Stressed Assets

As per requirement of RBI circular on Prudential Framework for Resolution of Stressed Assets dated June 7, 2019, below mentioned are details as of March 31, 2020.

(₹ in million)

Sr. No.	Description of Resolution Plan (RP)	No of cases	Aggregate Loan Outstanding
1	Payment of Overdues by the borrower	49	76,287.76
2	Restructuring / change in ownership outside IBC	-	-
3	Resolution pursued under IBC	-	-
4	Assignment of debt / recovery proceedings	-	-

18.6.20 Concentration of NPAs

Exposure (Funded + Non Funded) of the Bank to top four NPA is ₹85,314.08 million as at March 31, 2020 (previous year ₹32,843.86 million).

18.6.21 Sector-wise Advances and NPA

The details of Sector-wise Gross Advances and Gross NPAs as at March 31, 2020 and March 31, 2019 are given below:

(₹ in million)

Sector	As at March 31, 2020			As at March 31, 2019		
	Gross Advances	Gross NPAs	% of Gross NPAs to Gross Advances in that sector	Gross Advances	Gross NPAs	% of Gross NPAs to Gross Advances in that sector
Priority Sector						
Agriculture and Allied activities	79,647.00	4,673.54	5.87%	111,749.39	1,898.74	1.70%
Advances to industries sector eligible as priority sector lending	105,102.24	1,773.45	1.69%	129,938.12	524.80	0.40%
Gems and Jewellery	20,304.04	24.28	0.12%	30,993.87	5.10	0.02%
Textile	13,420.26	100.57	0.75%	16,092.38	144.72	0.90%
Services	263,133.75	4,407.02	1.67%	276,349.81	2,416.79	0.87%
Personal Loans	-	-	-	179.12	11.57	6.46%
Others	30,672.76	567.39	1.85%	23,134.42	142.80	0.62%
Sub-Total (A)	**478,555.75**	**11,421.40**	**2.39%**	**541,350.86**	**4,994.69**	**0.92%**
Non Priority Sector						
Agriculture and Allied activities	10,433.92	-	-	40,838.96	1,436.64	3.52%
Industry	791,414.54	197,295.10	24.93%	1,015,658.40	49,271.25	4.85%
Construction	100,392.51	68,998.41	68.73%	123,099.91	6,533.30	5.31%
Electricity (generation-transmission and distribution)	91,443.87	25,943.61	28.37%	128,619.87	6,674.29	5.19%
Services	496,107.12	117,654.36	23.77%	687,709.95	21,678.71	3.15%
Commercial Real Estate	232,582.40	73,512.82	31.76%	238,146.48	11,369.22	4.77%
NBFCs	23,648.99	8,270.81	34.97%	69,941.58	73.55	0.11%
Tourism, Hotel and Restaurants	74,510.02	0.01	0.00%	120,061.67	99.24	0.08%
Personal Loans	50,645.71	678.96	1.34%	43,403.39	514.21	1.18%
Others	129,813.98	1,726.06	1.33%	120,011.56	930.10	0.78%
Sub-Total (B)	**1,478,415.28**	**317,354.48**	**21.47%**	**1,907,622.26**	**73,830.90**	**3.87%**
Total (A+B)	**1,956,971.03**	**328,775.88**	**16.80%**	**2,448,973.12**	**78,825.60**	**3.22%**

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18.6.22 Restructured Accounts

The details of accounts Restructured during the year ended March 31, 2020 are given below:

(₹ in million)

No	Type of Restructuring	Restructured Accounts as on April 1 of the FY (opening figures)			Fresh restructuring during the year			Downgradations of restructured accounts during the FY			Upgradations to restructured standard category during the FY			Write-offs/Sale/Recovery of restructured accounts during the FY			Restructured Accounts as on March 31 of the FY		
	Asset Classification	No. of borrowers	Amount outstanding as at March 31,2019	Provision thereon as at March 31,2019	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	**Amount outstanding as at March 31,2020**	**Provision thereon as at March 31,2020**
1	CDR																		
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	(0.00)	(0.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	2.00	242.97	242.97	-	-	-	(2.00)	(242.97)	(242.97)	-	-	-	-	-	-	-	-	-
	Loss	-	-	-	-	-	-	2.00	242.97	242.97	-	-	-	-	-	-	2.00	242.97	242.97
	TOTAL	**2.00**	**242.97**	**242.97**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.00**	**242.97**	**242.97**
2	Others																		
	Standard	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	1.00	22.74	3.41	-	-	-	(1.00)	(22.74)	(3.41)	-	-	-	-	-	-	-	-	-
	Doubtful	4.00	950.06	852.47	-	-	-	(1.00)	(243.97)	(146.38)	-	-	-	(1.00)	(289.29)	(289.29)	2.00	416.79	416.79
	Loss	-	-	-	-	-	-	2.00	266.71	149.79	-	-	-	-	(1.61)	115.31	2.00	265.10	265.10
	TOTAL	**5.00**	**972.80**	**855.88**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1.00)**	**(290.90)**	**(173.99)**	**4.00**	**681.90**	**681.90**
3	Grand Total																		
	Standard	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	1.00	22.74	3.41	-	-	-	(1.00)	(22.74)	(3.41)	-	-	-	-	-	-	-	-	-
	Doubtful	6.00	1,193.03	1,095.44	-	-	-	(3.00)	(486.94)	(389.35)	-	-	-	(1.00)	(289.29)	(289.29)	2.00	416.79	416.79
	Loss	-	-	-	-	-	-	4.00	509.68	392.76	-	-	-	-	(1.61)	115.31	4.00	508.07	508.07
	TOTAL	**7.00**	**1,215.77**	**1,098.85**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1.00)**	**(290.90)**	**(173.99)**	**6.00**	**924.87**	**924.87**

Notes:-

1. There are no SME cases which have been restructured during the year ended March 31, 2020 except those disclosed in point no 18.6.23 .
2. Divergence identified for the financial year ended March 31, 2019 on account of non compliance with RBI guidelines on restructuring are disclosed in Divergence Note (Note no. 18.6.18).
3. There have been no accounts upgraded from restructured advances during the year ended March 31, 2020
4. The outstanding amount and number of borrowers as at March 31, 2020 is after considering recoveries and sale of assets during the year.
5. The above table pertains to advances and does not include investment in shares which are fully provided for.

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6. The provision in the above table includes Non Performing Advances Provision held on the restructured advances.
7. Additional facilities availed by borrowers in existing restructured accounts are disclosed under "Fresh restructuring during the year" and partial repayments in existing restructured accounts are disclosed under "Write-offs/sale/recovery of restructured accounts", however, for the purpose of arithmetical accuracy, the number of existing borrowers availing additional facility or partial repayments have been ignored for presentation purpose.
8. For the purpose of arithmetical accuracy as required by Para 3.4.2. (xii) of RBI circular no DBR.BP.BC.No.23/21.04.018/2015-16 movement in provisions in the existing restructured account as compared to opening balance, is disclosed under column fresh restructuring(for increase in provision) and write-off/sale/recovery(for decrease in provision) during the year and are not comparable with the additional facilities availed and partial recovery disclosed under the respective columns.

The details of accounts Restructured during the year ended March 31, 2019 are given below:

(₹ in million)

No	Type of Restructuring	Restructured Accounts as on April 1 of the FY (opening figures)			Fresh restructuring during the year			Downgradations of restructured accounts during the FY			Upgradations to restructured standard category during the FY			Write-offs/Sale/Recovery of restructured accounts during the FY			Restructured Accounts as on March 31 of the FY		
	Asset Classification	No. of borrowers	Amount outstanding as at March 31,2018	Provision thereon as at March 31,2018	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding as at March 31,2019	Provision thereon as at March 31,2019
1	CDR																		
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	2	248.48	248.48	-	-	-	-	-	-	-	-	-	-	(5.51)	(5.51)	2	242.97	242.97
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**2**	**248.48**	**248.48**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5.51)**	**(5.51)**	**2**	**242.97**	**242.97**
2	Others																		
	Standard	3	913.27	51.72				(1)	(38.79)	(1.94)	-	-	-	(2)	(874.47)	(49.78)	-	-	-
	Substandard	1	243.97	146.38			1.47	-	(205.18)	(144.44)	-	-	-		(16.06)		1	22.74	3.41
	Doubtful	4	1,161.13	617.10		0.20	289.78	1	243.97	146.38	-	-	-	(1)	(455.24)	(200.79)	4	950.06	852.47
	Loss	-	-	-							-	-	-				-	-	-
	TOTAL	**8**	**2,318.37**	**815.21**	**-**	**0.20**	**291.25**	**-**	**-**	**-**	**-**	**-**	**-**	**(3)**	**(1,345.77)**	**(250.57)**	**5**	**972.80**	**855.88**
3	Grand Total																		
	Standard	3	913.27	51.72	-	-	-	(1.00)	(38.79)	(1.94)	-	-	-	(2)	(874.47)	(49.78)	-	-	-
	Substandard	1	243.97	146.38	-	-	1.47	-	(205.18)	(144.44)	-	-	-	-	(16.06)	-	1	22.74	3.41
	Doubtful	6	1,409.61	865.58	-	0.20	289.78	1.00	243.97	146.38	-	-	-	(1)	(460.75)	(206.30)	6	1,193.03	1,095.44
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**10**	**2,566.85**	**1,063.68**	**-**	**0.20**	**291.25**	**-**	**-**	**-**	**-**	**-**	**-**	**(3)**	**(1,351.28)**	**(256.08)**	**7**	**1,215.77**	**1,098.85**

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Notes:-

1. There are no SME cases which have been restructured during the year ended March 31, 2019.
2. There have been no accounts upgraded from restructured advances during the year ended March 31, 2019
3. The outstanding amount and number of borrowers as at March 31, 2019 is after considering recoveries and sale of assets during the year.
4. The above table pertains to advances and does not include investment in shares which are fully provided for.
5. The provision in the above table includes general loan loss provision and other provisions held on the restructured advances.
6. Additional facilities availed by borrowers in existing restructured accounts are disclosed under "Fresh restructuring during the year" and partial repayments in existing restructured accounts are disclosed under "Write-offs/sale/recovery of restructured accounts", however, for the purpose of arithmetical accuracy, the number of existing borrowers availing additional facility or partial repayments have been ignored for presentation purpose.
7. For the purpose of arithmetical accuracy as required by Para 3.4.2. (xii) of RBI circular no DBR.BP.BC.No.23/21.04.018/2015-16 movement in provisions in the existing restructured account as compared to opening balance, is disclosed under column fresh restructuring(for increase in provision) and write-off/sale/recovery(for decrease in provision) during the year and are not comparable with the additional facilities availed and partial recovery disclosed under the respective columns.

18.6.23 Restructuring of Advances - Micro Small and Medium Enterprises.

During the year ended March 31, 2020, the Bank has restructured advances amounting to ₹369.24 million (previous year – Nil) to Micro Small and Medium Enterprises.

18.6.24 Disclosure under COVID19 Regulatory Package

As per requirement of RBI circular RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on COVID19 Regulatory Package - Asset Classification and Provisioning, below mentioned are details of where moratorium / deferment was extended as of March 31, 2020 as per above circular.

(₹ in million)

Particulars	
Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended, in terms of paragraph 2 and 3 of above mentioned circular*;	150,105.54
Respective amount where asset classification benefits is extended.	27,129.45
Provisions made during the Q4FY2020 terms of paragraph 5 of above mentioned circular;	2,378.42
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of above mentioned circular	Not Applicable

* Borrowers with overdue status as of February 29, 2020 and continue to be in overdue as of March 31, 2020. Reported amount is position as of March 31, 2020.

From the quarter ended December 31, 2019, the Bank consider slippages in Corporate NPAs post the period end till the date of results / financial statement, while determining NPAs and related provisioning requirements. Hence NPAs till March 13, 2020 was considered in the quarter and nine months ended December 2019 results reported on March 14, 2020. Further the Bank had decided, on a prudent basis, to enhance its Provision Coverage Ratio on its NPA loans over and above the RBI loan level provisioning requirements. As a result, the Bank recognized additional provisions of ₹154,220.39 million in the quarter ended December 31,2019. Subsequently, RBI issued guidelines on COVID-19 Regulatory Package, under which, the Bank granted a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020. For all such accounts where the moratorium is granted ((except advances at IFSC Banking Unit (IBU) and advances to NBFC sector), the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the

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purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms) and as the asset classification as of March 31, 2020 has been retained based on the overdue status as at February 29, 2020. Hence on account of above mentioned RBI circular dated April 17, 2020, Bank has not considered slippages post March 31, 2020 till the date of results / financial statement.

In line with RBI requirements, the Bank holds necessary provisions as at March 31, 2020 against the assets where the asset classification benefit has been extended on account of standstill requirements.

18.6.25 Financial assets sold to Securitization Company /Reconstruction Company for Asset Reconstruction

a) Details of Financial assets sold to Securitization/Reconstruction Company during the year ended March 31, 2020 are as follows-

(₹ in million)

	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(i)	No. of accounts	1	2
(ii)	Aggregate principal value (net of specific provisions) of accounts sold to SC / RC	1,233.55	5,450.56
(iii)	Aggregate consideration received in Cash (previous year includes Net Book Value of Security Receipts of ₹2,878.10 million)	1,114.00	4,558.70
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / (loss) over net book value*	(119.55)	(891.86)

*As per the extant RBI guidelines, the Bank has not recognized the gains in the financial statements and has recorded the Security Receipts at Net Book Value (NBV). If the sale value is lower than the net book value, the entire loss has been written off in the year of sale.

b) Details of Investments held as Security Receipts received by sale of NPA to Securitization/Reconstruction Company as at March 31, 2020 and March 31, 2019 are as follows-

(₹ in million)

	Backed by NPAs* sold by the Bank as underlying		Backed by NPAs* sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Net Book value of investments in security receipts	15,532.65	17,266.83	-	-	15,532.65	17,266.83

* Includes all Security Receipts received by Bank on sale of assets as permitted under RBI circular DBOD.BP.BC.No. 98/21.04.132/2013-14 dated February 26, 2014.

c) Details of ageing of Investments held as Security Receipts as at March 31, 2020 are as follows-

(₹ in million)

		SRs issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 years	SRs more than 8 years ago
(i)	Book Value of SRs backed by NPAs* sold by the Bank as underlying	20,734.54	871.68	
	Provision held against (i)	5,633.31	440.27	
(ii)	Book value of SRs backed by NPAs* sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	141.99
	Provision held against (ii)	-	-	141.99
	Total (i) + (ii)	**20,734.54**	**871.68**	**141.99**

*Includes all Security Receipts received by Bank on sale of assets as permitted under RBI circular DBOD.BP.BC.No. 98/21.04.132/2013-14 dated February 26, 2014.

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Details of ageing of Investments held as Security Receipts as at March 31, 2019 are as follows-

(₹ in million)

		SRs issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 years	SRs more than 8 years ago
(i)	Book Value of SRs backed by NPAs* sold by the Bank as underlying	21,288.01	489.18	
	Provision held against (i)	4,143.48	366.87	
(ii)	Book value of SRs backed by NPAs* sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	158.63
	Provision held against (ii)	-	-	158.63
	Total (i) + (ii)	**21,288.01**	**489.18**	**158.63**

*Includes all Security Receipts received by Bank on sale of assets as permitted under RBI circular DBOD.BP.BC.No. 98/21.04.132/2013-14 dated February 26, 2014.

18.6.26 Non-performing financial assets purchased/ sold from/ to other bank

The Bank has not purchased/sold any non performing financial assets from/to another bank during the year ended March 31, 2020 and March 31, 2019.

18.6.27 Provisions for Standard Assets

Provision on standard advances for the year FY 2019-20 was ₹12,597.18 million. As per requirement of RBI circular RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on COVID19 Regulatory Package - Asset Classification and Provisioning, the Bank has created provision amounting to ₹2,378.42 million.

Provision on standard advances for the year FY 2018-19 was ₹32,007.97 million. During the year FY 2018-19 based on review of Credit portfolio of the Bank, the Bank had identified certain performing accounts which faced stress due to market and liquidity condition. The Bank had created Contingency Provision of ₹21,000 million in FY 2018-19 towards such identified accounts. The Bank has utilized the same during the financial year ended March 31, 2020.

18.6.28 Business ratios

Business Ratios	As at March 31, 2020	As at March 31, 2019
i) Interest income as a percentage to working funds[1]	8.56%	9.00%
ii) Non interest income as a percentage to working funds[1]	3.89%	1.40%
iii) Operating profit as a percentage to working funds[1]	3.92%	2.47%
iv) Return on assets[1]	(5.39%)	0.52%
v) Business (deposits + net advances) per employee[2] (₹ in million)	119.51	232.74
vi) Profit per employee[2] (₹ in million)	(7.34)	0.89

[1]Working funds represents the average of total assets as reported in Return Form X to RBI under Section 27 of the Banking Regulation Act, 1949.

[2]For the purpose of computation of business per employee (deposits plus advances), interbank deposits have been excluded and average employees have been considered.

18.6.29 Asset Liability Management

The following table sets forth the maturity pattern of assets and liabilities of the Bank as on March 31, 2020

(₹ in million)

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings	FCY Assets	FCY Liabilities
1 Day	8,025.33	71,789.61	8,441.02	-	8,979.71	68.99
2-7 days	9,708.54	6,371.23	30,023.25	30,674.28	1,079.07	1,843.81
8-14 Days	4,915.97	12,327.99	25,286.98	10,000.00	1,727.93	1,512.93
15-30 Days	13,982.47	22,911.60	58,617.11	10,514.33	7,007.66	14,250.90
1-2 Months	18,841.10	6,655.15	60,540.55	5,526.27	15,982.49	23,244.12
2-3 Months	27,924.66	68,869.55	53,676.95	5,22,566.50	7,942.29	9,385.51
3-6 Months	88,869.66	29,080.88	2,18,193.16	30,823.89	23,900.57	27,626.33
6-12 Months	2,10,239.94	39,658.60	2,01,121.17	69,532.14	29,603.21	40,786.90
1-3 Years	6,15,287.44	45,538.60	1,10,073.90	1,03,259.49	52,635.38	74,307.17
3-5 Years	3,69,496.19	86,511.33	2,80,739.70	1,62,949.70	36,761.05	13,316.29
5+ Years	3,47,141.65	49,433.72	6,925.64	1,92,058.43	32,499.00	38,763.72
TOTAL	**1,714,432.94**	**439,148.26**	**1,053,639.43**	**1,137,905.03**	**218,118.37**	**245,106.68**

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The following table sets forth the maturity pattern of assets and liabilities of the Bank as on March 31, 2019

(₹ in million)

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings	FCY Assets	FCY Liabilities
1 day	18,741.23	115,057.51	14,114.50	2,766.20	45,844.33	3,009.61
2 days to 7 days	25,450.36	82,235.40	72,695.90	11,443.21	143,295.26	44,405.33
8 days to 14 days	18,905.83	76,910.98	56,700.46	8,127.59	51,584.38	7,211.95
15 days to 30 days	87,805.53	49,944.03	93,871.31	25,199.10	8,897.66	24,760.44
31 days to 2 months	53,956.34	21,081.44	102,819.85	42,943.52	9,979.06	17,926.29
Over 2 to 3 months	59,965.66	20,424.66	93,756.82	51,850.79	10,069.68	30,538.71
Over 3 to 6 months	134,256.62	54,993.97	291,401.98	94,698.15	12,414.32	75,875.66
Over 6 to 12 months	267,698.90	81,453.84	532,865.04	80,783.27	15,576.34	87,206.34
Over 1 year to 3 years	815,539.91	106,228.31	259,174.09	225,747.43	68,904.81	137,663.10
Over 3 years to 5 years	458,421.60	173,169.29	744,942.50	239,219.02	61,780.53	75,666.30
Over 5 years	474,254.06	113,720.89	13,759.37	301,462.81	53,294.83	38,451.86
TOTAL	**2,414,996.02**	**895,220.33**	**2,276,101.82**	**1,084,241.09**	**481,641.20**	**542,715.58**

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

Maturity profile of foreign currency assets and liabilities is excluding Off Balance Sheet item.

18.6.30 Exposures

The Bank has lending to sectors, which are sensitive to asset price fluctuations. Such sectors include capital market and real estate.

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, 2020	As at March 31, 2019
i)	Direct exposure		
	Residential Mortgages	68,518.37	61,423.70
	Commercial Real Estate*	274,390.37	343,537.29
	Of total Commercial real estate - exposure to residential real estate projects	179,976.26	226,018.49
	Of total Commercial Real Estate - outstanding as advances	234,579.57	248,340.53
	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
	- Residential	2,782.25	3,767.22
	- Commercial Real Estate	-	-
ii)	Indirect exposure		
	Fund based and non fund based exposures on National Housing Board and Housing Finance Companies	87,231.42	128,267.61
	TOTAL	**432,922.41**	**536,995.81**

*Commercial real estate exposure classification is based on RBI circular DBOD.BP.BC.No. 42/08.12.015/2009-10 dated September 9, 2009.

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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, 2020	As at March 31, 2019
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;	285.73	442.60
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;	4,633.02	6,154.06
iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	6,333.69	5,295.06
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;*	10,462.61	13,646.54
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;	10,555.53	21,789.52
vii)	financing for acquisition of equity in overseas companies /financing for acquisition of equity in Indian companies	19,215.80	44,218.55
viii)	bridge loans to companies against expected equity flows / issues;	-	-
ix)	underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
x)	financing to stockbrokers for margin trading	-	-
xi)	all exposures to Venture Capital Funds (both registered and unregistered)	200.41	202.53
	Total Exposure to Capital Market	**51,686.80**	**91,748.86**

Capital market exposure is reported in line with Para 2.3 of RBI's Master Circular on Exposure Norms dated July 1, 2015 (DBR.No.Dir.BC.12/13.03.00/2015-16).

*Out of the above ₹282.59 million is exposure to YES Securities (India) Limited, which is a subsidiary of the Bank

18.6.31 Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure (direct and indirect) of the Bank is categorised into various risk categories listed in the following table. As at March 31, 2020, the funded country exposure (net) of the Bank as a percentage of total funded assets for Mauritius was 1.07% (March 31, 2019: 0.80%) (March 31, 2019 : United States of America was 4.37% and for United Kingdom was 1.11%). As the net funded exposure to Mauritius exceeded 1.0% of total funded assets, the Bank held a provision of ₹68.97 million on country exposure at March 31, 2020 (March 31, 2019: ₹532.78 million) based on RBI guidelines.

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Risk Category	Exposure (net) as at March 31, 2020	Provision held as at March 31, 2020	Exposure (net) as at March 31, 2019	Provision held as at March 31, 2019
Insignificant	149,504.65	-	374,555.20	532.78
Low	60,475.34	68.97	65,596.60	-
Moderately Low	-	-	2,391.78	-
Moderate	4,148.74	-	1,549.65	-
Moderate High	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
TOTAL	**214,128.73**	**68.97**	**444,093.23**	**532.78**

18.6.32 Details of factoring exposure

The factoring exposure of the Bank outstanding as on March 31, 2020 is ₹2,251.50 million (previous year: ₹6,059.85 million)

Miscellaneous

18.6.33 Income Taxes

Provisions made for Income Tax during the year

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current income tax expense	13,401.93	22,982.24
Deferred income tax credit	(57,480.82)	(16,611.55)
TOTAL	**(44,078.89)**	**6,370.69**

18.6.34 Disclosure of penalties imposed by RBI

(₹ in million)

Particulars	For the year ended March 31, 2020
Deficiency (Note Sorting Machines were not installed) observed during incognito visit of a YES Bank Branch	0.01
Penalties on account of Soiled/ Mutilate/ Counterfeit Notes deposited by currency chest	0.00
TOTAL	**0.01**

(₹ in million)

Particulars	For the year ended March 31, 2019
Non-compliance with RBI directions on Time-bound implementation and strengthening of Swift related operational controls.	10.00
Penalty on account of non- compliance with RBI guidelines on issuance of co-branded open loop prepaid cards*	1.13
Penalties on account of counterfeit notes deposited by branches and currency chest	0.02
TOTAL	**11.15**

* Based on communication received from the RBI vide letter dated April 22, 2019.

18.6.35 Fees/ Remuneration received from bancassurance

Bank has earned ₹836.40 million from bancassurance business during year ended March 31, 2020 (previous year: ₹868.16 million).

18.6.36 Concentration of Deposits

As at March 31, 2020, the deposits of top 20 depositors aggregated to ₹130,699.58 million (previous year: ₹246,727.21 million) (excluding certificate of deposits, which are tradable instruments), representing 12.40% (previous year: 10.84%) of the total deposit base.

18.6.37 Concentration of Advances

As at March 31, 2020 the top 20 advances aggregated to ₹439,799.02 million (previous year ₹617,993.23 million), representing 11.62% (previous year 13.28%) of the total advances. For this purpose, advance is computed as per definition of Credit Exposure in RBI Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

18.6.38 Concentration of Exposures

As at March 31, 2020 the top 20 exposures aggregated to ₹497,206.14million (previous year ₹677,765.38 million), representing 12.56% (previous year 13.54%)of the total exposures. Exposure is computed as per definition of Credit and Investment Exposure in RBI Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

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18.6.39 Earnings Per Share ('EPS')

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings Per Share". The dilutive impact is mainly due to stock options granted to employees by the Bank.

The computation of earnings per share is given below:

(₹ in million)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Basic (annualised)		
Weighted average no. of equity shares outstanding	2,928,382,648	2,309,296,728
Net profit / (loss) (₹)	(164,180.31)	17,202.79
Basic earnings per share (₹)	(56.07)	7.45
Diluted (annualised)		
Weighted average no. of equity shares outstanding	2,928,411,435	2,331,418,688
Net profit / (loss) (₹)	(164,180.31)	17,202.79
Diluted earnings per share (₹)	(56.06)	7.38
Nominal value per share (₹)	2	2

The difference between weighted average number of equity shares outstanding between basic and diluted in the above mentioned disclosure is on account of outstanding ESOPs.

Basic earnings per equity share has been computed by dividing net profit / (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 options outstanding during the year, except where the results are anti-dilutive. The dilutive impact is on account of stock options granted to employees by the Bank. There is no impact of dilution on the profits in the current year and previous year.

18.6.40 Overseas Assets, NPAs and Revenue

The below table shows total assets, NPAs and revenue for the overseas branches of the Bank

(₹ in million)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Total assets	176,562.78	331,594.88
Total NPAs	7,995.64	-
Total revenue	10,935.62	15,602.98

18.6.41 Repatriation of profits

During the FY 2019-20, there is no repatriation of profits.

During FY 2018-19, given adequate availability of liquidity at IBU and on account of high volatility in USD-INR movement which could expose Bank to translation risk to the extent of accumulated reserves at IBU, IBU repatriated an amount of USD 90 million (₹6,459.43 million) to HO from its accumulated reserves. The Bank has not recognized any gain in Profit and Loss Statement, as per RBI notification dated April 18, 2017, from Foreign Currency Translation Reserve (FCTR) on repatriation of accumulated profits / retained earnings.

18.6.42 Sponsored SPVs

The Bank has not sponsored any SPV and hence there is no consolidation due to SPVs in Bank's books.

18.6.43 Credit default swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2020 (previous year: Nil).

18.6.44 Credit / Debit card reward points

Provision for credit card and debit card reward points for the year ended March 31, 2020

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(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening provision	233.67	112.12
Provision made during the year	166.98	180.73
Utilised/Write-back of provision	(57.79)	(59.18)
Closing provision	342.86	233.67

The valuation of credit card and debit card reward points is based on actuarial valuation method obtained from an independent actuary.

18.6.45 Corporate Social Responsibility (CSR)

a) Amount required to be spent by the Bank on CSR during the year ₹831.9 million (previous year ₹955.8 million).

b) Amount spent towards CSR during the year and recognised as expense in the Profit and Loss account on CSR related activities is ₹405.42 million (previous year ₹537.86 million), which comprise of following –

(₹ in million)

Sector	As at March 31, 2020			As at March 31, 2019		
	In cash	Amt unpaid / provision	Total	In cash	Amt unpaid / provision	Total
i. Construction/ acquisition of any asset	-	-	-	-	-	-
ii. On purposes other than (i) above	211.12	194.30	405.42	470.78	67.08	537.86

18.6.46 Staff retirement benefits

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the Bank's financial statements as of March 31, 2020 and March 31, 2019:

a) **Changes in present value of Obligations**

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Present Value of Obligation at the beginning of the year	1,440.46	1,129.14
Interest Cost	101.77	85.75
Current Service Cost	366.86	271.85
Past Service Cost	-	-
Benefits Paid	(153.87)	(80.28)
Actuarial (gain)/loss on Obligation	(201.45)	33.98
Present Value of Obligation at the end of the year	**1,553.76**	**1,440.46**

Changes in the fair value of plan assets:

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of plan assets at the beginning of the year	1,117.87	1,144.35
Adjustment to Opening Balance	-	-
Expected return on plan assets	78.42	80.05
Contributions	200.00	-
Benefits paid	(153.87)	(80.28)
Actuarial gain/(loss) on plan assets	(26.95)	(26.25)
Fair value of plan assets at the end of the period	**1,215.46**	**1,117.87**

The Bank has entire contribution of Gratuity Fund as Investments with Insurance Companies which are invested primarily in debt instruments as approved by IRDA.

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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, 2020 and March 31, 2019 comprises the following components:

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	366.86	271.85
Interest Cost	101.77	85.75
Expected Return on plan assets	(78.42)	(80.05)
Net Actuarial gain recognized in the year	(174.50)	60.24
Past Service Cost	-	-
Expenses recognized	215.71	337.79

Experience History:

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
(Gain)/Loss on obligation due to change in assumption	(249.13)	63.57	(70.88)	46.39	14.11
Experience (Gain)/Loss on obligation	47.68	(29.59)	113.80	30.12	(9.26)
Actuarial Gain/(Loss) on plan assets	(26.95)	(26.25)	(5.21)	6.96	(14.25)

The assumptions used in accounting for the gratuity plan are set out below:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount Rate	6.00%	7.05%
Expected Return on Plan Assets	6.00%	7.00%
Mortality	IALM (2012-14) Ult	IALM (2006-08) Ult
Future Salary Increases	9.00%	12.00%
Disability		
Attrition	13%-25%	13%-25%
Retirement	60 yrs	60 yrs

Actuarial assumption on salary increase also takes into consideration the inflation, seniority, promotion and other relevant factors.

Position of plan asset / liability

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of plan assets at the end of the period	1,215.46	1,117.87
Present Value of Obligation at the end of the year	1,553.76	1,440.46
Plan asset / (liability)	**(338.3)**	**(322.59)**

The Bank is yet to determine future contribution to Gratuity fund for Financial Year 2020-21

National Pension Scheme

The Bank has contributed ₹24.36 million for the year ended March 31, 2020 (March 31, 2019: ₹19.33 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 ₹1,039.82 million for the year ended March 31, 2020 (March 31, 2019: ₹804.29 million) towards contribution to the provident fund.

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Compensated absence

The Bank has recognised ₹169.54 million in the profit and loss account for the year ended March 31, 2020 (March 31, 2019: ₹169.60 million) towards compensated absences.

18.6.47 Segment Results

Pursuant to the guidelines issued by RBI on AS-17 (Segment Reporting) - Enhancement of Disclosures dated April 18, 2007, effective from period ending March 31, 2008, the following business segments have been reported.

- **Treasury:** Includes investments, all financial markets activities undertaken on behalf of the Bank's customers, proprietary trading, maintenance of reserve requirements and resource mobilisation from other banks and financial institutions.
- **Corporate / Wholesale Banking:** Includes lending, deposit taking and other services offered to corporate customers.
- **Retail Banking:** Includes lending, deposit taking and other services offered to retail customers.
- **Other Banking Operations:** Includes para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2020 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	118,905.25	170,550.01	59,161.77	1,982.65	**350,599.67**
Less: Inter-segment					(55,518.69)
Revenue net of inter-segment					295,080.98
Result	(15,056.16)	(244,768.03)	(10,469.90)	(36.45)	**(270,330.55)**
Unallocated Expenses					(22,078.65)
Operating Profit					(292,409.19)
Income Taxes					(65,259.44)
Extra-ordinary Profit/ (Loss)					62,969.45
Net Profit					**(164,180.31)**
Other Information:					
Segment assets	718,647.95	1,258,879.95	503,345.05	232.44	**2,481,105.39**
Unallocated assets					97,163.85
Total assets					**2,578,269.23**
Segment liabilities	1,317,079.06	479,468.85	547,960.41	970.67	**2,345,478.98**
Unallocated liabilities					232,790.24
Total liabilities					**2,578,269.22**

Other banking operations includes income from bancassurance business ₹836.40 million during year ended March 31, 2020.

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Segmental results for the year ended March 31, 2019 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	104,539.78	222,653.47	45,658.71	2,051.90	**374,903.85**
Less: Inter-segment					(32,759.28)
Revenue net of inter-segment					342,144.57
Result	35,460.35	14,180.12	(4,524.82)	916.64	**46,032.30**
Unallocated Expenses					(22,458.83)
Operating Profit					23,573.47
Income Taxes					6,370.68
Extra-ordinary Profit/ (Loss)					-
Net Profit					**17,202.79**
Other Information:					
Segment assets	1,302,259.99	1,979,884.76	486,554.09	885.39	3,769,584.22
Unallocated assets					38,677.42
Total assets					**3,808,261.64**
Segment liabilities	1,081,751.87	1,411,797.46	947,394.05	1,082.29	**3,442,025.66**
Unallocated liabilities					366,235.98
Total liabilities					**3,808,261.64**

Other banking operations includes income from bancassurance business ₹868.16 million during year ended March 31, 2019.

Notes for segment reporting:

1. The business of the Bank is concentrated largely in India. Accordingly, geographical segment results have not been reported in accordance with AS-17 (Segment Reporting).
2. In computing the above information, certain estimates and assumptions have been made by the Management and have been relied upon by the auditors.
3. Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.
4. The unallocated assets Includes tax paid in advance/tax deducted at source and deferred tax asset.
5. The unallocated liabilities include Share Capital, Reserves & Surplus and Tier 1 bond borrowings.
6. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

18.6.48 Related Party Disclosures

The Bank has transactions with its related parties comprising of subsidiary, key management personnel and the relative of key management personnel

As per AS 18 "Related Party Disclosures", notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, the Bank's related parties for the year ended March 31, 2020 are disclosed below:

Subsidiary
- YES Securities (India) Limited
- YES Asset Management (India) Limited
- YES Trustee Limited

Individuals having significant influence:
- Mr. Ravneet Gill, Managing Director & CEO (till March 05, 2020)
- Mr. Prashant Kumar, Administrator - Appointed by the Reserve Bank of India, (from March 06, 2020 till March 25, 2020)
- Mr. Prashant Kumar, Managing Director & CEO (from March 26, 2020)

Investing Company
Investing party - State Bank of India Limited (SBI)

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Key Management Personnel ('KMP') (Whole time Director)

- Mr. Ravneet Gill, Managing Director & CEO (till March 05, 2020)
- Mr. Prashant Kumar, Administrator - Appointed by the Reserve Bank of India, (from March 06, 2020 till March 25, 2020)
- Mr. Prashant Kumar, Managing Director & CEO (from March 26, 2020)

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, 2020:

(₹ in million)

Items / Related Party Category	Investing Party	Maximum Balance during the year	Subsidiaries[2,3]	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	#	#	600.98*	1,437.63	-	12.65	-	-	-
Advances (Overdraft)			102.05*	2039.12					
Investment	#	#	2,390.00*	2,390.00					
Interest received	#		145.87						
Interest paid	#		33.38		0.31				
Reimbursement of Cost incurred			54.06						
Receiving of services			0.93						
Payable	#		1.33						
Receivable	#		34.29						
Sale of Assets									
Funded/Non Funded Exposure taken	#		1,375.00						
Dividend paid									

#As per RBI Circular, where there is only one entity in any category of related party, disclosure pertaining to that related party other than the relationship with that related party

*Represents outstanding as of March 31, 2020

[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

[2]During the year, Bank has made investment in YES Asset Management (India) Limited for ₹150 million.

[3]As per the RBI master circular on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks, the Bank has provided ₹403.0 million for impairment of investment in subsidiaries.

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During the year ended March 31, 2020, the Bank has contributed ₹405.42 million (previous year ₹537.86 million) to YES Foundation. YES Foundation is an independent public charitable trust which undertakes social charitable activities. YES Foundation does not qualify as Related Party, as defined under the Accounting Standard 18 - Related Party Disclosure and RBI guidelines.

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, 2019:

(₹ in million)

Items / Related Party Category	Subsidiaries	Maximum Balance during the year	Whole time directors / individual having significant influence	Maximum Balance during the year	Relatives of whole time directors / individual having significant influence	Maximum Balance during the year	Enterprise where relative of whole time director having significant influence
Deposits	527.71*	33,003.57	3.06*	15.62			
Advances (Overdraft)	1,024.17*	1,035.91					
Investment	2,240.00*	2,240.00					
Interest received	41.02						
Interest paid	44.29		0.52				
Reimbursement of Cost incurred	17.57						
Receiving of services	8.22						5.46
Dividend paid			270				
Payable	2.70						
Receivable	3.11						
Sale of Assets	0.64						

*Represents outstanding as of March 31, 2019

#During the year, Bank has made additional investment in two subsidiaries; YES Securities (India) Limited and YES Asset Management (India) Limited for ₹990 million and ₹195 million respectively.

During the year ended March 31, 2019, the Bank has contributed ₹537.86 million (previous year ₹452.13 million) to YES Foundation. YES Foundation is an independent public charitable trust which undertakes social charitable activities. YES Foundation does not qualify as Related Party, as defined under the Accounting Standard 18 - Related Party Disclosure and RBI guidelines.

18.6.49 Operating Leases

Lease payments recognized in the profit and loss account for the year ended March 31, 2020 was ₹3,900.61 million (Previous year: ₹3,613.24 million). During the year ended March 31, 2020, the Bank paid minimum lease payment ₹3,782.51 million (Previous year: ₹3,623.94 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, 2020	As at March 31, 2019
Not later than one year	3,337.42	3,461.65
Later than one year and not later than five years	10,090.09	9,751.31
Later than five years	13,749.82	12,418.84
TOTAL	**27,177.33**	**25,631.80**

The Bank does not have any provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreements.

18.6.50 ESOP disclosures

Statutory Disclosures Regarding Joining Stock Option Scheme:

The Bank has Five Employee Stock Option Schemes viz.

- Joining Employee Stock Option Plan II (JESOP II),
- Joining Employee Stock Option Plan III (JESOP III),
- YBL ESOP (consisting of two sub schemes JESOP IV/PESOP I)
- YBL JESOP V/PESOP II (Consisting of three sub schemes JESOP V/ PESOP II/PESOP II -2010)
- YBL Employee Stock Option Scheme, 2018 (YBL ESOS 2018) [Consisting of YBL Joining Employee Stock Option Plan, 2018 (JESOP 2018); YBL Performance Employee Stock Option Plan, 2018 (PESOP 2018), PESOP 2019; and YBL MD&CEO (New) Stock Option Plan, 2019 (MD&CEO Plan 2019)]

Effective from June 13, 2018, all new options have been granted under the YBL ESOS 2018 (which *inter-alia* consists of JESOP 2018, PESOP 2018 and MD & CEO Plan 2019). The YBL ESOS 2018 and plans formulated thereunder are in compliance with the SEBI (Share Based Employees Benefits) Regulations, 2014 as amended from time to time.

Source of shares are primary in nature, since the Bank has been issuing new equity shares upon exercise of options

JESOP II and JESOP III were in force for employees joining the Bank up to March 31, 2006 and March 31, 2007 respectively. Grants under PESOP II had been discontinued w.e.f. January 20, 2010. Grants under JESOP IV/PESOP I and JESOP V/ PESOP II -2010 had been discontinued w.e.f. June 12, 2018 pursuant to coming into effect of YBL ESOS 2018. However, any options already granted under the abovementioned plans would be valid in accordance with the terms & conditions mentioned in the plans

In accordance with the various Employee Stock Option Plans/ Schemes of the Bank as mentioned above, the Employees can exercise the options granted to them from time to time:

JESOP/PESOP	ESOP Scheme	Exercise period
JESOP	JESOP II	50% after 3 years and balance after 5 years from the Grant date
	JESOP III	50% after 3 years and balance after 5 years from the Grant date
	JESOP IV	50% after 3 years and balance after 5 years from the Grant date
	JESOP V	50% after 3 years and balance after 5 years from the Grant date
	MD&CEO Plan 2019	20%, 30% & 50% each year, from end of 1st year from the Grant date
	PESOP I	25% after each year from the Grant date
	PESOP II	30%, 30% & 40% after each year from the Grant date
	PESOP II - 2010	30%, 30% & 40% each year, from end of 3rd year from the Grant date
PESOP	JESOP 2018	50% after 3 years and balance after 5 years from the Grant date
	PESOP 2018	30%, 30% & 40% each year, from end of 3rd year from the Grant date
	PESOP 2019	30%, 30% & 40% each year, from end of 3rd year from the Grant date

Options under all the aforesaid plans are granted for a term of 10 years (inclusive of the vesting period) and are settled with equity shares being allotted to the beneficiary upon exercise.

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A summary of the status of the Bank's stock option plans as on March 31, 2020 and March 31, 2019 is set out below:

	As at March 31, 2020		As at March 31, 2019	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year	35,019,115	18,254,826	46,257,335	15,963,100
Granted during the year	18,032,000	2,025,000	365,000	5,940,000
Exercised during the year	4,037,675	346,499	9,265,020	2,800,774
Forfeited / lapsed during the year	12,316,650	5,419,275	2,338,200	847,500
Options outstanding at the end of the year	36,696,790	14,514,052	35,019,115	18,254,826
Options exercisable	16,388,915	6,650,302	18,701,265	3,901,451
Weighted average exercise price (₹)	63.56	80.52	70.84	106.08
Weighted average remaining contractual life of outstanding option (yrs)	2.39	1.77	1.50	1.86

The Bank has charged Nil amount, being the intrinsic value of the stock options granted for the year ended March 31, 2020 and March 31, 2019. Had the Bank adopted the Fair Value method (based on Black- Scholes pricing model), for pricing and accounting of options, net profit /loss after tax would have been lower by ₹505.40 million (Previous year: ₹375.18 millions), the basic earnings per share would have been ₹(56.24) (Previous year: ₹7.29) per share instead of ₹(56.07) (Previous year: ₹7.45) per share; and diluted earnings per share would have been ₹(56.24) (Previous year: ₹7.22) per share instead of ₹(56.06) (Previous year: ₹7.38) per share.

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2020 and March 31, 2019.

	For the year ended March 31, 2020	For the year ended March 31, 2019
Risk free interest rate	6.29%-9.23%	6.29%-9.23%
Expected life	1.5 yrs - 7.5 yrs	1.5 yrs - 7.5 yrs
Expected volatility	25.01%-48.72%	25.01%-48.72%
Expected dividends	1.10%	1.20%

In computing the above information, certain estimates and assumptions have been made by the Management.

18.6.51 Deferred Taxation

The deferred tax asset of ₹82,809.96 million as at March 31, 2020 and ₹25,329.14 million as at March 31, 2019, is included under other assets and the corresponding credits have been taken to the profit and loss account.

The components that give rise to the deferred tax asset included in the balance sheet are as follows:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax asset		
Depreciation	585.78	598.64
Provision for gratuity and unutilized leave	322.73	391.24
Provision for Non Performing Assets	60,164.53	9,779.42
Amortization of premium on HTM securities	132.39	1,035.72
Provision for standard advances	3,123.15	11,119.17
Other Provisions	18,481.38	2,404.94
Deferred tax asset	**82,809.96**	**25,329.13**

The Bank has a total deferred tax asset of ₹82,809.96 million as at March 31, 2020. During the year ended March 31, 2020, the Bank has made loss of ₹164,180.31 million, however it had taxable profit in the year ended March 31, 2020. The Bank continues to carry such deferred tax asset in its Balance Sheet, as basis financial projections approved by the Board of Directors, there is reasonable certainty of having sufficient taxable income to enable realization of the said deferred tax asset as specified in Accounting Standard 22 (Accounting for Taxes on Income).

During the quarter ended September 30, 2019, the Bank had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Bank had recognised Provision for Income Tax and re-measured its deferred tax assets basis the rate prescribed in the aforesaid section and recognized the effect of this change by revising the annual effective income tax rate. The rate of income tax is changed from 34.944% to 25.168%. The re-measurement of accumulated deferred tax asset had resulted in a one-time additional charge of ₹7,086.10 million.

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18.6.52 Provisions and Contingencies

The breakup of provisions of the Bank for the year ended March 31, 2020 and March 31, 2019 are given below:

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Provision for taxation	(44,078.89)	6,370.68
Provision for investments	64,819.07	6,824.89
Provision for standard advances	(19,410.78)	22,514.06
Provision made/write off for non performing advances	278,060.36	25,669.54
Others Provisions*	4,115.69	2,767.12
TOTAL	**283,505.45**	**64,146.28**

* Other Provisions includes provision made against other assets.

Other Disclosures

18.6.53 Disclosure on Remuneration

a. Composition of the N&RC of the Bank as on March 31, 2020 is as follows:

Mr. Mahesh Krishnamurti	Non-Executive Director
Mr. Sunil Mehta	Non-Executive Director (Chairman)
Mr. Atul Bheda	Non-Executive Director
Mr. Swaminathan Janakiraman	Director nominated by State Bank of India

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 review:
   A. the composition of the existing Committees of the Board and to examine annually whether there is any need to have a special committee of directors to meet the business requirements of the Bank and accordingly recommend to the Board for formation of a special committee.
   B. Review the Terms of Reference of the Board Level Committees and recommend the changes therein, if any, to the Board;
4. To scrutinise nominations for Independent/Non-Executive Directors with reference to their qualifications and experience and making recommendations to the Board for appointment/filling of vacancies;
5. 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;
6. To Formulate criteria for evaluation of performance of independent directors and the board of directors;
7. To carry out evaluation of every director's performance;
8. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
9. 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;
10. To develop and recommend to the Board Corporate Governance guidelines applicable to the Bank for incorporating best practices;
11. To implement policies and processes relating to Corporate Governance principles;
12. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
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, retirals, sitting fee, etc.;

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15. To review the Bank's overall compensation structure and related polices with a view to attract, motivate and retain employees and review compensation levels vis-à-vis other Banks and the industry in general;

16. To ensure the following while formulating the policy on the aforesaid matters:

    (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the company successfully;

    (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

    (c) remuneration to Whole time directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the company and its goals.

    (d) Recommend to the board all remuneration, in whatever form, payable to senior management

17. To consider grant of Stock Options to employees including employees of subsidiaries and administer and supervise the Employee Stock Option Plans;

18. To function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 and is authorized to allot shares pursuant to exercise of Stock Options by employees;

19. To review the Human Capital Capacity Planning on annual basis;

20. To review the list of risk takers on annual basis;

21. To review the HCM Policies and provide suitable guidance for additions/ modification/ deletions, if any;

22. To review the Succession Planning; and

23. 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.

a. **Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy-**
The Bank has framed Compensation and Benefits Policy based on the guidelines contained in the RBI circular DBOD No. BC.72/29.67.001/2011-12 dated January 13, 2012 which was approved by the Nomination and Remuneration Committee on January 7, 2013. The remuneration of MD&CEO/ Wholetime Directors is in accordance with the above mentioned circular and shall be reviewed basis RBI guidelines issued from time to time and approved by N&RC before obtaining Regulatory approvals.

   The compensation philosophy of the Bank is aligned to the organizational values aimed at encouraging Professional Entrepreneurship and reinforcing a strong culture promoting meritocracy, performance, potential and prudent risk taking.

   The Bank's Remuneration policy is to position its pay structure competitively in relation to the market to be able to attract and retain critical talent. The compensation strategy clearly endeavors to differentiate performance significantly and link the same with quality and quantum of rewards. The Bank also strives to create long term wealth creation opportunities through stock option schemes.

   Human Capital Management shall review the policy annually or as required, based on changes in statutory, regulatory requirements and industry practices pertaining to Compensation and Benefits.

b. **Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks**
The broad factors taken into account for the Annual Review /revision of Fixed Compensation (TCC) & Performance Bonus are:

   1. Individual performance based on the Annual Performance Review (APR) process of the Bank.

   2. Business Unit performance in terms of financial outcomes, productivity, etc.

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3. Consideration of all types of risk factors and shall be symmetrical with risk outcomes as well as sensitive to the time horizon of risk.
4. Profitability of the Bank.
5. Industry Benchmarking and consideration towards cost of living adjustment/inflation

The Bank subscribes to a 'Sum-of-Parts' compensation methodology, which is reflective of the Bank's commitment and philosophy of creating and sharing value with its employee partners.

The sum-of-parts compensation comprises:

Fixed Compensation

Variable Compensation in the form of Performance Bonus

Employee Stock Option Plans (ESOP)

The Board of Directors of the Bank through its Nomination and Remuneration Committee (N&RC) shall exercise oversight & effective governance over the framing and implementing of the Compensation policy. Human Capital Management under the guidance of MD & CEO shall administer the Compensation and Benefits structure in line with Industry practices and statutory requirements as applicable from time to time.

c. **Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.**
The Bank ensures that the compensation remains adjusted for all types of risk, symmetrical with risk outcomes as well as sensitive to the time horizon of risk. Further, the compensation in all forms will be consistent with the risk alignment.

One of the key factors to be considered for the Annual Review /revision of Fixed Compensation (TCC) & Performance Bonus includes individual performance based on the Annual Performance Review (APR) process of the Bank. The evaluation on risk management parameters is an integral part of the Annual Performance Review process, forming part of Key Result Areas of the executives with suitable weightage. The inputs for assessment on these parameters will be independently provided by the Risk Management function of the Bank.

For the services pertaining to a given financial year, where variable pay is 50% or more, 40-60% of the variable pay shall be deferred over minimum period of 3 years. In the event of a negative contribution, deferred compensation shall be subject to appropriate malus/claw back arrangements as decided by the Board Remuneration Committee. Guaranteed bonus shall not be a part of the compensation plan.

The compensation for executives in Risk Control and Compliance functions shall be independent of the business areas they oversee.

The Bank shall not provide any facility or funds or permit employees to insure or hedge their compensation structure to offset the risk alignment effects embedded in their compensation arrangement.

d. **Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilizes and the rationale for using these different forms.**
The Bank subscribes to a 'Sum-of-Parts' compensation methodology, which is reflective of the commitment and philosophy of creating and sharing value with the employee partners. The sum-of-parts compensation for executives comprises:

Fixed Compensation (Total Cost to Company-TCC) - Includes value of perquisites.

Variable compensation in the form of Performance /Deferred Bonus – Variable pay shall be in the form of Performance Bonus which will be calculated as a percentage of Fixed Pay. The evaluation on risk management parameters is an integral part of the Annual Performance Review process, forming part of Key Result Areas of the executives with suitable weightage. The inputs for assessment on these parameters will be independently provided by the Risk Management function of the Bank.

Employee Stock Options Plans – These are formulated on a mid to long term basis by the Bank in accordance with SEBI and other Regulatory guidelines. The grant of ESOP shall be under approval from MD & CEO, which shall be subsequently ratified by the Board Remuneration Committee.

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e. Quantitative Disclosures on Remuneration for MD & CEO and other risk takers

There were 14 meetings of the N&RC held during the year ended March 31, 2020. The Bank had paid a remuneration of ₹3.35 million to the members of the N&RC for attending the meetings of the N&RC.,

Particulars	No of employee	For the year ended March 31, 2020	No of employee	For the year ended March 31, 2019
a. (i) Number of employees having received a variable remuneration award during the financial year. (refer Note below)	10	40.29	5	35.35
(ii) Number and total amount of sign-on awards made during the financial year.	1	5.00	-	-
(iii) Details of guaranteed bonus, if any, paid as joining / sign on bonus	-	-	-	-
(iv) Details of severance pay, in addition to accrued benefits, if any.	-	-	-	-
b. (i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. (refer Note below)	1	2.45	1	4.90
c. Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred				
Total remuneration award	12	397.45	7	245.2
Of which Fixed Component	12	341.28	7	204.01
Of which Variable Component	10	56.17	4	41.19
Deferred	10	19.67	1	4.90
Paid	10	36.50	4	36.29
d. (i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments. (refer Note below)	1	2.45	1	4.90
(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments. (refer Note below)	-	-	1	15.00
(iii) Total amount of reductions (change in variable payout due to change in Market Conditions) (refer Note below) during the financial year due to ex- post implicit adjustments.	-	-	-	-

Note:

1. Amounts disclosed represent variable pay paid during the year ended March 31, 2020 and March 31, 2019 for services rendered by the risk takers during the year March 31, 2019 and March 31,2018 respectively. As the bonus pool for the year ended March 31, 2020 has not yet been allocated and accordingly, the deferred component for the risk takers is yet to be determined.
2. Compensation for MD & CEO is as approved by the RBI and paid by the Bank to the MD & CEO. Compensation for other risk takers is as approved by the Bank.
3. For the Financial Year ended March 31, 2020, 2,995,000 ESOP were issued to 11 risk takers (previous year 5,150,000 ESOPs to 4 risktaker)

18.6.54 Movement in Floating Provisions

The Bank has not created or utilized any floating provisions during the financial year ended March 31, 2020 and financial year ended March 31, 2019. The floating provision as at March 31, 2020 was ₹ Nil (Previous year: ₹ Nil).

18.6.55 Drawdown from Reserves

During the financial year ended March 31, 2020, the Bank has not drawn down any reserve. (Previous year: ₹ Nil).

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18.6.56 Liquidity Coverage Ratio (LCR)

The following table sets forth, the daily average of unweighted and weighted values for all the quarters in FY2019-20.

(₹ in million)

	Quarter ended March 31, 2020		Quarter ended December 31, 2019		Quarter ended September 30, 2019		Quarter ended June 30, 2019	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		197,052.73		310,855.05		536,598.92		589,102.55
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	612,338.09	58,687.66	673,981.30	64,779.68	808,350.86	78,114.89	811,455.15	78,594.99
(i) Stable deposits	50,922.98	2,546.15	52,368.91	2,618.45	54,404.02	2,720.20	51,010.43	2,550.52
(ii) Less stable deposits	561,415.11	56,141.51	621,612.39	62,161.24	753,946.84	75,394.68	760,444.72	76,044.47
3 Unsecured wholesale funding, of which:	537,278.73	255,617.70	638,242.08	288,380.46	855,505.17	391,361.04	935,232.42	425,537.90
(i) Operational deposits (all counterparties)	54,954.39	13,738.60	62,633.98	15,658.50	81,535.53	20,383.88	87,194.53	21,798.63
(ii) Non-operational deposits (all counterparties)	482,324.34	241,879.10	575,608.10	272,721.96	773,969.64	370,977.16	848,037.89	403,739.27
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding	147,470.36	-	150,267.90	-	17,871.00	-	19,029.67	-
5 Additional requirements, of which	**30,728.06**	**20,356.46**	**24,316.89**	**20,672.59**	**24,058.11**	**22,360.83**	**23,728.58**	**21,894.41**
(i) Outflows related to derivative exposures and other collateral requirements	18,791.97	18,791.97	20,267.67	20,267.67	22,032.49	22,032.49	21,098.30	21,098.30
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	11,936.09	1,564.49	4,049.22	404.92	2,025.62	328.33	2,630.28	796.11
6 Other contractual funding obligations	189,338.31	189,338.31	131,648.28	131,648.28	65,249.28	65,249.28	60,707.53	60,707.53
7 Other contingent funding obligations	1,321,202.23	50,913.41	1,473,027.24	56,771.11	1,563,980.18	59,941.46	1,593,489.65	60,991.41
8 Total Cash Outflows	2,838,355.78	574,913.54	3,091,483.68	562,252.12	3,335,014.60	617,027.49	3,443,643.01	647,726.25
Cash Inflows								
9 Secured lending (e.g. reverse repos)	11,285.53	-	10,547.72	-	39,742.11	-	49,205.38	-
10 Inflows from fully performing exposures	52,957.89	16,145.54	87,552.10	45,041.06	134,279.13	78,506.19	159,323.36	97,121.11
11 Other cash inflows	66,080.49	66,080.49	100,555.64	100,555.64	67,129.37	67,129.37	48,348.73	48,348.73
12 Total Cash Inflows	**130,323.90**	**82,226.02**	**198,655.46**	**145,596.69**	**241,150.61**	**145,635.56**	**256,877.47**	**145,469.84**
21 TOTAL HQLA		**197,052.73**		**310,855.05**		**536,598.92**		**589,102.55**
22 Total Net Cash Outflows		**492,687.51**		**416,655.43**		**471,391.93**		**502,256.41**
23 Liquidity Coverage Ratio (%)		**40.0%**		**74.6%**		**113.8%**		**117.3%**

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The following table sets forth, the daily average of unweighted and weighted values for all the quarters in FY2018-19.

(₹ in million)

	Quarter ended March 31, 2019		Quarter ended December 31, 2018		Quarter ended September 30, 2018		Quarter ended June 30, 2018	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		587,604.68		524,390.54		522,841.33		505,991.52
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	754,532.46	73,206.52	714,628.47	69,379.68	695,299.10	67,552.46	644,728.31	62,635.32
(i) Stable deposits	44,934.58	2,246.73	41,663.30	2,083.16	39,549.03	1,977.45	36,750.33	1,837.52
(ii) Less stable deposits	709,597.88	70,959.79	672,965.17	67,296.52	655,750.06	65,575.01	607,977.99	60,797.80
3 Unsecured wholesale funding, of which:	945,332.24	426,691.60	908,437.95	405,633.84	896,161.86	398,871.02	875,248.44	405,079.68
(i) Operational deposits (all counterparties)	108,142.54	27,035.63	110,509.61	27,627.40	85,144.66	21,286.16	82,678.05	20,669.51
(ii) Non-operational deposits (all counterparties)	837,189.70	399,655.96	797,928.34	378,006.44	811,017.20	377,584.85	792,570.39	384,410.16
(iii) Unsecured debt	-	-	-	-	-	-		
4 Secured wholesale funding	11,087.13	-	16,735.07	-	25,956.45	-	8,307.06	-
5 Additional requirements, of which	**29,347.92**	**27,021.26**	**34,042.99**	**32,157.68**	**19,060.87**	**18,295.87**	**13,854.69**	**12,413.18**
(i) Outflows related to derivative exposures and other collateral requirements	26,439.73	26,439.73	31,354.21	31,354.21	17,871.51	17,871.51	12,238.09	12,238.09
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-		-
(iii) Credit and liquidity facilities	2,908.19	581.53	2,688.78	803.47	1,189.36	424.36	1,616.60	175.08
6 Other contractual funding obligations	67,776.73	67,776.73	67,506.03	67,506.03	73,958.43	73,958.43	60,043.54	60,043.54
7 Other contingent funding obligations	1,608,657.39	61,347.59	1,631,159.58	61,822.54	1,544,650.89	59,016.48	1,426,813.72	54,544.20
8 Total Cash Outflows	**3,416,733.87**	**656,043.70**	**3,372,510.08**	**636,499.77**	**3,255,087.59**	**617,694.26**	**3,028,995.77**	**594,715.91**
Cash Inflows								
9 Secured lending (e.g. reverse repos)	71,144.40	-	18,093.98	-	28,251.28	-	98,890.44	-
10 Inflows from fully performing exposures	109,662.81	63,142.29	104,065.59	59,376.40	87,411.97	36,023.66	94,366.98	51,626.20
11 Other cash inflows	63,126.23	63,126.23	64,319.15	64,319.15	55,814.10	55,814.10	42,290.02	42,290.02
12 Total Cash Inflows	**243,933.45**	**126,268.52**	**186,478.72**	**123,695.54**	**171,477.36**	**91,837.77**	**235,547.44**	**93,916.22**
21 TOTAL HQLA		**587,604.68**		**524,390.54**		**522,841.33**		**505,991.52**
22 Total Net Cash Outflows		**529,775.18**		**512,804.23**		**525,856.49**		**500,799.69**
23 Liquidity Coverage Ratio (%)		**110.9%**		**102.3%**		**99.4%**		**101.0%**

For all the quarters in the current and previous year, the average weighted and unweighted amounts are calculated taking simple average of daily positions.

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Qualitative Disclosure:
The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated June 09, 2014 and November 28, 2014 on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards" as amended for "Prudential Guidelines on Capital Adequacy and Liquidity Standards" dated March 31, 2015. The LCR guidelines aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken. Banks are required to maintain High Quality Liquid Assets of a minimum of 100% of its Net Cash Outflows.

- The Bank endeavors to meet the LCR requirement on an ongoing basis. The adequacy in the LCR maintenance remains a conscious strategy of the Bank towards complying with LCR mandate.
- The Board of Directors of the Bank have empowered ALCO (Top Management Executive Committee) to monitor and strategize the Balance Sheet profile of the Bank. In line with the business strategy, ALCO forms an Interest Rate/Liquidity view for the bank with the help of the economic analysis provided by the in-house economic research team of the bank. ALCO of the Bank channelizes various business segments of the Bank to target good quality asset and liability profile to meet the Bank's profitability as well as Liquidity requirements with the help of robust MIS and Risk Limit architecture of the Bank.
- Funding strategies are formulated by the ALCO of the Bank. The objective of the funding strategy is to achieve an optimal funding mix which is consistent with prudent liquidity, diversity of sources and servicing costs. Accordingly, BSMG (Balance Sheet Management Group) of the Bank estimates daily liquidity requirement of the various business segments and manages the same on consolidated basis under ALCO guidance. With the help of Liquidity Statement prepared by the Bank, BSMG evaluates liquidity requirement and takes necessary action. Periodical reports are also placed before the ALCO for perusal and review.
- The Bank's HQLA comprises of Excess CRR, Excess SLR, eligible foreign sovereign investments, Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) as permitted under prudential guidance and eligible Level 2 investments. The Bank has a very limited exposure to liquidity risk on account of its Derivatives portfolio. Further, the Bank believes that all inflows and outflows which might have a material impact under the liquidity stress scenario have been considered for the purpose of LCR. Further, SLR investments as well as Corporate Bond portfolio of the Bank considered for HQLA is also well diversified across various instruments and Liquid Asset Type Mix and should provide the Bank with adequate and timely liquidity.
- The daily average LCR for quarter ending March 31, 2020 is 40.0% which is below the prudential requirement. The LCR for the Bank had fallen below the regulatory limits on account of payment /prepayment of deposits and borrowings on account of various internal and external events including moratorium, multi notch rating downgrades, aftermath of cooperative bank failure etc.
- Accordingly, the Bank utilized the stock of HQLA to meet the commitments on account of these liabilities resulting in LCR dropping below the prudential limit.
- The bank endeavors to restore the LCR on an urgent basis and is working towards the same by garnering deposits and long term borrowings along with through asset advances at the earliest.

18.6.57 Intra-Group Exposures to Subsidiaries

The Bank has three subsidiary viz. "YES Securities (India) Limited, Yes Asset Management (India) Limited and Yes Trustee Limited ". Below mentioned are details of Intra-Group Exposure as of March 31, 2020 and March 31, 2019.

(₹ in million)

Particulars	As of March 31, 2020	As of March 31, 2019
Total amount of intra-group exposures	1,375.00	7,500.00
Total amount of top-20 intra-group exposures	1,375.00	7,500.00
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers (%)	0.03%	0.15%

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During the year ended March 31, 2020 and March 31, 2019, the intra-group exposures were within the limits specified by RBI.

18.6.58 Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance of the amount transferred to DEAF	32.83	13.53
Add: Amounts transferred to DEAF during the year	24.46	20.06
Less: Amounts reimbursed by DEAF towards claims	3.61	0.75
Closing balance of amounts transferred to DEAF	53.68	32.83

18.6.59 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, 2020 has been transferred without any delay.

18.6.60 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 ₹777.93 million (previous year of ₹537.52 million) and additional capital of ₹2,304.16 million (previous year of ₹1,297.78 million) on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2020.

18.6.61 Provisioning pertaining to Fraud Accounts

The Bank has reported 75 cases of fraud in the financial year ended March 31, 2020 amounting to ₹65,931.87 million (Previous Year: 107 cases amounting to ₹1,939.69 million). The Bank has expensed off/ provided for the expected loss arising from these frauds and does not have any unamortized provision.

18.6.62 Disclosure of complaints

A. Customer Complaints

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i) No. of Complaints pending at the beginning of the year	3,271	2,681
ii) No. of Complaints received during the year	111,764	110,301
iii) No. of Complaints redressed during the year	112,442	109,711
iv) No. of Complaints pending at the end of the year	2,593	3,271

Auditors have relied upon the information presented by management as above.

B. Awards passed by the Banking Ombudsman

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i) No. of unimplemented Awards at the beginning of the year	Nil	Nil
ii) No. of Awards passed by the Banking Ombudsman during the year	Nil	Nil
iii) No. of Awards implemented during the year	Nil	Nil
iv) No. of unimplemented Awards at the end of the year	Nil	Nil

The above is based on the information available with the Bank which has been relied upon by the auditors.

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18.6.63 Dues to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been ₹655.70 million (previous year ₹437.40 million) worth bills which were paid with delays to micro and small enterprises. There have been ₹19.72 million worth bills remained unpaid as at March 31, 2020. There have been no demand of interest on these payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

18.6.64 Securitization Transactions

The Bank has not done any securitization transactions during the year ended March 31, 2020 and March 31, 2019. The Bank has assigned retail loans amounting to ₹27,511.49 million (90% of portfolio) during the financial year ended March 31, 2020.

18.6.65 Letter of comfort

The Bank has not issued any letter of comfort which is not recorded as contingent liability during the year ended March 31, 2020 and March 31, 2019.

18.6.66 Software Capitalized under Fixed Assets

The Bank has capitalized software under Fixed Asset amounting to ₹951.56 million and ₹1,578.12 million during the financial year ended March 31, 2020 and March 31, 2019 respectively.

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
At cost at March 31st of preceding year	5,296.77	3,722.63
Additions during the year	951.56	1,578.12
Deductions during the year	-	(3.99)
Depreciation to date	(4,148.74)	(2,974.02)
Net block	**2,099.59**	**2,322.74**

18.6.67 Provision for Long Term contracts

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

18.6.68 PSLCs sold and purchased during the ended March 31, 2020

(₹ in million)

Particulars	2019-20		2018-19	
	Purchased	Sold	Purchased	Sold
PSLC - Agriculture	-	-	-	-
PSLC - SF/MF	105,000.00	-	96,000.00	-
PSLC - Micro Enterprises	-	-	-	-
PSLC – General	-	-	68,000.00	-

18.6.69 Disclosure on Complaints-

The Bank became aware in September 2018 through communications from stock exchanges of anonymous whistleblower complaints alleging irregularities in the Bank's operations, potential conflict of interest of the founder and former MD & CEO and allegations of incorrect NPA classification. The Bank conducted an internal enquiry of these allegations, which was carried out by management and supervised by the Board of Directors. The enquiry resulted in a report that was reviewed by the Board in November 2018. Based on further inputs and deliberations in December 2018, the Audit Committee of the Bank engaged an external firm to independently examine the matter. In April 2019, the Bank had received the phase 1 report from the external firm and based on further review/ deliberations had directed a phase 2 investigation from the said firm. Further, during the quarter ended December 31, 2019, the Bank received forensic reports on certain borrower groups commissioned by other consortium bankers, which gave more information regarding the above mentioned allegations. The Bank at the direction of its Nomination and Remuneration Committee (NRC) obtained an independent legal opinion with respect to these matters. In February 2020, the Bank has received the final phase 2 report from the said external firm. Meanwhile, in March 2020, the Enforcement Directorate has launched an investigation

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into some aspects of transactions of the founder and former MD & CEO and alleged links with certain borrower groups. The ED is investigating allegations of money laundering, fraud and nexus between the founder and former MD & CEO and certain loan transactions. The Bank is in the process of evaluating all of the above reports and concluding if any of the findings have a material impact on financial statements/ processes and require further investigation. The Bank has taken this report to the newly constituted Audit Committee and Board and will progress further action basis the guidance and recommendations.

During the year ended March 31, 2020, the Bank had received various whistleblower complaints against the Banks management, former MD & CEO and certain members of the Board of Directors prior to being superseded by RBI. The NRC, basis investigations conducted by the management has, post its review, concluded that they have no material impact on financial statements.

In January 2020, the then Chairman of the Audit Committee of the Bank highlighted certain concerns around corporate governance and other operational matters at the Bank. The then Board decided to get this investigated by an independent external firm. A preliminary report has been received by the Board. While most of the allegations are unsubstantiated, the Board has requested the external firm for detailed recommendations highlighting areas where corporate governance can be further strengthened.

18.6.70 Description of contingent liabilities

Sr. No.	Contingent Liabilities	Brief
1.	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal and tax proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
2.	Liability on account of forward exchange and derivative contracts.	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with interbank participants and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts of financial instruments of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.

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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)
5	PF Liability	In February 2019, the honorable Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). The Bank has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Due to imperative challenges, the Bank has not disclosed contingent liability amount for past liability.

Refer Schedule 12 for amounts relating to contingent liability

Prior period comparatives

Previous year's figures have been regrouped where necessary to conform to current year classification

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156

Mumbai
May 6, 2020

For and on behalf of the Board of Directors
YES BANK Limited

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Partha Pratim Sengupta
Director
(DIN: 08273324)

Sunil Mehta
Chairman
(DIN: 00065343)

Anurag Adlakha
Group Chief Financial Officer

Atul Bheda
Director
(DIN: 03502424)

Shivanand R. Shettigar
Group Company Secretary

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Independent Auditor's Report

To,

The Members of YES Bank Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

QUALIFIED OPINION

We have audited the consolidated financial statements of YES Bank Limited (hereinafter referred to as the 'Bank' or 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated profit and loss account, and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'Consolidated Financial Statements').

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 of one subsidiary as were audited by the other auditor, except for the effect of the matters described in the 'Basis of Qualified opinion' section of our report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, of its consolidated loss and consolidated cash flows for the year ended on that date.

BASIS FOR QUALIFIED OPINION

We draw attention to Note 18.2 of the Consolidated Financial Statements, which indicates that during the year ended 31 March 2020, the Bank has breached the regulatory requirements of the Reserve Bank of India ('RBI') regarding maintaining the minimum Common Equity Tier ('CET') 1 and Tier 1 capital ratios which indicates the position of capital adequacy of a bank. The breach is primarily on account of the increase in the provision for advances during the year ended 31 March 2020 as the Bank has decided, on a prudent basis, to enhance its Provision Coverage Ratio on its Non-Performing Asset (NPA) loans over and above minimum RBI loan level provisioning. Further, the write back of the Additional Tier ('AT') 1 bonds on 14 March 2020 also resulted in the breach of Tier 1 capital ratio as at 31 March 2020. The CET1 ratio and the Tier 1 capital ratios for the Bank as at 31 March 2020 stood at 6.3% and 6.5 % as compared to the minimum requirements of 7.375% and 8.875% respectively. This implies that the Bank will have to take effective steps to augment its capital base in the year 2020-21. Further, in view of the RBI norms relating to the breach of the aforesaid ratios, there is uncertainty around RBI's potential action for such a breach. We are unable to comment on the consequential impact of the above regulatory breach on these Consolidated Financial Statements.

We draw attention to Note 18.19 of the Consolidated Financial Statements, which discloses that the Bank became aware in September 2018 through communications from stock exchanges of an anonymous whistle-blower complaint alleging irregularities in the Bank's operations, potential conflicts of interests in relation to the former MD and CEO and allegations of incorrect NPA classification. The Bank conducted an internal enquiry of these allegations, which resulted in a report that was reviewed by the Board of Directors in November 2018. Based on further inputs and deliberations in December 2018, the Audit Committee of the Bank engaged an external firm to independently examine the matter. During the year ended 31 March 2020, the Bank identified certain further matters which arose from other independent investigations initiated by the lead banker of a lenders' consortium on the companies allegedly favoured by the former MD and CEO. In March 2020, the Enforcement Directorate has launched an investigation into some aspects of dealings and transactions by the former MD and CEO basis draft forensic reports from external agencies which further pointed out to conflict of interest between the former MD and CEO and certain companies and arrested him. In view of the fact that these enquiries and investigations are still ongoing, we are unable to comment on the consequential impact of the above matter on these Consolidated Financial Statements.

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 ethical requirements that are relevant to our audit of the Consolidated

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Financial Statements in terms of the Code of Ethics issued by Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of the audit report of the other auditor referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the Consolidated Financial Statements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 18.2 of the Consolidated Financial Statements, which indicates that the Bank has incurred a loss of ₹16,418 crores for the year ended 31 March 2020. Particularly during the last six months, there has also been a significant decline in the Bank's deposit base, an increase in their NPA ratios resulting in breach of loan covenants on its foreign currency debt and credit rating downgrades resulting in partial prepayment of foreign currency debt linked to external credit rating. The Bank has also breached minimum Statutory Liquidity Ratio (SLR) and Liquidity Coverage Ratio requirements of RBI during the year and has provided an amount of ₹334 crores for the expected penalty on the SLR breach. The Bank has also breached the RBI mandated CET1 ratio and Tier 1 capital ratio which stood at 6.3%.and 6.5% as compared to the minimum requirements of 7.375% and 8.875% respectively. This requires the Bank to take effective steps to augment its capital base in the year 2020-21. The breach of the CET1 and Tier 1 requirements was also impacted by the decision of the Bank to enhance its Provision Coverage Ratio, on a prudent basis, on its NPA loans over and above RBI's minimum loan provisioning norms. Further, on 5 March 2020, the Central Government, based on the RBI's application imposed a moratorium under section 45 of the Banking Regulation Act, 1949 for a period of 30 days effective 5 March 2020. The RBI, in consultation with the Central Government and in exercise of the powers under section 36ACA of the Banking Regulation Act 1949, superseded the Board of Directors of the Bank on 5 March 2020. The above indicators of financial stress and actions taken by the RBI resulted in a significant withdrawal of deposits. On 13 March 2020, the Government of India notified the Yes Bank Limited Reconstruction Scheme 2020 ('the Scheme') [notified by the Central Government, in exercise of the powers conferred by sub section (4) and subsection 7 of section 45 of the Banking Regulation Act, 1949]. Under this Scheme the authorized share capital of the Bank was increased to ₹6,200 crores. The Bank has received capital from investors amounting to ₹10,000 crores on 14 March 2020. The State Bank of India (SBI) and other banks and financial institutions invested in the Bank at a price of ₹10 per equity share of the Bank (₹2 face value with a ₹8 premium). SBI is required to hold upto 49% with a minimum holding of 26% by SBI in the Bank (which is subject to a 3 year lock in). Other investors are subject to a 3 year lock in for 75% of the investments they make in the Bank under this Scheme. Existing investors (other than investors holding less than 100 shares) in the Bank are also subject to a lock in for 75% of their holding as per this Scheme. A new Board of Directors, CEO and MD and Non Executive Chairman have also been appointed pursuant to the Scheme. In addition, the moratorium imposed on the Bank on 5 March 2020 was vacated on 18 March 2020 as per the Scheme. RBI has also granted short-term funding to the Bank for the period of 90 days. The Bank has submitted a proposal seeking extension for a period of one year. The draft reconstruction scheme proposed on 6 March 2020 had also envisaged that the Bank would be able to write back Additional Tier 1 (AT1) securities amounting to ₹8,695 crores to equity. However, the final Scheme issued by the Government of India on 13 March 2020 does not contain any reference to the write back of the AT1 securities. Based on the legal advice on the contractual terms of the AT 1 bonds, the Bank has fully written back AT 1 bonds aggregating to ₹8,415 crores on 14 March 2020. This action by the Bank has been legally challenged through a writ petition in the Hon'ble Bombay High court.

In line with the RBI's COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020, the Bank has granted a moratorium of three months on the payment of all instalments and/or interest, as applicable, falling due between 1 March 2020 and

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31 May 2020 to all eligible borrowers classified as Standard, even if overdue, as on 29 February 2020.

In the opinion of the Bank, based on the financial projections prepared by the Bank and approved by the Board for the next 3 years, the capital infusion, lines of liquidity provided by RBI and the reconstruction Scheme, the Bank will be able to realize its assets (including its deferred tax asset) and discharge its liabilities in its normal course of business and hence the financial statements have been prepared on a going concern basis. The said assumption of going concern is *inter-alia* dependent on the Bank's ability to achieve improvements in liquidity, asset quality and solvency ratios and mitigate the impact of Covid-19 and thus a material uncertainty exists that may cast a significant doubt on the Bank's ability to continue as a going concern. However, as stated above, as per management and the Board there are mitigating factors to such uncertainties including the amount of capital funds that have been raised in March 2020, the nature and financial resources of new investors who have infused funds in the Bank, the new Board of Directors, CEO and MD and part time Chairman appointed as per the Scheme and the extent of regulatory support provided to the Bank by the RBI.

Our conclusion on the Consolidated Financial Statements is not modified in respect of this matter.

EMPHASIS OF MATTER

We draw attention to Note 18.15 of the Consolidated Financial Statements, which states that the Bank has a total deferred tax asset of ₹8,281 crores as at 31 March 2020. As per the requirements of AS 22 – Income Taxes, based on the financial projections prepared by the Bank and approved by the Board of Directors, the Bank has assessed that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The Bank expects to have a taxable profit for the future years. Our conclusion is not modified in respect of this matter.

We draw attention to Note 18.5 of the Consolidated Financial Statements which states that the Bank had made an additional provision of ₹15,422 crores for the period ended 31 December 2019 on a prudent evaluation of the status of NPAs based on discussion with regulator over and above the RBI norms relating to the minimum provision to be made by banks on their loans and advances. The additional provision is judgmental based on the quality and status of specific loans identified by the Bank as at 31 March 2020. We believe that this judgment exercised by the Bank is appropriate. Our conclusion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key audit matter	How the matter was addressed in our audit

Identification of Non-Performing Assets ('NPAs') and Provisions on Advances

Charge: ₹27,806 crores for year ended 31 March 2020
Provision: ₹24,253 crores at 31 March 2020
Refer to the accounting policies in the Consolidated Financial Statements: "Significant Accounting Policies- use of estimates" and "Note 18.6.3 to the Consolidated Financial Statements: Advances

Significant estimates and judgment involved

Identification of NPAs and provisions in respect of NPAs and restructured advances are made based on management's assessment of the degree of impairment of the advances subject to and guided by the minimum provisioning levels prescribed under the RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning, prescribed from time to time. The provision on NPA are also based on the valuation of the security available. In case of restructured accounts, provision is made for erosion/diminution in fair value of restructured loans, in accordance with the RBI guidelines.

We identified identification of NPAs and provision on advances as a key audit matter because of the level of management judgement involved in determining the provision (including the provisions on assets which are not classified as NPAs) and the valuation of the security of the NPA loans and on account of the significance to these estimates to the financial statements of the Bank.

On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.

We have identified the impact of, and uncertainty related to the COVID-19 pandemic as a key event and consideration for recognition and measurement of NPAs on account of application of regulatory package and relaxations announced by the Reserve Bank of India on asset classification, regulatory reporting and provisioning.

Management has conducted an assessment of the loan portfolio which may be impacted on account of COVID-19 with respect to moratorium benefit, and provision computation to borrowers prescribed by the regulatory package.

Our key audit procedures included:

Test of design / controls

- Assessed the design, implementation and operating effectiveness of key internal controls over approval, recording and monitoring of loans, monitoring process of overdue loans, measurement of provisions, identification of NPA accounts and assessing the reliability of management information (including overdue reports). In addition, for corporate loans we tested controls over the internal ratings process, monitoring of stressed accounts including credit file review processes and review controls over the approval of significant individual impairment provisions.
- Evaluated the design, implementation and operating effectiveness of key internal controls over the valuation of security for NPAs.
- Tested management review controls over measurement of provisions including documentation of the relevant approvals along with basis and rationale of the provision and disclosures in financial statements.
- Obtained and reviewed the Bank's policy and application of moratorium provided to customers in response to COVID 19.
- Involved information system specialists in the audit of this area to gain comfort over data integrity and calculations, including system reconciliations.

Substantive tests

- Test of details for a selection of exposures over calculation of NPA provisions including valuation of collaterals for NPAs as at 31 March 2020; the borrower-wise NPA identification and provisioning determined by the Bank and also tested related disclosures by assessing the completeness, accuracy and relevance of data and to ensure that the same is in compliance with the RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning.
- We tested computations of provisions established by the Bank in response to the RBI's guidance on customers for which COVID related moratoriums have been provided.
- We also selected a sample of high risk borrowers to test potential cases of loans repaid during the period, from fresh disbursement(s) made to these borrowers.

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Key audit matter	How the matter was addressed in our audit
Information technology **IT systems and controls** The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. Amongst, its multiple IT systems, seven systems are key for its overall financial reporting. In addition, large transaction volumes and the increasing challenges to protect the integrity of the Bank's systems and data, cyber security has become a more significant risk in recent periods. Further, the prevailing COVID-19 situation, has caused the required IT applications to be made accessible on a remote basis. We have identified 'IT systems and controls' as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture.	• We selected a sample (based on quantitative and qualitative thresholds) of large corporate clients and performed the following procedures: – Reviewed the statement of accounts, approval process, board minutes, credit review of customer, review of Special Mention Accounts reports and other related documents to assess recoverability and the classification of the facility in accordance with the Prudential Norms on Income Recognition, Asset Classification and Provisioning issued by the RBI; and – For a risk based sample of corporate loans not identified as displaying indicators of impairment by management, challenged this assessment by reviewing the historical performance of the customer and assessing whether any impairment indicators were present. Our key IT audit procedures included: • We focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventive controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting systems, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Other areas that were assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users and controls to ensure that developers and production support did not have access to change applications, the operating system or databases in the production environment. • Security configuration review and related tests on certain critical aspects of cyber security on network security management mechanism, operational security of key information infrastructure, data and client information management, monitoring and emergency management. • Assessment of data security controls in the context of a large population of staff working from remote location at the year end.

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Key audit matter	How the matter was addressed in our audit
Valuation of Investments **Refer to the accounting policies in the Consolidated Financial Statements: "Significant Accounting Policies- use of estimates", "Note 18.6.2 to the Consolidated Financial Statements: Investments"** **Subjective estimates and judgment involved** **Investments** Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' ('HTM') categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments classified as HTM are carried at amortised cost. Where, in the opinion of management, a diminution other than temporary, in the value of investments has taken place, appropriate provisions are required to be made. Investments classified as AFS and HFT are marked- to-market on a periodic basis as per the relevant RBI guidelines. We identified valuation of investments as a key audit matter because of the management judgement involved in determining the value of certain investments (Bonds and Debentures, Commercial papers and Certificate of deposits, security receipts) based on the policy and methodology developed by the Bank, impairment assessment for HTM book and the overall significant investments to the financial statements of the Bank.	Our key audit procedures included: **Test of design / controls** • Assessed the design, implementation and operating effectiveness of management's key internal controls over classification and valuation. • Read investment agreements / term sheets entered into during the current year, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments. **Substantive tests** • For sample of instruments we re-performed valuations. For cases where no direct observable inputs were used, we examined and challenged the assumptions used by the Bank in determination of Net assets and cashflows while using a discounted cashflow method. • Assessed whether the financial statement disclosures appropriately reflect the Bank's exposure to investments with reference to the requirements of the prevailing RBI guidelines.

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 information included in the Bank's Annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the Bank's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, the consolidated loss and the consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the

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Accounting Standards specified under section 133 of the Act, 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. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

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 the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls based on our audit.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparing Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 Bank 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.

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- 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 Holding Company 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 period 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

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹53.7 crores as at 31 March 2020, total revenues of ₹1.9 crores and net cash outflows amounting to ₹19.1 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of such subsidiaries as were audited by other auditors, 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 so far as it appears from our examination of those books and the reports of the other auditors;

   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;

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Independent Auditor's Report

d) in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act to the extent they are not inconsistent with the accounting policies prescribed by RBI;

e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March 2020 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 financial statements of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the 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:

i. the Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 18.21 to the Consolidated Financial Statements;

ii. provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 18.18 to the Consolidated Financial Statements in respect of such items as it relates to the Group;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended 31 March 2020 - Refer Note 18.20.4 to the Consolidated Financial Statements; and

iv. The disclosures in the Consolidated Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the Consolidated Financial Statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's 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) of the Act are not applicable to banking companies and based on the reports of the statutory auditors of the subsidiary company which was not audited by us, the remuneration paid during the current year by the subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156
UDIN: 20113156AAAABJ5206

Mumbai
May 6, 2020

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Annexure A

to the Independent Auditor's Report of even date on the consolidated financial statements of YES Bank Limited for the year ended 31 March 2020

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")

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of YES Bank Limited and its subsidiaries (collectively referred to as the 'Group') as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to Consolidated Financial Statements of YES Bank Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, as of that date.

In our opinion, the Holding Company and its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 based on the internal financial control with reference to Consolidated Financial Statement criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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").

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 relevant subsidiary company, in terms of their 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.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company'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 company's internal financial controls with reference to consolidated

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Annexure A

financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated 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 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 controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

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 insofar as it relates to one subsidiary company, is based on the corresponding report of the auditor of this company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156
UDIN: 20113156AAAABJ5206

Mumbai
May 6, 2020

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Consolidated Balance Sheet

as at March 31, 2020

(₹ in thousands)

	Schedule	As at March 31, 2020	As at March 31, 2019
CAPITAL AND LIABILITIES			
Capital	1	25,100,944	4,630,066
Reserves and surplus	2	191,848,655	264,244,035
Deposits	3	1,053,111,680	2,275,579,027
Borrowings	4	1,137,905,026	1,084,241,089
Other liabilities and provisions	5	170,355,332	179,901,880
TOTAL		**2,578,321,637**	**3,808,596,097**
ASSETS			
Cash and balances with Reserve Bank of India	6	59,436,550	107,977,369
Balances with banks and money at call and short notice	7	24,867,028	161,871,938
Investments	8	437,478,034	893,285,327
Advances	9	1,714,330,897	2,413,971,851
Fixed assets	10	10,233,842	8,298,874
Other assets	11	331,975,286	223,190,738
TOTAL		**2,578,321,637**	**3,808,596,097**
Contingent liabilities	12	4,585,275,340	6,541,617,385
Bills for collection		51,201,926	50,592,373
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156

Mumbai
May 6, 2020

For and on behalf of the Board of Directors
YES BANK Limited

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Partha Pratim Sengupta
Director
(DIN: 08273324)

Sunil Mehta
Chairman
(DIN: 00065343)

Anurag Adlakha
Group Chief Financial Officer

Atul Bheda
Director
(DIN: 03502424)

Shivanand R. Shettigar
Group Company Secretary

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Consolidated Profit and Loss

for the year ended March 31, 2020

(₹ in thousands)

	Schedule	For the year ended March 31, 2020	For the year ended March 31, 2019
I. INCOME			
Interest earned	13	260,520,173	296,237,987
Other income	14	119,560,986	46,754,814
TOTAL		**380,081,159**	**342,992,801**
II. EXPENDITURE			
Interest expended	15	192,580,598	198,112,872
Operating expenses	16	68,701,459	63,614,279
Provisions and contingencies	17	283,124,906	64,172,992
TOTAL		**544,406,963**	**325,900,143**
III. PROFIT			
Net profit for the year		(164,325,804)	17,092,658
Profit brought forward		107,427,743	103,695,292
TOTAL		**(56,898,061)**	**120,787,950**

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Consolidated Profit and Loss

for the year ended March 31, 2020

(₹ in thousands)

	Schedule	For the year ended March 31, 2020	For the year ended March 31, 2019
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		-	4,300,697
Transfer to Capital Reserve		6,655,507	1,010,096
Transfer to Investment Reserve		147,226	6,707
Transfer to Investment Fluctuation Reserve		-	539,066
Dividend paid for previous year		4,633,917	6,223,989
Tax on Dividend paid for previous year		952,516	1,279,652
Balance carried over to balance sheet		(69,287,227)	107,427,743
TOTAL		**(56,898,061)**	**120,787,950**
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		
Earning per share			
Basic (₹)		(56.11)	7.40
Diluted (₹)		(56.11)	7.33
(Face Value of Equity Share is ₹2/-)			

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156

For and on behalf of the Board of Directors
YES BANK Limited

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Sunil Mehta
Chairman
(DIN: 00065343)

Atul Bheda
Director
(DIN: 03502424)

Partha Pratim Sengupta
Director
(DIN: 08273324)

Anurag Adlakha
Group Chief Financial Officer

Shivanand R. Shettigar
Group Company Secretary

Mumbai
May 6, 2020

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Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in thousands)

		Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from Operating Activities			
Net profit before taxes		**(208,381,933)**	**23,490,051**
Adjustment for			
Depreciation for the year		3,419,327	3,054,514
Amortization of premium on investments		2,459,276	2,102,585
Provision for investments		64,415,773	6,824,889
Provision for standard advances		(19,410,781)	22,514,059
Provision/write off of non performing advances		278,060,357	25,669,535
Other provisions		4,115,686	2,767,116
AT1 Write-down		(84,150,000)	-
(Profit)/Loss on sale of land, building and other assets		(3,282)	(3,947)
	(i)	**40,524,423**	**86,418,802**
Adjustments for :			
Increase/(Decrease) in Deposits		(1,222,467,347)	268,692,991
Increase/(Decrease) in Other Liabilities		54,388,418	38,421,426
(Increase)/Decrease in Investments		241,661,936	(159,318,010)
(Increase)/Decrease in Advances		421,580,597	(404,453,136)
(Increase)/Decrease in Other assets		(107,244,746)	(49,363,644)
	(ii)	**(612,081,142)**	**(306,020,373)**
Payment of direct taxes	(iii)	(5,655,486)	(26,131,440)
Net cash generated from / (used in) operating activities (A) (i+ii+iii)		**(577,212,205)**	**(245,733,011)**
Cash flow from investing activities			
Purchase of fixed assets		(5,416,951)	(3,031,859)
Proceeds from sale of fixed assets		65,960	55,375
(Increase) / Decrease in Held To Maturity (HTM) securities		147,270,308	(59,960,403)
Net cash generated / (used in) from investing activities (B)		**141,919,317**	**(62,936,887)**

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Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in thousands)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from financing activities		
Increase in Borrowings	141,354,848	313,708,194
Tier II Debt raised	-	30,420,000
Innovative Perpetual Debt raised	-	(1,754,400)
Tier II Debt repaid during the year	(4,024,500)	(5,430,400)
Proceeds from issuance of Equity Shares (net of share issue expense)	118,639,176	953,472
Dividend paid during the year	(4,633,917)	(6,223,989)
Tax on dividend paid	(952,516)	(1,279,652)
Net cash generated from / (used in) financing activities (C)	**250,383,091**	**330,393,225**
Effect of exchange fluctuation on translation reserve (D)	(635,925)	587,809
Net increase in cash and cash equivalents (A+B+C+D)	**(185,545,721)**	**22,311,137**
Cash and cash equivalents as at April 1st	**269,849,307**	**247,538,171**
Cash and cash equivalents as at Mar 31st	**84,303,578**	**269,849,307**
Notes to the Cash flow statement:		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	59,436,550	107,977,369
Balances with Banks and Money at Call and Short Notice	24,867,028	161,871,938
Cash and cash equivalents as at March 31st	**84,303,578**	**269,849,307**

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156

Mumbai
May 6, 2020

For and on behalf of the Board of Directors
YES BANK Limited

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

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Schedules

Schedules forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 1 - Capital		
Authorised Capital		
Authorised Capital		
30,000,000,000 equity shares of ₹2/- each	60,000,000	6,000,000
20,000,000 preference shares of ₹100/- each	2,000,000	2,000,000
Issued, subscribed and paid-up capital (Refer Sch 18.7.1)		
12,550,472,231equity shares of ₹2/- each	25,100,944	4,630,066
(March 31, 2019 : 2,315,033,039 equity shares of ₹2/- each)		
TOTAL	**25,100,944**	**4,630,066**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 2 - Reserves and Surplus		
I Statutory Reserves		
Opening balance	48,934,100	44,633,403
Additions during the year	-	4,300,697
Deductions during the year	-	-
Closing balance	**48,934,100**	**48,934,100**
II Share Premium		
Opening balance	100,987,679	100,058,339
Additions during the year (Refer Sch 18.7.1)	99,118,298	929,340
Deductions during the year	950,000	-
Closing balance	**199,155,977**	**100,987,679**
III Capital Reserve		
Opening balance	5,534,577	4,524,481
Additions during the year	6,655,507	1,010,096
Deductions during the year	-	-
Closing balance	**12,190,084**	**5,534,577**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 2 - Reserves and Surplus		
IV Investment Reserve		
Opening balance	232,904	226,197
Additions during the year	147,226	6,707
Deductions during the year	-	-
Closing balance	**380,130**	**232,904**
V Foreign Currency Translation Reserve		
Opening balance	613,295	25,486
Additions during the year	(635,925)	587,809
Deductions during the year	-	-
Closing balance	**(22,630)**	**613,295**
VI. Cash Flow Hedge Reserve		
Opening balance	(25,323)	(244,057)
Additions during the year	(15,533)	218,734
Deductions during the year	-	-
Closing balance	**(40,856)**	**(25,323)**
VII. Investment Fluctuation Reserve		
Opening balance	539,066	-
Additions during the year	-	539,066
Deductions during the year	-	-
Closing balance	**539,066**	**539,066**
VIII. Balance in Profit and Loss Account	(69,287,215)	107,427,739
TOTAL	**191,848,655**	**264,244,037**

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Schedules

Schedules forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 3 - Deposits		
A. I. Demand Deposits		
i) From Banks	7,932,044	17,301,403
ii) From Others	86,893,712	268,020,176
II. Savings Bank Deposit	185,635,246	467,112,348
III. Term Deposits		
i) From banks	86,786,217	184,849,906
ii) From others (incl. CD's issued)	685,864,461	1,338,295,194
TOTAL	**1,053,111,680**	**2,275,579,027**
B. I. Deposits of branches in India	1,052,773,191	2,274,432,000
II. Deposits of branches outside India	338,489	1,147,027
TOTAL	**1,053,111,680**	**2,275,579,027**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 4 - Borrowings		
I. Innovative Perpetual Debt Instruments (IPDI) and Tier II Debt		
A. Borrowing in India		
i) IPDI	5,870,000	90,020,000
ii) Tier II Borrowings	177,759,000	180,759,000
TOTAL (A)	**183,629,000**	**270,779,000**
B. Borrowings outside India		
i) IPDI	-	-
ii) Tier II Borrowings	5,674,875	6,215,786
TOTAL (B)	**5,674,875**	**6,215,786**
TOTAL (A+B)	**189,303,875**	**276,994,786**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 4 - Borrowings		
II. Other Borrowings		
A. Borrowings in India		
i) Reserve Bank of India	520,380,000	-
ii) Other banks	18,350,000	57,147,925
iii) Other institutions and agencies	278,921,592	345,669,057
TOTAL (A)	**817,651,592**	**402,816,982**
B. Borrowings outside India TOTAL (B)	130,949,559	404,429,321
TOTAL (A+B)	**948,601,151**	**807,246,303**
TOTAL (I+II)	**1,137,905,026**	**1,084,241,089**

(1) Secured borrowings are ₹524,379,868 thousands (March 31, 2019 : ₹4,996,813 thousands).

(2) Including ₹237,121,724 thousands of refinance borrowing (March 31, 2019: ₹302,872,244 thousands) ₹16,450,000 thousands (March 31 2019: ₹16,450,000 thousands) of Green Infrastructure Bonds raised to fund 'Green Projects' and ₹21,350,000 thousands (March 31, 2019: ₹21,350,000 thousands) of Long Term Infrastructure Bonds raised to finance affordable housing and infrastructure projects.

(3) Includes bonds of ₹36,032,742 thousands (March 31, 2019: ₹32,909,865 thousands) of Medium Term Notes issued from International Business Unit (IBU) in GIFT city Gujarat to fund its growth.

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(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 5 - Other Liabilities and Provisions		
Bills payable	2,867,243	3,913,805
Inter-office adjustments (net)	-	-
Interest accrued	22,632,492	37,446,048
Others (including provisions)		
- Provision for standard advances	12,597,187	32,007,968
- Country risk exposures	69,000	532,784
- Others	129,355,765	106,001,275
- Income Tax Provision	2,833,648	-
TOTAL	**170,355,332**	**179,901,880**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 6 - Cash and Balances with Reserve Bank of India		
I. Cash in hand	16,307,411	6,333,912
II. Balances with Reserve Bank of India		
- In current account	43,129,139	101,643,457
- In other account	-	-
TOTAL	**59,436,550**	**107,977,369**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 7 - Balances with Banks, Money at Call and Short Notice		
I. In India		
Balances with banks-		
i) in current accounts	6,143,114	2,157,843
ii) in other deposit accounts	677,270	790,390
Money at call and short notice		
i) with Banks	-	-
ii) with other institutions	-	-
iii) lending under reverse repo (RBI & Banks)	13,200,000	88,310,161
TOTAL (I)	**20,020,384**	**91,258,393**
II. Outside India		
i) in current account	4,532,635	39,148,020
ii) in other deposit account	-	-
iii) money at call and short notice	314,010	31,465,525
TOTAL (II)	**4,846,644**	**70,613,545**
TOTAL (I+II)	**24,867,028**	**161,871,938**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 8 - Investments (Net of Provisions)		
A. Investments in India		
i) Government Securities	329,069,163	553,611,120
ii) Other approved securities	-	-
iii) Shares	243,865	429,168
iv) Debentures and bonds	74,399,345	154,985,441
v) Subsidiaries and/or joint ventures	-	-
vi) Others (CPs, CDs, Security Receipts, Pass through certificates etc)	32,254,100	61,130,681
TOTAL (I)	**435,966,473**	**770,156,410**

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	As at March 31, 2020	As at March 31, 2019
Schedule 8 - Investments (Net of Provisions)		
B. Investments outside India		
i) Government Securities	-	120,595,843
ii) Shares	-	9,421
iii) Debentures and bonds	-	2,523,653
iv) Others (CPs, CDs, Security Receipts, Pass through certificates etc)	1,511,561	-
TOTAL (II)	**1,511,561**	**123,128,917**
TOTAL (I+II)	**437,478,034**	**893,285,327**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 9 - Advances		
A. i) Bills purchased and discounted	22,086,320	42,078,951
ii) Cash credit, overdrafts and loans payable on demand	342,839,985	411,627,297
iii) Term loans*	1,349,404,592	1,960,265,603
TOTAL	**1,714,330,897**	**2,413,971,851**
* Provision on Non Performing Advances (NPAs) has been netted off from Term Loans		
B. i) Secured by tangible assets (includes advances secured by fixed deposits and book debt)	1,300,993,862	1,960,480,829
ii) Covered by Bank/Government guarantees	2,720,758	10,366,160
iii) Unsecured [1]	410,616,277	443,124,862
TOTAL	**1,714,330,897**	**2,413,971,851**

1 Includes advances of ₹37,671,709.07 thousands (March 31, 2019: ₹128,510,880 thousands) for which security documentation is either being obtained or being registered. As at March 31, 2020 advances amounting to ₹12,738,207.03 thousands (March 31, 2019 : ₹2,403,000 thousands) has been secured by intangible securities such as charge over the rights, licenses, authority, etc.

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 9 - Advances		
C. I. Advances in India		
i) Priority sectors	470,973,962	539,338,050
ii) Public sector	488,829	56,671
iii) Banks	1,119,061	674,817
iv) Others	1,100,867,916	1,685,204,048
TOTAL (I)	**1,573,449,767**	**2,225,273,585**
II. Advances outside India		
i) Due from Banks	5,853	431,707
ii) (a) Bills purchased and discounted	-	-
(b) Syndicated loans	35,862,373	30,796,065
(c) others	105,012,904	157,470,494
TOTAL (II)	**140,881,130**	**188,698,266**
TOTAL (I+II)	**1,714,330,897**	**2,413,971,851**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 10 - Fixed Assets		
I. Premises		
At cost as on March 31st of preceding year	378,031	378,031
Additions during the year	-	-
Deductions during the year	-	-
Accumulated depreciation to date	(21,006)	(14,704)
TOTAL (I)	**357,025**	**363,327**

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	As at March 31, 2020	As at March 31, 2019
Schedule 10 - Fixed Assets		
II. Other Fixed Assets (including furniture and fixtures and software)		
At cost as on March 31st of preceding year	18,305,440	15,319,476
Additions during the year	2,992,739	3,245,135
Deductions during the year	(310,977)	(259,173)
Accumulated depreciation to date	(14,049,021)	(10,884,314)
TOTAL (II)	**6,938,181**	**7,421,123**
TOTAL (I+II)	**7,295,206**	**7,784,450**
Capital work-in-progress	2,938,634	514,423
TOTAL	**10,233,842**	**8,298,874**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 11 - Other Assets		
I. Interest Accrued	22,516,878	39,050,909
II. Advance tax and tax deducted at source (net of provision)	-	4,894,170
III. Deferred tax asset (Refer Sch 18.15)	82,809,960	25,374,714
IV. Non-Banking assets acquired in satisfaction of claims	353,000	353,000
V. Others	226,295,448	153,517,945
TOTAL	**331,975,286**	**223,190,738**

(₹ in thousands)

	As at March 31, 2020	As at March 31, 2019
Schedule 12 - Contingent Liabilities		
I. Claims against the bank not acknowledged as debts	612,500	549,157
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	1,519,467,414	2,834,098,764
IV. Liability on account of outstanding derivative contracts		
- Single currency Interest Rate Swap	1,866,270,431	1,702,671,190
- Others	548,274,930	868,291,165
V. Guarantees given on behalf on constituents		
- in India	420,131,381	437,248,909
- Outside India	-	-
VI. Acceptances, endorsement and other obligations	198,799,106	390,140,737
VII. Other items for which the bank is contingently liable		
- Purchase of securities pending settlement	836,632	3,622,750
- Capital commitment	3,213,827	2,984,859
- Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	53,681	32,834
- Foreign exchange contracts (Tom & Spot)	25,887,555	300,477,020
- Custody	1,727,883	-
- Bills Rediscounting	-	1,500,000
TOTAL	**4,585,275,340**	**6,541,617,385**

Contingent Liability on account of outstanding forward exchange contracts and single currency interest rate swap as on March 31, 2020 includes notional amount of ₹1,067,721,532 thousands and ₹543,032,121 thousands (March 31, 2019: ₹2,035,934,447 thousands and ₹407,303,929 thousands) guaranteed by CCIL representing 70.27% and 29.10% (March 31, 2019: 71.84% and 23.92%) of total outstanding forward exchange contracts and single currency interest rate swaps respectively.

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(₹ in thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Schedule 13 - Interest Earned		
I. Interest/discount on advances/bills	212,466,013	229,185,385
II. Income on investments	42,609,208	60,484,215
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2,103,677	3,975,738
IV. Others	3,341,275	2,592,649
TOTAL	**260,520,173**	**296,237,987**

(₹ in thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Schedule 14 - Other Income		
I. Commission, exchange and brokerage	15,259,280	36,352,664
II. Profit on the sale of investments (net)	11,134,575	3,174,838
III. Profit/(Loss) on the revaluation of investments (net)	-	-
IV. Profit/(Loss) on sale of land, building and other assets	3,282	3,947
V. Profit on exchange transactions (net)	3,731,959	1,570,297
VI. Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII. Miscellaneous income	89,431,890	5,653,068
TOTAL	**119,560,986**	**46,754,814**

Miscellaneous income for the period ended March 31, 2020 includes extraordinary income on account of write down of Additional Tier I Bonds amounting to ₹84,150,000 thousands

(₹ in thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Schedule 15 - Interest Expended		
I. Interest on deposits	120,019,406	136,826,853
II. Interest on Reserve Bank of India/inter-bank borrowings/ Tier I and Tier II debt instruments	66,661,229	60,764,723
III. Others	5,899,963	521,297
TOTAL	**192,580,598**	**198,112,872**

(₹ in thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Schedule 16 - Operating Expenses		
I. Payments to and provisions for employees	26,913,246	25,381,132
II. Rent, taxes and lighting	4,540,763	4,237,407
III. Printing and stationery	407,322	425,902
IV. Advertisement and publicity	296,655	662,134
V. Depreciation on Group's property	3,419,327	3,054,514
VI. Directors' fees, allowances and expenses	57,867	46,613
VII. Auditors' fees and expenses	44,898	25,229
VIII. Law charges	151,949	90,931
IX. Postage, telegrams, telephones, etc.	643,777	648,219
X. Repairs and maintenance	357,857	423,286
XI. Insurance	2,162,391	2,079,092
XII. Other expenditure	29,705,408	26,539,820
TOTAL	**68,701,459**	**63,614,279**

(₹ in thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Schedule 17 - Provisions & Contingencies		
I. Provision for taxation (Refer Sch 18.8)	(44,056,129)	6,397,393
II. Provision for investments	64,415,773	6,824,889
III. Provision for standard advances	(19,410,781)	22,514,059
IV. Provision/write off for non performing advances	278,060,357	25,669,535
V. Other Provisions	4,115,686	2,767,116
TOTAL	**283,124,906**	**64,172,992**

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18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

18.1 Background

YES BANK is a publicly held bank engaged in providing a wide range of banking and financial services. YES BANK is a banking company governed by the Banking Regulation Act, 1949. The Bank was incorporated as a limited company under the Companies Act, 1956 on November 21, 2003. The Bank received the licence to commence banking operations from the Reserve Bank of India ('RBI') on May 24, 2004. Further, YES BANK was included to the Second Schedule of the Reserve Bank of India Act, 1934 with effect from August 21, 2004. Also the Bank has a branch at International Financial Services Centre ('IFSC') at GIFT City, Gujarat ('IBU'). The Bank classifies transactions undertaken by IBU as overseas operation.

On March 13, 2020, the Government of India notified the "Yes Bank Ltd. Reconstruction Scheme, 2020" ('Scheme'). As per the Scheme, authorized capital has been increased from ₹11,000 million to ₹62,000 million. The State Bank of India ('SBI') and other investors invested in the Bank at a price of ₹10 per equity share of the Bank (₹2 face value with a ₹8 premium). As per the scheme, SBI is required to hold upto 49% with a minimum holding of 26% by SBI in the Bank (which is subject to a 3 year lock in). Other investors are subject to a 3 year lock in for 75% of the investments they make in the Bank under this Scheme. Existing investors (other than investors holding less than 100 shares) in Yes Bank are also subject to a lock in for 75% of their holding as per this Scheme.

YES Securities (India) Limited ('the Company') was incorporated on March 14, 2013, as a wholly owned subsidiary of YES Bank Limited ('YBL' / 'Holding Company'). The Company is a securities broker registered with the Securities and Exchange Board of India since July 8, 2013. The Company also got SEBI registration as Category I Merchant Banker w.e.f. September 3, 2015 and as a Research Analyst w.e.f. November 30, 2015. The Company also got SEBI registration as Investment Adviser w.e.f. March 20, 2017. The Company offers, inter alia, trading / investment in equity, merchant banking and other financial products along with various value added services. The Company is member of the National Stock Exchange ('NSE') since May 2, 2013 and the Bombay Stock Exchange ('BSE') since June 11, 2013 and MCX since February 5, 2019, NCDEX since February 6, 2020.

YES Asset Management (India) Limited ('the Company') was incorporated on April 21, 2017 as a wholly owned subsidiary of YES BANK Limited ('YBL' / 'Holding Company'). The Company has entered into an investment management agreement with Yes Trustee Limited to act as the investment manager for any funds to be launched by YES Mutual fund. The company obtained registration from Securities and Exchange Board of India ('SEBI') to launch Mutual fund operations on July 3, 2018. Yes Mutual Fund launched its first Scheme YES Liquid Fund in January 2019. Subsequently in FY 2019-20 Yes Mutual Fund launched two schemes namely YES Ultra Short Term Fund and YES Overnight Fund.

YES Trustee Limited (the 'Company') was incorporated under the provisions of the Companies Act, 2013 on 3 May 2017 having its registered office in Mumbai. The Company is a wholly owned subsidiary of YES Bank Limited. The Company is engaged in providing trusteeship services to YES Mutual Fund. YES Mutual Fund has launched its first Scheme YES Liquid Fund in January 2019. Subsequently in FY 2019-20, YES Mutual Fund has launched two schemes namely YES Ultra Short Term Fund and YES Overnight Fund.

18.2 Assessment of Going Concern:

In the aftermath of the IL&FS crisis in September 2018, the financial sector had been heavily constrained from a liquidity stand-point. Also, rising defaults in Power and Infra sector in second half of 2019 have taken a toll on the stressed book of various Banks and NBFCs. In this macro environment, given its low capital covers, the Bank has been adversely impacted on account of elevated slippages in its corporate book especially in power and infra sector. The Bank reported a marginal profit for the quarters ended 30 June 2019 and reported loss in the quarter ended September 30, 2019. For the quarter ended December 31, 2019, as a consequence of increase in NPAs, additional recording slippages post period end and increase in PCR, the reported loss was ₹185,604 million. The Bank had also breached the RBI mandated Common Equity (CET1) ratio which stood at 0.62% at 31 December 2019 as compared to the requirement of 7.375%. The delay in capital raising triggered the downgrade of the Bank's rating by Rating Agencies.

In addition the deposit outflow in early October on account of a combination of events such as invocation of Promoter's pledged shares\IT glitches for Yes Bank (and others)\ problems arising from financial distress in Punjab and Maharashtra Cooperative Bank

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led to a continuing breach in Liquidity Coverage Ratio (LCR) starting October 2019 and continues till date. The Bank's deposit base has seen a reduction from ₹2,094,973 million as at September 30, 2019 to ₹1,657,554 million as at December 31, 2019. The deposit position as at March 31, 2020 is ₹1,053,639 million and has reduced further to ₹1,027,179 million as at May 02, 2020. The Bank had also prepaid ~USD 1.18 billion (₹85,000 million) by February 29, 2020. On March 5, 2020, the Central Government, based on the RBI's application imposed a moratorium under section 45 of the Banking Regulation Act, 1949 for a period of 30 days effective March 5, 2020 which was lifted on March 18, 2020. Further, the RBI, in consultation with the Central Government and in exercise of the powers under section 36ACA of the Banking Regulation Act 1949, superseded the Board of Directors of the Bank on March 5, 2020. As per the moratorium a restriction was imposed on the withdrawal by depositors of amounts up to ₹50,000 and the Bank also could not grant or renew loans or make any investments.

On March 13, 2020, the Government of India notified the "Yes Bank Ltd. Reconstruction Scheme, 2020" (Scheme). As per the Scheme, authorized capital has been increased from ₹11,000 million to ₹62,000 million. The State Bank of India (SBI) and other investors invested in 10,000 million shares at a price of ₹10 per equity share of the Bank (₹2 face value with a ₹8 premium). The Bank has received capital amounting to ₹100,000 million as of March 14, 2020 from a consortium of Banks and Financial Institution led by State Bank of India. SBI is required to hold upto 49% with a minimum holding of 26% by SBI in the Bank (which is subject to a 3 year lock in). Other investors are subject to a 3 year lock in for 75% of the investments they make in the Bank under this Scheme. Existing investors (other than investors holding less than 100 shares) in Yes Bank are also subject to a lock in for 75% of their holding as per this Scheme.

A new Board of Directors, MD & CEO and Non Executive Chairman have also been appointed under the Scheme. The Bank has since obtained a Board approval to raise additional equity of upto ₹150,000 million. As a consequence of the reconstitution the Bank was deemed to be un-viable. Consequently, write-back of certain Basel III additional tier 1 Bonds ("AT 1 Bonds") issued by the Bank had been triggered. Hence, such AT 1 Bonds amounting to ₹84,150 million have been fully written down permanently. The Trustees, on behalf of the holders of AT 1 Bonds have filed a writ petition seeking to challenge the decision of the Bank to write down AT 1 bonds. The Bank, based on the legal opinion of its external independent legal counsel is of the view that the merits of the Bank's decision to write back the AT 1 bonds is in accordance with the contractual terms for issuance of AT 1 Bonds. The Bank had also been granted a short term special liquidity facility for 90 days (ending on June 16, 2020) from the RBI. The Bank has written to RBI for an extension of the same for a year. The Bank also raised CDs of ₹72,000 million as at March 31, 2020. As a consequence of the above factors the Bank's loss post tax and AT 1 write back (exceptional income) is ₹164,180 million. The Bank's CET1 ratio is 6.3% (regulatory requirement with CCB of 7.375%) and tier 1 capital ratio is 6.5% (regulatory requirement of 8.875%) as at March 31, 2020. The Bank has substantially enhanced its PCR and strengthened its Balance Sheet. However, RBI's current framework on 'Prompt Corrective Action' (PCA) considers regulatory breaches in CET as a potential trigger. The Bank remains in constant communication with RBI on the various parameters and ratios and RBI has not imposed any fine on the Bank for the regulatory breaches.

The Bank's deposit base has seen a reduction from ₹2,276,102 million as at March 31, 2019 to ₹1,053,639 million as at March 31, 2020 (Position as at May 02, 2020 ₹1,027,179 million). Consequently, the Bank's quarterly average 'Liquidity Coverage Ratio' (LCR) has fallen from 74% for the quarter ended December 31, 2019 to 40% for the quarter ended March 31, 2020 (regulatory limit 100%), position as at May 02, 2020 34.8%(regulatory limit 80%). The Bank also has a deferred tax asset of ₹82,810 million as at March 31, 2020. Though the Bank has made a loss of ₹164,180 million for the year ended March 31, 2020, the Bank has a taxable profit for the year ended March 31, 2020.

In the month of March 2020, SARS-CoV-2 virus responsible for COVID-19 continued to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic outlook and activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Bank's future results will depend on related developments, which remain highly uncertain.

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While further reduction in deposits lost post moratorium may cast material uncertainty, particularly in the current COVID scenario, the Bank under the leadership of new management and Reconstituted Board is confident that it can tide over the current issues successfully.

This belief is reinforced by the pedigree of new investors of the Bank (led by State Bank of India and other Financial Institutions). Further, The Bank's management and board of directors have made an assessment of its ability to continue as a going concern based on the projected financial statements for the next 3 years and are satisfied that the proposed capital infusion and the Bank's strong customer base and branch network will enable the Bank to continue its business for the foreseeable future, so as to be able to realize its assets and discharge its liabilities in its normal course of business. As such, the financial statements continue to be prepared on a going concern basis.

18.3 Principles of Consolidation

The consolidated financial statements comprise the financial statements of YES Bank Limited, and its subsidiaries, YES Securities (India) Limited, YES Asset Management (India) Limited and YES Trustee Limited which together constitute the 'Group'.

The Bank consolidates its subsidiaries in accordance with Accounting Standard ('AS') 21, Consolidated Financial Statements notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 issued by the Ministry of Corporate Affairs to the extent applicable on a line-by-line basis by adding together the like items of assets, liabilities, income and expenditure.

18.4 Basis of preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of The Group used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the Reserve Bank of India (RBI) from time to time, the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India.

The Group follows accrual method of accounting and the historical cost convention, unless otherwise stated by RBI guidelines.

18.5 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered while reporting amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

From the quarter ended December 31, 2019, the Bank considers slippages in Corporate NPAs post the period end till the date of results / financial statement, while determining NPAs and related provisioning requirements. Further, the Bank had decided, on a prudent basis, to enhance its Provision Coverage Ratio on its NPA loans over and above the RBI loan level provisioning requirements. As a result, the Bank recognized additional provisions of ₹154,220.39 million for the period ended December 31, 2019. Subsequently, RBI issued guidelines on COVID-19 Regulatory Package, under which, the Bank granted a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020. For all such accounts where the moratorium is granted (except advances at IFSC Banking Unit (IBU), the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms) and as the asset classification as of March 31, 2020 has been retained based on the overdue status as at February 29, 2020. Hence on account of above mentioned RBI circular dated April 17,2020, Bank has not considered slippages post March 31, 2020 till the date of results / financial statement.

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In line with RBI requirements, the Bank holds necessary provisions as at March 31, 2020 against the assets where the asset classification benefit has been extended on account of standstill requirements.

18.6 Significant accounting policies

18.6.1 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

- Interest income is recognized in the profit and loss account on accrual basis, except in the case of non-performing assets. Interest on non-performing assets is recognized as per the prudential norms of the RBI. Penal Interest is recognized upon certainty of its realization.
- Dividend income is recognized when the right to receive payment is established.
- Commission on guarantees issued by the Bank is recognized as income over the period of the guarantee.
- Commission on Letters of Credit ('LC') issued by the Bank is recognized as income at the time of issue of the LC.
- Income on non-coupon bearing discounted instruments is recognized over the tenure of the instrument on a straight line basis. In case of coupon bearing discounted instruments, discount income is recognized over the tenor of the instrument on yield basis.
- In case of Bonds and Pass Through Certificates, premium on redemption, if any, is amortised over the tenure of the instrument on a yield basis.
- Revenue from financial advisory services is recognized in line with milestones achieved as per terms of agreement with clients which is reflective of services rendered.
- Facility fees and loan processing fees are recognised when due and realizable.
- Other fees and commission are accounted for as and when they became due.
- Brokerage income is recognised as per contracted rate on execution of transaction on behalf of the customers on the trade date, GST and stock exchange expenses.
- Fee income from Investment banking / Merchant banking services are recognised based on completion of milestone as per the engagement letter. Further Fee income in relation to public issues/ other securities is recognised based on mobilization and intimation received from clients / intermediaries.
- Interest income, account opening income and other income is recognized on accrual basis.
- Fee for subscription based services are recognised as earned on a pro rata basis over the term of the plan.
- Management fees are accounted for on accrual basis in accordance with the investment management agreement and SEBI (Mutual Fund) Regulations, 1996.
- Dividend income is recognized when the right to receive dividend is established.

18.6.2 Investments

Classification and valuation of the Bank's investments are carried out in accordance with RBI Circular DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015.

Accounting and Classification

The Bank follows settlement date accounting for Investments. In compliance with RBI guidelines, all investments, are categorized as "Held for trading" ('HFT'), "Available for sale" ('AFS') or "Held to maturity" ('HTM') at the time of its purchase. For the purpose of disclosure in the balance sheet, investments are classified as disclosed in Schedule 8 ('Investments') under six groups (a) government securities (b) other approved securities (c) shares (d) bonds and debentures (e) subsidiaries and joint ventures and (f) others.

a) Cost of acquisition

Costs such as brokerage pertaining to investments, paid at the time of acquisition and broken period interest are charged to the profit and loss account as per the RBI guidelines.

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b) Basis of classification

Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category. Investments that The Group intends to hold till maturity are classified under the HTM category, or as per RBI guidelines. Securities which are not classified in the above categories are classified under the AFS category.

c) Transfer between categories

Reclassification of investments from one category to the other, if done, is in accordance with RBI guidelines. Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/ HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice- a- versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

d) Valuation

Investments categorized under AFS and HFT categories are marked to market (MTM) on a periodical basis as per relevant RBI guidelines. Net depreciation, if any, in the category under the classification mentioned in Schedule 8 ('Investments') is recognized in the profit and loss account. The net appreciation, if any, in the category under each classification is ignored, except to the extent of depreciation previously provided. The book value of individual securities is not changed consequent to periodic valuation of investments.

Investments received in lieu of restructured advances scheme are valued in accordance with RBI guidelines. Any diminution in value on these investments is provided for and is not used to set off against appreciation in respect of other performing securities in that category. Depreciation on equity shares acquired and held by The Group under restructuring scheme is provided as per RBI guidelines.

Investments classified under the HTM category are carried at their acquisition cost and any premium over the face value, paid on acquisition, is amortised on a straight line basis over the remaining period to maturity. Amortization expense of premia on investments in the HTM category is deducted from interest income in accordance with RBI Circular DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015. Where in the opinion of management, a diminution, other than temporary in the value of investments classified under HTM has taken place, suitable provisions are made. Profit/loss on sale of investments in the 'Held to Maturity' category is recognised in the profit and loss account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve.

Treasury Bills, Commercial Paper and Certificates of deposit being discounted instruments, are valued at carrying cost.

Pass Through Certificates purchased for priority sector lending requirements are valued at Book Value in accordance with RBI guidelines.

The market/ fair value applied for the purpose of periodical valuation of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/ quotes on the stock exchanges and for Subsidiary General Ledger ('SGL') account transactions, the prices as periodically declared by Financial Benchmarks India Pvt. Ltd.(FBIL).

The market/ fair value of unquoted government securities included in the AFS and HFT category is determined as per the prices published by FBIL. Further, in the case of unquoted bonds, debentures, pass through certificates (other than priority sector) and preference shares, valuation is carried out by applying an appropriate mark-up (reflecting associated credit risk) over the Yield to Maturity ('YTM') rates of government securities. Such mark up and YTM rates applied are as per the relevant rates published by FIMMDA/FBIL.

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is netted in the Investment schedule. The short position is marked to market and loss, if any, is charged to the Profit and Loss account while gain, if any, is ignored. Profit / Loss on settlement of the short position is recognised in the Profit and Loss account.

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Units of Venture Capital Funds (VCF) held under AFS category are valued using the Net Asset Value (NAV) shown by VCF as per the financial statement. The VCFs are valued based on the audited results once in a year. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF.

Quoted equity shares are valued at their closing price on a recognized stock exchange. Unquoted equity shares are valued at the break-up value if the latest balance sheet is available, else, at ₹1 per company, as per relevant RBI guidelines.

At the end of each reporting period, security receipts issued by the asset reconstruction company are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction company are limited to the actual realization of the financial assets assigned to the instruments in the concerned scheme, The Group reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting date. In case of investment in Security Receipts on or after April 01, 2017 which are backed by more than 50% of the stressed assets sold by the bank or 10% of the stressed asset sold by the bank post April 01, 2018, provision for depreciation in value is made at higher of - provisioning rate required in terms of net assets value declared by Reconstruction Company(RC)/Securitization Company(SC) or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continue in the books of the Bank. All other investments in the Security Receipts are valued as per the NAV obtained from issuing RC/SC.

Investments in quoted Mutual Fund (MF) Units are valued at the latest repurchase price/net asset value declared by the mutual fund. Investments in un-quoted MF Units are valued on the basis of the latest re-purchase price declared by the MF in respect of each particular Scheme.

Investment in listed instruments of Real Estate Investment Trust (REIT)/Infrastructure Investment Trust (INVIT) is valued at closing price on a recognized stock exchange with the higher volumes. In case the instruments were not traded on any stock exchange within 15 days prior to date of valuation, valuation is done based on the latest NAV (not older than 1 year) submitted by the valuer.

Sovereign foreign currency bonds are valued using Composite Bloomberg Bond Trader (CBBT) price or Bloomberg Valuation Service (BVAL) price or on Treasury curve in the chronological order based on availability.

Non- Sovereign foreign currency Bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price, Bloomberg Generic price (BGN), Last available CBBT pricing for the instrument or Proxy Bond Pricing from Bloomberg in the chronological order based on availability.

Masala bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price or as per FIMMDA guided valuation methodology for unquoted bonds in the chronological order based on availability.

Special bonds such as oil bonds, fertilizer bonds, UDAY bonds etc. which are directly issued by Government of India ('GOI') is valued based on FBIL valuation.

Equity shares in the Banks 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 Group additionally creates provision over and above the RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognised in the Profit and Loss account until received.

e) Profit/Loss on sale of Investments

Profit/Loss on sale of Investments in the HTM category is recognized in the profit and loss account and profit thereafter is appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit/Loss on sale of investments in HFT and AFS categories is recognized in the Profit and Loss account.

f) Accounting for repos / reverse repos

Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) including liquidity adjustment facility (LAF) with RBI are treated as collateralized borrowing and lending transactions respectively

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in accordance with RBI master circular No. DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015. The first leg of the repo transaction is contracted at the prevailing market rates. The difference between consideration amounts of first and second (reversal of first) leg reflects interest and is recognized as interest income/expense over the period of transaction.

Group also undertakes Repo and Reverse repo transactions from IFSC Banking Unit in GIFT City in Foreign currency Sovereign Securities and accounting is similar to the domestic repo transactions.

g) Investment fluctuation reserve

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.

Transferred 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.

18.6.3 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.

Provisioning

Provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of the advances, subject to the minimum provisioning level prescribed in relevant RBI guidelines. The specific provision levels for retail non-performing assets are also based on the nature of product and delinquency levels. Specific provisions in respect of non-performing advances are charged to the Profit and Loss account and included under Provisions and Contingencies. From the quarter ended December 31, 2019, the Bank consider slippages in Corporate NPAs post the period end till the date of results / financial statement, while determining NPAs and related provisioning requirements.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank has granted a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted (except advances at IFSC Banking Unit (IBU), the asset classification as of March 31, 2020 has been retained based on the overdue status as at February 29, 2020. As a consequence the Bank has not recognized any slippage in asset classification from standard to NPA post February 29, 2020 on account of moratorium.

As per the RBI guidelines a general provision is made on all standard advances, including provision for borrowers having unhedged foreign currency exposure and for credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts. These also include 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. Such provisions are included in Schedule 5 - 'Other liabilities & provisions - Others'.

In respect of restructured standard and non performing advances, provision is made for the present value of principal and interest component sacrificed at the time of restructuring the assets, based on the RBI guidelines.

Accounts are written-off in accordance with the Bank's policies. Recoveries from bad debts written-off are recognised in the Profit and Loss account and included under other income.

In case of loans sold to asset reconstruction company, if consideration is more than net book value, the group records the security receipts as investment at Net Book Value as per RBI guidelines.

The Bank has in place a Country Risk management policy as part of its Board approved Credit policy, which is based on extant regulatory guidelines and addresses the identification, measurement, monitoring and reporting of country risk. Countries are categorized into seven risk categories, viz. Insignificant, Low Risk, Moderately Low Risk, Moderate Risk, Moderately Risk, High Risk and Very High Risk. The Bank calculates direct and indirect country risk in line with the policy requirements. Indirect exposure is reckoned at 50% of the exposure in case of countries where the net funded exposure exceeds 1% of the Bank's total assets. Further, if the net funded

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exposure of The Bank in respect of each country exceeds 1% of the Bank's total assets, provisioning is required to be made on exposure to such countries. Depending on the risk category of the country, provisioning is done on a graded scale ranging from 0.25% to 100% for exposures with contractual maturity greater than or equal to 180 days. In respect of short-term exposures with contractual maturity less than 180 days, 25% of the normal provision requirement is held.

18.6.4 Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Income and expenditure items of integral foreign operations (representative offices) are translated at the daily average closing rates and of non-integral foreign operations (foreign branches) at the monthly average closing rates.

Premia/discounts on foreign exchange swaps, that are used to hedge risks arising from foreign currency assets and liabilities, are amortized over the life of the swap.

Monetary foreign currency assets and liabilities are translated at the balance sheet date at rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI'). Foreign exchange contracts are stated at net present value using LIBOR/SWAP curves of the respective currencies 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.

In accordance with AS 11 'The Effects of changes in Foreign Exchange Rates', contingent liabilities in respect of outstanding foreign exchange forward contracts, derivatives, guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI corresponding to the balance sheet date.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date and the resulting profit / loss arising from exchange differences are accumulated in the Foreign Currency Translation Account until the disposal of the net investment in the non-integral foreign operations.

In accordance with the RBI clarification, the Bank does not recognise in the profit and loss account the proportionate exchange gains or losses held in the foreign currency translation reserve on repatriation of profits from overseas operations.

Currency future contracts are marked to market daily using settlement price on a trading day, which is the closing price of the respective future contracts on that day. While the daily settlement prices is computed on the basis of weighted average price of such contract, the final settlement price is taken as the RBI reference rate on the last trading day of the future contract or as may be specified by the relevant authority from time to time. All open positions are marked to market based on the settlement price and the resultant marked to market profit / loss is daily set.

18.6.5 Earnings per share

The Group reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings per Share" notified under section 133 of the Companies Act 2013. Basic earnings per equity share have been computed by dividing net profit after tax for the year by the weighted average number of equity shares outstanding for the period.

Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares options outstanding during the period except where the results are anti -dilutive.

18.6.6 Accounting for derivative transactions

Derivative transactions comprises forward rate agreements, swaps and option contracts. The Group undertakes derivative transactions for market making/trading and hedging on-balance sheet assets and liabilities. All market making/trading transactions are marked to market on a monthly basis and the resultant unrealized gains/losses are recognized in the profit and loss account.

Derivative transactions that are undertaken for hedging are accounted for on accrual basis except for the transaction designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements, which are accounted similar to the underlying asset or liability.

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Cross currency interest rate swaps which are used by The Group to hedge its foreign currency borrowings have been designated as cash flow hedges and are measured at fair value. The corresponding gain or loss is recognised as cash flow hedge reserve. Further to match profit/ loss on account of revaluation of foreign currency borrowing, the corresponding amount is recycled from cash flow hedge reserve to Profit and Loss account.

The Group follows the option premium accounting framework prescribed by FEDAI SPL- circular dated Dec 14, 2007. Premium on option transaction is recognized as income/expense on expiry or early termination of the transaction. Mark to market (MTM) gain/loss (adjusted for premium received/paid on option contracts) is recorded under 'Other Income'.

The amounts received/paid on cancellation of option contracts are recognized as realized gains/losses on options. Charges receivable/payable on cancellation/ termination of foreign exchange forward contracts and swaps are recognized as income/ expense on the date of cancellation/ termination under 'Other Income'.

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.

18.6.7 Fixed assets

Fixed assets are stated at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost comprises the purchase price and any cost attributable for bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit /functioning capability from / of such assets.

18.6.8 Depreciation

Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, as determined by the management, at the rates mentioned below-

Class of asset	Useful life of Assets as per Companies Act, 2013	Useful life of Assets as per Bank's Accounting Policy
Owned Premises	60 years	60 years
Office equipment	5 years	5 years
Computer hardware[1]	6 years	3 years
Computer software *	6 years	4 years
Vehicles[1]	8 years	5 years
Furniture and Fixtures	10 years	10 years
Automated Teller Machines ('ATMs') [1]	15 years	10 years
Leasehold improvements to premises	-	Over the lease period or 9 years whichever is less.

*As per RBI Guidelines.

[1] Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

- Assets costing up to ₹5,000 are fully depreciated in the year of purchase.
- For assets purchased/ sold during the year, depreciation is being provided on pro rata basis by the Bank.
- Improvements to leasehold assets are depreciated over the remaining period of lease.
- Reimbursement, if any, is recognised on receipt and is adjusted to the book value of asset and depreciated over the balance life of the asset.
- Whenever there is a revision in the estimated useful life of the asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.
- The useful life of assets is based on historical experience of the Bank, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

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18.6.9 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such assets are considered to be impaired, the impairment is recognised by debiting the profit and loss account and is measured as the amount by which the carrying amount of the assets exceeds the recoverable amount of the assets.

18.6.10 Employee benefits

Employee Stock Option Scheme ('ESOS')

The Employee Stock Option Scheme ('the Scheme') provides for the grant of options to acquire equity shares of The Group to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within specified periods.

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock (i.e. the last closing price on the stock exchange on the day preceding the date of grant of stock options) over the exercise price. The exercise price of the Bank's stock option is the last closing price on the stock exchange on the day preceding the date of grant of stock options and accordingly there is no compensation cost under the intrinsic value method.

Compensated Absence

The employees of the Group are entitled to carry forward a part of their unavailed/ unutilized leave subject to a maximum limit. The employees cannot encash unavailed/ unutilized leave. The Group provides for leave encashment / compensated absences based on an independent actuarial valuation at the Balance Sheet date, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation.

Gratuity

The Group provides for gratuity, a defined benefit retirement plan, covering eligible employees. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent to 15 days' eligible salary payable for each completed year of service if the service is more than 5 years. The Group accounts for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation.

The defined gratuity benefit plans are valued by an independent actuary as at the Balance Sheet date using the projected unit credit method as per the requirement of AS-15, Employee Benefits, to determine the present value of the defined benefit obligation and the related service costs. Under this method, the determination is based on actuarial calculations, which include assumptions about demographics, early retirement, salary increases and interest rates. Actuarial gain or loss is recognised in the Profit and Loss account.

Provident fund

In accordance with law, all employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and The Group contribute monthly at a pre determined rate. Contribution to provident fund are recognized as expense as and when the services are rendered. The Group has no liability for future provident fund benefits other than its annual contribution.

In February 2019, the honorable Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). The Group has been legally advised that there are interpretative challenges on the application of judgment retrospectively and as such does not consider there is any probable obligations for past periods. The Group has given effect of this judgment from April 01, 2019 prospectively.

National Pension System (NPS)

The NPS is a defined contribution retirement plan. The primary objective is enabling systematic savings and to provide retirees with an option to achieve financial stability. Pension contributions are invested in the pension fund schemes. The Group has

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no liability for future fund benefits other than the voluntary contribution made by employees who agree to contribute to the scheme.

18.6.11 Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term in accordance with Accounting Standard -19, Leases.

18.6.12 Income taxes

Tax expense comprises current and deferred tax. Current tax comprises of the amount of tax for the period determined in accordance with the Income Tax Act, 1961 and the rules framed there under. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence. Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized.

18.6.13 Provisions and contingent assets/liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The Group or a present obligation that arises from past events that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Group does not recognize a contingent liability but discloses its existence in the financial statements

In accordance with AS 29, Provisions, Contingent Liabilities and Contingent Assets, The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

18.6.14 Cash and Cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

18.6.15 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognised in the Profit and Loss account.

18.6.16 Debit and credit cards reward points

The Bank estimates the probable redemption of debit and credit card reward points and cost per point using actuarial valuation method by employing an independent actuary, which includes assumptions such as mortality, redemption and spends.

Provisions for liabilities on said reward points are made based on the actuarial valuation report as furnished by the said independent actuary and included in other liabilities.

18.6.17 Bullion

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on a price quoted by the supplier. The Group earns a fee on such bullion transactions. The fee is classified in other income. The Group also deals in bullion on a borrowing and lending basis and the interest paid / received thereon is classified as interest expense / income respectively.

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18.6.18 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

18.6.19 Segment information

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI.

18.6.20 Priority Sector Lending Certificates (PSLC)

The Bank, in accordance with RBI circular FIDD.CO.Plan.BC.23/ 04.09.01/2015-16 dated April 7, 2016, trades in priority sector portfolio by selling or buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

18.7 Capital

18.7.1 Equity Issue

During the financial year ended March 31, 2020, the Bank has issued 231,055,018 equity shares of ₹2 each for cash pursuant to a Qualified Institutions Placement (QIP) at ₹83.55 aggregating to ₹19,304.64 million.

On March 13, 2020, the Government of India notified the "Yes Bank Ltd. Reconstruction Scheme, 2020" (Scheme). As per the Scheme, authorized capital has been increased from ₹11,000 million to ₹62,000 million (₹8,000 million as at March 31, 2019). The State Bank of India (SBI) and other investors invested in the Bank at a price of ₹10 per equity share of the Bank (₹2 face value with a ₹8 premium). As per the scheme, SBI is required to hold upto 49% with a minimum holding of 26% by SBI in the Bank (which is subject to a 3 year lock in). Other investors are subject to a 3 year lock in for 75% of the investments they make in the Bank under this Scheme. Existing investors (other than investors holding less than 100 shares) in YES Bank are also subject to a lock in for 75% of their holding as per this Scheme. Further, as per final reconstruction scheme of the Bank, Bank has issued 10,000 million equity shares at ₹10 each aggregating to ₹100,000.00 million.

The share allotment under reconstruction scheme is given below:

Sr No.	Name of Investor	Subscription Amount (₹ in million)	Number of Equity Shares Allotted (in Million)
1	State Bank of India	60,500	6,050
2	Housing Development Finance Corporation Limited	10,000	1,000
3	ICICI Bank Limited	10,000	1,000
4	Axis Bank Limited	6,000	600
5	Kotak Mahindra Bank Limited	5,000	500
6	The Federal Bank Ltd	3,000	300
7	Bandhan Bank Limited	3,000	300
8	IDFC First Bank Limited	2,500	250
	TOTAL	**100,000**	**10,000**

The Bank accreted ₹79,550.00 million (net of estimated share issue expenses of ₹450.00 million) as premium. The Bank also issued 4,384,174 shares pursuant to the exercise of stock option aggregating to ₹284.53 million. During the financial year ended March 31, 2019, the Bank has issued 12,065,794 shares pursuant to the exercise of stock option aggregating to ₹953.47 million.

Movement in Share Capital

(₹ in million)

Share Capital	As at March 31, 2020	As at March 31, 2019
Opening Share Capital	4,630.07	4,605.93
Addition due to exercise of Stock Option	8.76	24.13
Addition due to shares issued for QIP	462.11	-
Addition due to shares issued under Reconstruction scheme	20,000.00	-
Closing Share Capital	25,100.94	4,630.07

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Write Down of AT1 Bonds

On March 13, 2020, pursuant to the provisions of Section 45 of the Banking Regulation Act, 1949, the Reserve Bank of India (RBI) reconstituted YES Bank Limited ("the Bank"). As a consequence of the reconstitution, the Bank was deemed to be non-viable. Further, the Bank incurred losses and breached RBI mandated Common Equity Ratio (CET 1) and other statutory ratios. This activated the triggers for write-down of Basel III additional tier 1 Bonds amounting to ₹84,150 million ("AT 1 Bonds") issued by the Bank. Accordingly, the Bank was constrained to write down AT 1 bonds on March 14, 2020. The Trustees, on behalf of the holders of AT 1 Bonds have filed a writ petition seeking to challenge the decision of the Bank to write down AT 1 bonds. The Bank, based on the legal opinion of its external independent legal counsel is of the view that the merits of the Bank's decision to write down the AT 1 bonds in accordance with the contractual terms for issuance of AT 1 Bonds.

Interest on Additional Tier I Capital (Unsecured, Non-Convertible, Tier I Subordinated Perpetual Bonds in the nature of Promissory Notes issued under Basel II guidelines) amounting to ₹84.0 million was not paid by the Bank as the regulatory ratio of the Bank were lower than the minimum required.

18.7.2 Proposed Dividend:

The Bank has made loss during the year and as consequence to that the Bank has not declared any dividend. Further, the Reserve Bank of India, vide its circular dated April 17, 2020, has declared that banks shall not make any further dividend payouts from profit pertaining to financial year ended March 31, 2020, until further instructions with the view to conserve capital in the environment of heightened uncertainly caused by COVID- 19.

18.7.3 Divergence in Asset Classification and Provisioning for NPAs

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1 April, 2019. banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period. As part of the Risk Based Supervision (RBS) exercise for FY 2018-19 concluded in November 2019, the RBI has pointed out certain retrospective divergence in the Bank's asset classification and provisioning as on 31st March 2019. In conformity with the above mentioned RBI circular, the below table outlines divergences in asset classification and provisioning.

Sr No.	Particulars	(₹ in million)
1	Gross NPAs as on March 31, 2019 as reported by the Bank	78,825.59
2	Gross NPAs as on March 31, 2019 as assessed by RBI	111,595.59
3	Divergence in Gross NPAs (2-1)	32,770.00
4	Net NPAs as on March 31, 2019 as reported by the Bank	44,848.49
5	Net NPAs as on March 31, 2019 as assessed by RBI	67,838.49
6	Divergence in Net NPAs (5-4)	22,990.00
7	Provision for NPAs as on March 31, 2019 as reported by the Bank	33,977.10
8	Provision for NPAs as on March 31, 2019 as assessed by RBI	43,757.10
9	Divergence in provisioning (8-7)	9,780.00
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2019	17,202.79
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning	10,840.31

18.8 Income Taxes

Provisions made for Income Tax during the year

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current income tax expense	13,379.12	23,009.69
Deferred income tax credit	(57,435.25)	(16,612.30)
TOTAL	**(44,056.13)**	**6,397.39**

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18.9 Staff retirement benefits

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the Group's financial statements as of March 31, 2020 and March 31, 2019:

Changes in present value of Obligations

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Present Value of Obligation at the beginning of the year	1,464.09	1,155.37
Interest Cost	103.41	87.56
Current Service Cost	376.36	279.03
Past Service Cost	-	-
Benefits Paid	(154.86)	(83.96)
Actuarial (gain)/loss on Obligation	(204.80)	26.07
Present Value of Obligation at the end of the year	1,584.20	1,464.09

Changes in the fair value of plan assets:

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of plan assets at the beginning of the year	1,125.60	1,155.29
Adjustment to Opening Balance	-	-
Expected return on plan assets	79.17	80.78
Contributions	200.00	-
Benefits paid	(154.86)	(83.96)
Actuarial gain/(loss) on plan assets	(27.02)	(26.51)
Fair value of plan assets at the end of the period	1,222.89	1,125.60

The Group has entire contribution of Gratuity Fund as Investments with Insurance Companies which are invested primarily in debt instruments as approved by IRDA.

Estimated rate of return on plan assets is based on the expected average long-term rate of return on investments of the Fund during the estimated term of the obligations

Net gratuity cost for the year ended March 31, 2020 and March 31, 2019 comprises the following components:

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	376.36	279.03
Interest Cost	103.41	87.55
Expected Return on plan assets	(79.17)	(80.78)
Net Actuarial gain recognized in the year	(177.78)	52.59
Past Service Cost	-	0.09
Expenses recognized	222.82	338.48

Experience History:

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
(Gain)/Loss on obligation due to change in assumption	(252.08)	57.48	(70.88)	48.37	15.18
Experience (Gain)/Loss on obligation	47.97	(31.99)	113.80	32.76	(5.99)
Actuarial Gain/(Loss) on plan assets	(27.02)	(26.51)	(5.21)	8.46	(18.68)

The assumptions used in accounting for the gratuity plan are set out below:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount Rate	5.47%~6.60%	7.05%~7.55%
Expected Return on Plan Assets	8.00%	7.00%
Mortality	IALM (2012-14) Ult	IALM (2006-08) Ult
Future Salary Increases	9%~10.00%	10%~12.00%
Disability		
Attrition	10%-34%	8%-27%
Retirement	60 yrs	60 yrs

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Actuarial assumption on salary increase also takes into consideration the inflation, seniority, promotion and other relevant factors.

Position of plan asset / liability

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of plan assets at the end of the period	1,222.89	1,125.60
Present Value of Obligation at the end of the year	1,584.20	1,464.09
Plan asset / (liability)	**(361.31)**	**(338.49)**

The Group is yet to determine future contribution to Gratuity fund for Financial Year 2020-21

National Pension Scheme

The Group has contributed ₹26.69 million for the year ended March 31, 2020 (March 31, 2019: ₹20.82 million) to NPS for employees who had opted for the scheme. The Group has no liability for future fund benefits other than its annual contribution for the employees who agree to contribute to the scheme.

Provident Fund (PF)

The Group has recognised in the profit and loss account ₹1,069.79 million for the year ended March 31, 2020 (March 31, 2019: ₹823.71 million) towards contribution to the provident fund.

Compensated absence

The Group has recognised ₹170.40 million in the profit and loss account for the year ended March 31, 2020 (March 31, 2019: ₹174.07 million) towards compensated absences.

18.10 Segment Results

Pursuant to the guidelines issued by RBI on AS-17 (Segment Reporting) - Enhancement of Disclosures dated April 18, 2007, effective from period ending March 31, 2008, the following business segments have been reported.

- Treasury: Includes investments, all financial markets activities undertaken on behalf of the Bank's customers, proprietary trading, maintenance of reserve requirements and resource mobilisation from other banks and financial institutions.
- Corporate / Wholesale Banking: Includes lending, deposit taking and other services offered to corporate customers.
- Retail Banking: Includes lending, deposit taking and other services offered to retail customers.
- Other Banking Operations: Includes para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2020 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	118,905.25	170,401.49	59,161.77	2,977.86	**351,446.36**
Less: Inter-segment					(55,515.21)
Revenue net of inter-segment					295,931.16
Result	(15,056.17)	(244,883.17)	(10,469.90)	(450.87)	**(270,860.56)**
Unallocated Expenses					(21,671.86)
Operating Profit					(292,531.93)
Income Taxes					(65,236.68)
Extra-ordinary Profit/ (Loss)					62,969.45
Net Profit					**(164,325.80)**
Other Information:					
Segment assets	718,964.42	1,258,777.91	503,345.05	1,773.61	**2,482,860.98**
Unallocated assets					95,460.66
Total assets					**2,578,321.64**
Segment liabilities	1,317,079.06	478,934.16	547,960.39	1,958.42	**2,345,931.98**
Unallocated liabilities					232,389.66
Total liabilities					**2,578,321.64**

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Other banking operations includes income from bancassurance business ₹836.40 million during year ended March 31, 2020.

Segmental results for the year ended March 31, 2019 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	104,539.78	222,612.45	45,658.71	2,936.72	**375,747.65**
Less: Inter-segment					(32,759.28)
Revenue net of inter-segment					342,988.37
Result	**35,460.35**	**14,183.39**	**(4,524.82)**	**884.69**	**46,003.61**
Unallocated Expenses					(22,513.56)
Operating Profit					23,490.05
Income Taxes					6,397.39
Extra-ordinary Profit/ (Loss)					-
Net Profit					**17,092.66**
Other Information:					
Segment assets	1,302,564.99	1,979,830.69	486,554.09	2,939.84	3,771,889.61
Unallocated assets					36,706.48
Total assets					**3,808,596.10**
Segment liabilities	1,081,751.87	1,411,265.34	947,394.05	2,112.79	**3,442,524.05**
Unallocated liabilities					366,072.04
Total liabilities					**3,808,596.10**

Other banking operations includes income from bancassurance business ₹868.16 million during year ended March 31, 2019.

Notes for segment reporting:

1. The business of the Bank is concentrated largely in India. Accordingly, geographical segment results have not been reported in accordance with AS-17 (Segment Reporting).
2. In computing the above information, certain estimates and assumptions have been made by the Management and have been relied upon by the auditors.
3. Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.
4. The unallocated assets Includes tax paid in advance/tax deducted at source and deferred tax asset.
5. The unallocated liabilities include Share Capital, Reserves & Surplus and Tier 1 bond borrowings.
6. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

18.11 Related Party Disclosures

The Bank has transactions with its related parties comprising of investing party, key management personnel and the relative of key management personnel

As per AS 18 "Related Party Disclosures", notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, the Bank's related parties for the year ended March 31, 2020 are disclosed below:

Individuals having significant influence:

- Mr. Ravneet Gill, Managing Director & CEO (till March 05, 2020)
- Mr. Prashant Kumar, Administrator - Appointed by the Reserve Bank of India, (from March 06, 2020 till March 25, 2020)
- Mr. Prashant Kumar, Managing Director & CEO (from March 26, 2020)

Investing Company

Investing party - State Bank of India Limited (SBI)

Key Management Personnel ('KMP') (Whole time Director)

- Mr. Ravneet Gill, Managing Director & CEO (till March 05, 2020)
- Mr. Prashant Kumar, Administrator - Appointed by the Reserve Bank of India, (from March 06, 2020 till March 25, 2020)
- Mr. Prashant Kumar, Managing Director & CEO (from March 26, 2020)

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The following represents the significant transactions between the Group and such related parties including relatives of above mentioned KMP during the year ended March 31, 2020:

(₹ 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	#	#	-	12.65			
Investment	#	#					
Interest received	#						
Interest paid	#		0.31				
Receivable	#						
Payable	#						
Funded/Non Funded Exposure taken	#						

As per RBI Circular, where there is only one entity in any category of related party, disclosure pertaining to that related party other than the relationship with that related party

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

During the year ended March 31, 2020, the Bank has contributed ₹405.42 million (previous year ₹537.86 million) to YES Foundation. YES Foundation is an independent public charitable trust which undertakes social charitable activities. YES Foundation does not qualify as Related Party, as defined under the Accounting Standard 18 - Related Party Disclosure and RBI guidelines.

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, 2019:

(₹ in million)

Items / Related Party Category	Whole time directors / individual having significant influence	Maximum Balance during the year	Relatives of whole time directors / individual having significant influence	Maximum Balance during the year	Enterprise where relative of whole time director having significant influence
Deposits	3.06*	15.62			
Interest paid	0.52				
Receiving of services					5.46
Dividend paid	270.00				

* Represents outstanding as of March 31, 2019

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During the year ended March 31, 2019, the Bank has contributed ₹537.86 million (previous year ₹452.13 million) to YES Foundation. YES Foundation is an independent public charitable trust which undertakes social charitable activities. YES Foundation does not qualify as Related Party, as defined under the Accounting Standard 18 - Related Party Disclosure and RBI guidelines.

18.12 Operating Leases

Lease payments recognized in the profit and loss account for the year ended March 31, 2020 was ₹3,940.53 million (Previous year: ₹3,651.58 million). During the year ended March 31, 2020, the Group had paid minimum lease payment ₹3,819.65 million (Previous year: ₹3,661.08 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, 2020	As at March 31, 2019
Not later than one year	3,370.46	3,501.92
Later than one year and not later than five years	10,123.52	9,817.78
Later than five years	13,749.82	12,418.84
TOTAL	**27,243.80**	**25,738.54**

The Group does not have any provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreements.

18.13 Earnings Per Share ('EPS')

The Group reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings Per Share". The dilutive impact is mainly due to stock options granted to employees by the Bank.

The computation of earnings per share is given below:

(₹ in million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Basic (annualised)		
Weighted average no. of equity shares outstanding	2,928,382,648	2,309,296,728
Net profit / (loss) (₹)	(164,325.80)	17,092.66
Basic earnings per share (₹)	(56.11)	7.40
Diluted (annualised)		
Weighted average no. of equity shares outstanding	2,928,411,435	2,331,418,688
Net profit / (loss) (₹)	(164,325.80)	17,092.66
Diluted earnings per share (₹)	(56.11)	7.33
Nominal value per share (₹)	2	2

The difference between weighted average number of equity shares outstanding between basic and diluted in the above mentioned disclosure is on account of outstanding ESOPs.

Basic earnings per equity share has been computed by dividing net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share has been computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential equity shares options outstanding during the year, except where the results are anti-dilutive. The dilutive impact is on account of stock options granted to employees by the Bank. There is no impact of dilution on the profits in the current year and previous year.

18.14 ESOP disclosures

Statutory Disclosures Regarding Joining Stock Option Scheme:

The Group has Five Employee Stock Option Schemes viz.

- Joining Employee Stock Option Plan II (JESOP II),
- Joining Employee Stock Option Plan III (JESOP III),

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- YBL ESOP (consisting of two sub schemes JESOP IV/PESOP I)
- YBL JESOP V/PESOP II (Consisting of three sub schemes JESOP V/ PESOP II/ PESOP II -2010).
- YBL Employee Stock Option Scheme, 2018 (YBL ESOS 2018) [Consisting of YBL Joining Employee Stock Option Plan, 2018 (JESOP 2018); YBL Performance Employee Stock Option Plan, 2018 (PESOP 2018); and YBL MD&CEO (New) Stock Option Plan, 2019 (MD&CEO Plan 2019)]

Effective from June 13, 2018, all new options have been granted under the YBL ESOS 2018 (which *inter-alia* consists of JESOP 2018, PESOP 2018 and MD & CEO Plan 2019). The YBL ESOS 2018 and plans formulated thereunder are in compliance with the SEBI (Share Based Employees Benefits) Regulations, 2014 as amended from time to time. Source of shares are primary in nature, since the Bank has been issuing new equity shares upon exercise of options

JESOP II and JESOP III were in force for employees joining the Bank up to March 31, 2006 and March 31, 2007 respectively. Grants under PESOP II had been discontinued w.e.f. January 20, 2010. Grants under JESOP IV/PESOP I and JESOP V/ PESOP II -2010 had been discontinued w.e.f. June 12, 2018 pursuant to coming into effect of YBL ESOS 2018. However, any options already granted under the abovementioned plans would be valid in accordance with the terms & conditions mentioned in the plans

In accordance with the various Employee Stock Option Plans/ Schemes of the Bank as mentioned above, the Employees can exercise the options granted to them from time to time:

JESOP/PESOP	ESOP Scheme	Exercise period
JESOP	JESOP II	50% after 3 years and balance after 5 years from the Grant date
	JESOP III	50% after 3 years and balance after 5 years from the Grant date
	JESOP IV	50% after 3 years and balance after 5 years from the Grant date
	JESOP V	50% after 3 years and balance after 5 years from the Grant date
	MD&CEO Plan 2019	20%, 30% & 50% each year, from end of 1st year from the Grant date
PESOP	PESOP I	25% after each year from the Grant date
	PESOP II	30%, 30% & 40% after each year from the Grant date
	PESOP II – 2010	30%, 30% & 40% each year, from end of 3rd year from the Grant date
	JESOP 2018	50% after 3 years and balance after 5 years from the Grant date
	PESOP 2018	30%, 30% & 40% each year, from end of 3rd year from the Grant date
	PESOP 2019	30%, 30% & 40% each year, from end of 3rd year from the Grant date

Options under all the aforesaid plans are granted for a term of 10 years (inclusive of the vesting period) and are settled with equity shares being allotted to the beneficiary upon exercise.

A summary of the status of the group's stock option plans as on March 31, 2020 and March 31, 2019 is set out below:

	As at March 31, 2020		As at March 31, 2019	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year	35,019,115	18,254,826	46,257,335	15,963,100
Granted during the year	18,032,000	2,025,000	365,000	5,940,000
Exercised during the year	4,037,675	346,499	9,265,020	2,800,774
Forfeited / lapsed during the year	12,316,650	5,419,275	2,338,200	847,500
Options outstanding at the end of the year	36,696,790	14,514,052	35,019,115	18,254,826
Options exercisable	16,388,915	6,650,302	18,701,265	3,901,451
Weighted average exercise price (₹)	63.56	80.52	70.84	106.08
Weighted average remaining contractual life of outstanding option (yrs)	2.39	1.77	1.50	1.86

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The group has charged Nil amount, being the intrinsic value of the stock options granted for the year ended March 31, 2020 and March 31, 2019. Had the Bank adopted the Fair Value method (based on Black- Scholes pricing model), for pricing and accounting of options, net profit after tax would have been lower by ₹505.40 million (Previous year: ₹375.18 million), the basic earnings per share would have been ₹(56.29) (Previous year: ₹7.24) per share instead of ₹(56.11) (Previous year: ₹7.40) per share; and diluted earnings per share would have been ₹(56.29) (Previous year: ₹7.17) per share instead of ₹(56.11) (Previous year: ₹7.33) per share.

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2020 and March 31, 2019.

	For the year ended March 31, 2020	For the year ended March 31, 2019
Risk free interest rate	6.29% - 9.23%	6.29% - 9.23%
Expected life	1.5 yrs - 7.5 yrs	1.5 yrs - 7.5 yrs
Expected volatility	25.01% - 48.72%	25.01% - 48.72%
Expected dividends	1.10%	1.20%

In computing the above information, certain estimates and assumptions have been made by the Management.

18.15 Deferred Taxation

The deferred tax asset of ₹82,809.96 million as at March 31, 2020 and ₹25,374.71 million as at March 31, 2019, is included under other assets and the corresponding credits have been taken to the profit and loss account.

The components that give rise to the deferred tax asset included in the balance sheet are as follows:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax asset		
Depreciation	585.78	597.38
Provision for gratuity and unutilized leave	322.73	395.53
Provision for Non Performing Assets	60,164.53	9,779.42
Amortization of premium on HTM securities	132.39	1,035.72
Provision for standard advances	3,123.15	11,119.17
Other Provisions	18,481.38	2,447.48
Deferred tax asset	**82,809.96**	**25,374.70**

The Group has a total deferred tax asset of ₹82,809.96 million as at March 31, 2020. During the year ended March 31, 2020, the Bank has made loss of ₹164,180.31 million, however it had taxable profit in the year ended March 31, 2020. Based on financial projections approved by the Board, the Bank is expected to have sufficient future taxable income to utilise the said deferred tax assets. The Bank as a result continues to carry such deferred tax asset in its Balance Sheet, as there is reasonable certainty of its realization as specified in Accounting Standard 22 (Accounting for Taxes on Income).

During the quarter ended September 30, 2019, the Bank had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Bank had recognised Provision for Income Tax and re-measured its deferred tax assets basis the rate prescribed in the aforesaid section and recognized the effect of this change by revising the annual effective income tax rate. The rate of income tax is changed from 34.944% to 25.168%. The re-measurement of accumulated deferred tax asset had resulted in a one-time additional charge of ₹7,086.10 million.

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18.16 Provisions and Contingencies

The breakup of provisions of the Group for the year ended March 31, 2020 and March 31, 2019 are given below:

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Provision for taxation	(44,056.13)	6,397.39
Provision for investments	64,415.77	6,824.89
Provision for standard advances	(19,410.78)	22,514.06
Provision made/write off for non performing advances	278,060.36	25,669.54
Others Provisions*	4,115.69	2,768.12
TOTAL	**283,124.91**	**64,172.99**

* Other Provisions includes provision made against other assets.

18.17 Dues to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been ₹655.70 million (previous year ₹437.40 million) worth bills which were paid with delays to micro and small enterprises. There have been ₹19.72 million worth bills remained unpaid as at March 31, 2020. There have been no demand of interest on these payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

18.18 Provision for Long Term contracts

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

18.19 Disclosure on Complaints-

The Bank became aware in September 2018 through communications from stock exchanges of anonymous whistleblower complaints alleging irregularities in the Bank's operations, potential conflict of interest of the founder and former MD & CEO and allegations of incorrect NPA classification. The Bank conducted an internal enquiry of these allegations, which was carried out by management and supervised by the Board of Directors. The enquiry resulted in a report that was reviewed by the Board in November 2018. Based on further inputs and deliberations in December 2018, the Audit Committee of the Bank engaged an external firm to independently examine the matter. In April 2019, the Bank had received the phase 1 report from the external firm and based on further review/ deliberations had directed a phase 2 investigation from the said firm. Further, during the quarter ended December 31, 2019, the Bank received forensic reports on certain borrower groups commissioned by other consortium bankers, which give more information regarding the above mentioned allegations. The Bank at the direction of its Nomination and Remuneration Committee (NRC) obtained an independent legal opinion with respect to these matters. In February 2020, the Bank has received the final phase 2 report from the said external firm. Meanwhile, in March 2020, the Enforcement Directorate has launched an investigation into some aspects of transactions of the founder and former MD & CEO and alleged links with certain borrower groups. The ED is investigating allegations of money laundering, fraud and nexus between the founder and former MD & CEO and certain loan transactions. The Bank is in the process of evaluating all of the above reports and concluding if any of the findings have a material impact on financial statements/ processes and require further investigation. The Bank has taken this report with the newly constituted Audit Committee and Board and is awaiting further guidance and recommendation.

During the year ended March 31, 2020, the Bank had received various whistleblower complaints against the Banks management, former MD & CEO and certain members of the Board of Directors prior to being superseded by RBI. The NRC, basis investigations conducted by the management has, post its review, concluded that they have no material impact on financial statements.

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In January 2020, the then Chairman of the Audit Committee of the Bank highlighted certain concerns around corporate governance and other operational matters at the Bank. The then Board decided to get this investigated by an independent external firm. A preliminary report has been received by the Board. While most of the allegations are unsubstantiated, the Board has requested the external firm for detailed recommendations highlighting areas where corporate governance can be further strengthened.

18.20 Additional disclosure

Additional statutory information disclosed in the separate financial statements of the Bank and subsidiaries having no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statement.

18.20.1 Credit / Debit card reward points

Provision for credit card and debit card reward points for the year ended March 31, 2020

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening provision	233.67	112.12
Provision made during the year	166.98	180.73
Utilised/Write-back of provision	(57.79)	(59.18)
Closing provision	342.86	233.67

The valuation of credit card and debit card reward points is based on actuarial valuation method obtained from an independent actuary.

18.20.2 Corporate Social Responsibility (CSR)

a) Amount required to be spent by the Bank on CSR during the year ₹831.9 million (previous year ₹955.8 million).

b) Amount spent towards CSR during the year and recognised as expense in the Profit and Loss account on CSR related activities is ₹405.42 million (previous year ₹537.86 million), which comprise of following –

(₹ in million)

	March 31, 2020			March 31, 2019		
	In cash	Amt unpaid / provision	Total	In cash	Amt unpaid / provision	Total
i. Construction/ acquisition of any asset	-	-	-	-	-	-
ii. On purposes other than (i) above	211.12	194.30	405.42	470.78	67.08	537.86

18.20.3 Un-hedged / uncovered foreign currency exposure of the Group

The Group's foreign currency exposures as at March 31, 2020 that are not hedged/ covered by either derivative instruments or otherwise are within the Net Overnight Open Position limit (NOOP) and the Aggregate Gap limit, as approved by the RBI. NOOP is ₹5,561.32 million as at March 31, 2020 (March 31, 2019 ₹2,206.32 million).

18.20.4 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, 2020 has been transferred without any delay.

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18.21 Description of contingent liabilities

Sr. No.	Contingent Liabilities	Brief
1.	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal and tax proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
2.	Liability on account of forward exchange and derivative contracts.	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with interbank participants and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts of financial instruments of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.
3.	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4.	Other items for which the Bank is contingently liable	Purchase of securities pending settlement, capital commitments, amount deposited with RBI under Depositor Education Awareness Fund (DEAF), bill re-discounting, Foreign Exchange Contracts (Tom & Spot)
5	PF Liability	In February 2019, the honorable Supreme Court of India in its judgment clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). The Bank has been legally advised that there are interpretative challenges on the application of judgment retrospectively and as such does not consider there is any probable obligations for past periods. Due to imperative challenges, the Bank has not disclosed contingent liability amount for past liability.

Refer Schedule 12 for amounts relating to contingent liability

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Prior period comparatives

Previous year's figures have been regrouped where necessary to conform to current year classification.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No: 113156

Mumbai
May 6, 2020

For and on behalf of the Board of Directors
YES BANK Limited

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Sunil Mehta
Chairman
(DIN: 00065343)

Atul Bheda
Director
(DIN: 03502424)

Partha Pratim Sengupta
Director
(DIN: 08273324)

Anurag Adlakha
Group Chief Financial Officer

Shivanand R. Shettigar
Group Company Secretary

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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

(Amount in ₹ '000)

Sl. No.	Name of the subsidiary	YES Securities (India) Limited	YES Asset Management (India) Limited	YES Trustee Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA
3	Share capital	8,00,000	8,95,000	5,000
4	Reserves & surplus	3,68,113	(3,92,174)	(2,574)
5	Total assets	22,85,733	5,36,872	2,717
6	Total Liabilities	11,17,620	34,046	290
7	Investments	-	4,54,972	-
8	Turnover	10,08,310	3,322	566
9	Profit / (Loss) before taxation	(3,39,833)	(1,85,385)	(819)
10	Provision for taxation	22,758	-	-
11	Profit / (Loss) after taxation	(3,62,591)	(1,85,385)	(819)
12	Proposed Dividend	-	-	-
13	% of shareholding	100%	100%	100%

1. Names of subsidiaries which are yet to commence operations- Nil
2. Names of subsidiaries which have been liquidated or sold during the year- Nil

PART "B": ASSCOCIATES AND JOINT VENTURES

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

DISCLOSURES UNDER BASEL III CAPITAL REGULATIONS – PILLAR III

In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio on a consolidated basis under Basel III Framework. The Pillar III disclosures have not been subjected to review or audit by the statutory auditors. The Bank has made these disclosures which are available on its website at the following link.

https://www.yesbank.in/pdf/basel_iii_disclosure_mar_31_2020.pdf

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Bank of the Year in India

The Banker Awards 2019

Cyber Security

The Banker's Tech Projects Awards 2019

Best Bond Adviser (India) & Best Green Bond (India)

The Asset Triple A Country Awards 2019

Best Trade Finance Bank (India)

The Asian Banker Transaction Awards 2019

Best Corporate Trade Finance Deal (India) & Best Financial Supply Chain Management (India)

The Asian Banker Bankers Choice Awards 2019

Best Deal South Asia (India) - Transport Deal of the Year, Utility Deal of the Year & Renewable Energy Deal of the Year – Solar (Highly Commended)

The Asset Triple A Asia Infrastructure Awards 2019

Best Bank in India for SMEs

Asiamoney Country Awards, 2019

Innovators in Trade Finance & 25 Best Financial Innovation Labs (YES FINTECH)

The Innovators 2019

MSME Bank of the Year

ABF Retail Banking Awards 2019

Domestic Cash Management Bank of the Year, Domestic Trade Finance Bank of the Year & India Domestic Project Finance Bank of the Year (India)

ABF Wholesale Banking Awards 2019

Best Project in the Health and Sanitation

The CSR Journal Excellence Award

Safe Drinking Water – Platinum Award

The Apex India Excellence Award 2019

Best Public Health/ Safety (Silver) & Environmental Behavior Change (Bronze)

The ACEF Asian Leaders Awards for Excellence in CSR

Constituent of the FTSE4Good Emerging Index

FTSE Russell

Approved as "Accredited Entity

Green Climate Fund (GCF)

Rating upgraded from 'C' (Awareness Band) to 'A-' (Leadership Band)

CDP

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content and design at AICL

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Website: www.yesbank.in Email Id: shareholders@yesbank.in

Notice to the shareholders

Notice is hereby given pursuant to the applicable provisions of the Companies Act, 2013, and applicable rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable laws and regulations, that the Sixteenth Annual General Meeting ('AGM') of the Members of **YES BANK LIMITED** (the 'Bank') will be held on Thursday, September 10, 2020 at 11:00 A.M., through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:

   a. the audited standalone financial statements of the Bank for the financial year ended March 31, 2020 and the Reports of the Board of Directors and the Auditors thereon; and

   b. the audited consolidated financial statements of the Bank for the financial year ended March 31, 2020 and the Report of the Auditors thereon.

2. To appoint and fix the remuneration of Statutory Auditors:

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

   "RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, Section 30(1A) and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory amendment(s), modification(s), variation or re-enactment(s) thereof for the time being in force) and the rules, guidelines and circulars issued by the Reserve Bank of India ('RBI'), from time to time, and subject to the approval of RBI on an annual basis, M/s M. P. Chitale & Co., Chartered Accountants, (ICAI Firm Registration No. 101851W), be and are hereby appointed, as the Statutory Auditors of the Bank, in place of the retiring Auditors, M/s. B S R & Co., LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), to hold office from the conclusion of the sixteenth Annual General Meeting until the conclusion of the twentieth Annual General Meeting of the Bank to be held in the year 2024, at an annual remuneration/ fees as recommended by the Board and given in the explanatory statement, with a power to the Board/Audit Committee to alter and vary the terms and conditions of appointment, revision in the remuneration during the remaining tenure of four years, in such manner and to such extent as may be mutually agreed with the Statutory Auditors."

SPECIAL BUSINESS:

3. **To take note of appointment of Mr. Sunil Mehta (DIN - 00065343) as a Non-Executive Director and Chairman of the Bank and to approve payment of remuneration**

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT as per the 'Yes Bank Limited Reconstruction Scheme, 2020' notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020 appointment of Mr. Sunil Mehta (DIN - 00065343) as Non-Executive Director

designated as Non-Executive Chairman of the Bank w.e.f. March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later, be and is hereby noted by the members of the Bank.

RESOLVED FURTHER THAT pursuant to the provisions of Section 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949, applicable provisions of the Companies Act, 2013 along with rules thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the rules, circulars and guidelines issued by the Reserve Bank of India ('RBI'), Articles of Association of the Bank and basis recommendation of the Nomination & Remuneration Committee, approval of the Board of Directors of the Bank and approval of RBI received on May 26, 2020, approval of the members of the Bank, be and is hereby accorded for the payment of following remuneration to Mr. Sunil Mehta (DIN - 00065343) as Non-Executive Chairman of the Bank:

(a) Salary	: ₹ 25,00,000 per annum
(b) Other allowances, if any	: Sitting Fees as paid to other Non-executive Directors for attending the Board/Board Committee meetings or other Bank related matters / meetings
(c) Perquisite	: Free use of Bank's car for official purposes Bank's Car (Toyota Camry) with driver, fuel, and maintenance expenses etc. on an actual basis.

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

4. To take note of appointment of Mr. Mahesh Krishnamurti (DIN - 02205868) as a Non-Executive Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT as per the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, appointment of Mr. Mahesh Krishnamurti (DIN - 02205868) as Non-Executive Director of the Bank w.e.f. March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later, be and is hereby noted by the members of the Bank."

5. To take note of appointment of Mr. Atul Bheda (DIN - 03502424) as a Non-Executive Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT as per the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, appointment of Mr. Atul Bheda (DIN - 03502424) as Non-Executive Director of the Bank w.e.f. March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later, be and is hereby noted by the members of the Bank."

6. To take note of appointment of Mr. Rama Subramaniam Gandhi (DIN - 03341633) as an Additional Director appointed by Reserve Bank of India

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT as per the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E)

dated March 13, 2020 and Reserve Bank of India's order no. DoR.PSBD.No.8005 /16.05.004/ 2019-20 and letter no. DoR.PSBD. No.8006/16.05.004/2019-20 dated March 20, 2020, appointment of Mr. Rama Subramaniam Gandhi (DIN - 03341633), as an Additional Director on the Board of YES Bank Limited for a period of 2 years with effect from March 26, 2020 to March 25, 2022 or till further orders from RBI, whichever is earlier, be and is hereby noted by the members of the Bank."

7. To take note of appointment of Mr. Ananth Narayan Gopalakrishnan (DIN - 05250681) as an Additional Director appointed by Reserve Bank of India

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT as per the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020 and Reserve Bank of India's order No. DoR.PSBD. No.8008/16.05.004/2019-20 and letter No. DoR.PSBD.No.8009/16.05.004/2019-20 dated March 20, 2020, appointment of Mr. Ananth Narayan Gopalakrishnan (DIN - 05250681) as an Additional Director on the Board of YES Bank Limited for a period of 2 years with effect from March 26, 2020 to March 25, 2022 or till further orders from RBI, whichever is earlier, be and is hereby noted by the members of the Bank."

8. To take note of appointment of Mr. Swaminathan Janakiraman (DIN - 08516241) as a Nominee Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, nomination letter dated March 19, 2020 received from State Bank of India, provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules, circulars and guidelines issued by the Reserve Bank of India and in terms of applicable provisions of the Articles of Association of the Bank, appointment of Mr. Swaminathan Janakiraman (DIN - 08516241), as Nominee Director on the Board of the Bank w.e.f. March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by Bank, whichever is later, be and is hereby noted by the members of the Bank."

9. To take note of the appointment of Mr. Partha Pratim Sengupta (DIN - 08273324) as a Nominee Director and subsequent resignation w.e.f. July 24, 2020

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, nomination letter dated March 19, 2020 received from State Bank of India, provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules, circulars and guidelines issued by the Reserve Bank of India and in terms of applicable provisions of the Articles of Association of the Bank, appointment of

Mr. Partha Pratim Sengupta (DIN - 08273324), as Nominee Director on the Board of the Bank w.e.f. March 26, 2020 and cessation w.e.f. July 24, 2020 due to resignation, be and are hereby noted by the members of the Bank."

10. To take note of appointment of Mr. V. S. Radhakrishnan (DIN - 08064705) as a Nominee Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, nomination letter dated July 29, 2020 received from State Bank of India, provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules, circulars and guidelines issued by the Reserve Bank of India and in terms of applicable provisions of the Articles of Association of the Bank, appointment of Mr. V. S. Radhakrishnan (DIN - 08064705), as Nominee Director on the Board of the Bank w.e.f. July 31, 2020 for such period as per the Scheme or till January 31, 2023, whichever is earlier, be and is hereby noted by the members of the Bank."

11. **To take note of appointment of Mr. Prashant Kumar (DIN - 07562475) as Managing Director & Chief Executive Officer of the Bank and to approve payment of remuneration**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT as per the Yes Bank Limited Reconstruction Scheme, 2020 notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, appointment of Mr. Prashant Kumar (DIN - 07562475) as Managing Director and Chief Executive Officer ('MD & CEO') of the Bank w.e.f. March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by Bank, whichever is later, be and is hereby noted, by the members of the Bank.

RESOLVED FURTHER THAT pursuant to the applicable provisions of the Banking Regulation Act, 1949, applicable provisions of the Companies Act, 2013 and rules framed thereunder, and other applicable rules, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the rules, circulars and guidelines issued by the Reserve Bank of India ('RBI'), Articles of Association of the Bank and taking into consideration the recommendation of the Nomination and Remuneration Committee ('NRC') and approval of the Board of Directors of the Bank and in accordance with the approval granted by RBI received vide communication dated June 24, 2020, approval of the members of the Bank be and is hereby given for payment of remuneration to Mr. Prashant Kumar as MD & CEO during his tenure with the Bank as under:

Sr. No.	Particulars	Remuneration per annum (₹)
	Part A:	
A	**Remuneration**	
	Basic Salary	45,00,000
	Dearness Allowance	-
	House Rent Allowance	-
	Other allowances, if any	1,05,00,000
	Sub Total – Fixed Salary	**1,50,00,000**
	Provident Fund *(@12% of basic salary)*	5,40,000
	Gratuity *(as per Act, calculated @ 4.81% of basic salary)*	2,16,450
	Pension	N.A.
	Leave Fare Concession *(1 month basic)*	3,75,000

Sr. No.	Particulars	Remuneration per annum (₹)
B	**Perquisites**	
	Bank maintained Furnished accomodation *(the figure indicate the maximum limit of ₹6 lakhs pm and includes monthly rent, cost of deposit @ 8% pa and house maintenance cost)*	72,00,000
	Furniture/White goods *(Not exceeding ₹20 lakh once in service – Apportioned over 5 years. Purchase or renting may be considered)*	4,00,000
	Free use of two Bank's cars with Driver for Official purposes & Private purposes:-	
	a. Official purposes *(Toyota Camry – approx. cost ₹55 lakh costed @₹2200/- per lakh of car value)*	14,52,000
	b. Private purposes *(Toyota Altis – approx. cost ₹35 lakh costed @₹2200/- per lakh of car value)*	9,24,000
	c. 2 Drivers expenses *(maximum annual limit including salary, overtime, uniforms etc)*	8,00,000
	Other benefits, if any	
	Gas, Electricity & Water *(Actuals, subject to maximum annual limit)*	4,00,000
	Residence Telephone *(Actuals, subject to maximum annual limit)*	60,000
	Life Insurance/ Personal Accident Insurance premium for self	60,000
	Club Memberships – 2 clubs (1 social and 1 business)	10,50,000
C	**Leave**	
	Ordinary Leave / Privilege Leave	25 days
	Sick Leave	7 days
D	**Total Fixed Pay (including estimated value of perquisites and retirals)**	**2,84,77,450**

Variable Pay:

The variable pay comprises of Performance Bonus (Cash) and Performance Employee Stock Options (PESOP) which shall be determined at the end of the performance period FY 2020-21 and would be subject to recommendation and approval by NRC, Board of Directors and RBI. The amount of variable pay would be recommended by the NRC, approved by the Board of Directors and by RBI which would be linked to Organizational Performance, Business Unit Performance and Individual Performance and would be governed by the RBI Circular No. RBI/2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019, RBI guidelines and the Compensation Policy of the Bank, which also includes claw back and malus clauses.

RESOLVED FURTHER THAT Mr. Prashant Kumar shall not be subject to retirement by rotation during his tenure as MD & CEO of the Bank.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the 'Board', which term shall include any Committee which the Board of Directors of the Bank may have constituted or may hereafter constitute and delegated with the powers necessary for the purpose) be and is hereby authorized to fix the actual amount of remuneration and perquisites, payable or to be provided to Mr. Prashant Kumar and alter, modify, vary or increase the same from time to time, to the extent the Board may consider appropriate and as may be permitted or authorized by the RBI on an application made by the Bank.

RESOLVED FURTHER THAT in his capacity as MD & CEO, Mr. Prashant Kumar is entitled to exercise all powers as are exercisable by the MD & CEO of the Bank as permissible under the provisions of the Companies Act, 2013, Banking Regulation Act, 1949 and any other statues in order to manage the affairs of the Bank.

RESOLVED FURTHER THAT the Board (including NRC) be and is hereby authorized

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

12. To take note of the payment of remuneration to Mr. Prashant Kumar as Administrator of the Bank appointed by the Reserve Bank of India

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT in terms of approval granted by the Reserve Bank of India under Section 36ACA(7) of the Banking Regulation Act, 1949 vide communication dated July 18, 2020, the payment of remuneration amounting to ₹ 8,19,672/- (Rupees Eight Lakh Nineteen Thousand Six Hundred Seventy Two Only) for the period from March 6, 2020 to March 25, 2020 to Mr. Prashant Kumar as Administrator of the Bank appointed by the Reserve Bank of India (vide Order of Supersession ref. no. DOR.PSBD.No.7118/16.01.137/2019-20 dated March 5, 2020) be and is hereby noted by the members of the Bank."

13. To ratify the extension of use of Bank provided Accommodation and Car facility to Mr. Ravneet Singh Gill, Ex Managing Director & Chief Executive Officer

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (the 'Act') and rules made thereunder, applicable provisions of the Banking Regulations Act, 1949 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the rules, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, subject to the provisions of the Articles of Association of the Bank, and in accordance with the approval granted by RBI vide its communication dated April 04, 2020 and May 22, 2020, extension of use of Bank provided accommodation for the period of 90 days commencing from March 07, 2020 till June 05, 2020, and Car facility for the period of one month from the date of supersession to Mr. Ravneet Singh Gill, Ex. Managing Director and Chief Executive Officer of the Bank as per the details specified in the explanatory statement be and is hereby ratified.

RESOLVED FURTHER THAT all such acts, deeds, matters and things and execution of any agreements, documents, instruments and writings as was required in regard to the said matter be and are hereby ratified and confirmed."

14. To approve Alteration of the Articles of Association of the Bank

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, applicable provisions of the Banking Regulation Act, 1949, the rules, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Bank be and is hereby altered as under:

Article No.3 (a)
The definition of "Affiliate", "Ashok Kapur", "Controlling" "Controlled by" or "Control", "Indian Partners", "Rabo" and "Rana Kapoor" appearing in Article No.3(a) be and are hereby deleted.

The definition of the "Companies Act, 2013" be amended by inserting the words "and as may be amended from time to time", at the end of the existing definition.

Article No.49 (e)
The Article No.49(e) be deleted.

Article No. 52(b)
The Article No. 52(b) be amended by deleting the words "if the same is not in accordance with Article 49 (e) of the Articles and/or" appearing in the said para.

Article No. 110 (c)
The Article No. 110 (c) be deleted.

Article Nos.111, 111(b) & 111(c)
The opening para of Article No. 111 and Article Nos. 111(a), 111(b) and Article 111(c) be deleted.

Article No.111(d)
The text of the existing Article No. 111 (d) be deleted and the following text be inserted:

"Subject to the provisions of the Act, the Board shall have the power to appoint a person to act as an alternate director for a Director."

Article No. 118(b)
The text of the existing Article No. 118 (b) be deleted and the following text be inserted:

"If the office of any Director appointed by the Company is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board and the Director so appointed shall hold office only upto the date on which the Director in whose place he is appointed would have held office if it had not been vacated."

Article No. 121

The text of the existing Article No. 121 be deleted and the following text be inserted.

"Subject to the provisions of the Act, the Director(s) whose office is liable to retire by rotation shall be appointed by the Company in General Meeting."

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorized to take all such steps and actions for the purpose of making all such applications, filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution."

15. To approve amendments to Employee Stock Options Scheme - 'YBL ESOS - 2018'

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 read with Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by Securities and Exchange Board of India ('SEBI') (collectively referred to as the 'SEBI SBEB Regulations'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI LODR Regulations'), other circulars, guidelines or directions if any, issued from time to time, by SEBI, the Reserve Bank of India ('RBI') and all other concerned authorities, to the extent applicable, the provisions of any other applicable laws and regulations (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Bank, and subject to such approval(s), consent(s), permission(s) and sanction(s) of the Government of India, SEBI, RBI and all other appropriate authorities, institutions or bodies, as may be required, and subject to such conditions and modifications as may be prescribed by any of them while granting such approval(s), consent(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination & Remuneration Committee of the Bank ('NRC') which also acts as the

compensation committee, and/or such other persons as may be authorized in this regard by the Board and/or NRC), approval/ consent of the members be and is hereby accorded:-

a) for amending/varying the employee stock option scheme of the Bank i.e. 'YBL ESOS - 2018' which was approved by the members at the 14th Annual General Meeting of the Bank held on June 12, 2018 by -

   (i) increasing the total options available in the Scheme by 15,00,00,000 (Fifteen crore) i.e. from 7,50,00,000 (Seven Crore Fifty Lakh) equity stock options to 22,50,00,000 (Twenty-Two Crore Fifty Lakh) equity stock options; and

   (ii) changing the nomenclature of the Scheme from **'YBL ESOS - 2018'** to **'YBL ESOS - 2020'** (hereinafter in this resolution referred to as the 'ESOS Scheme') and all the plans under the said scheme would continue to be valid and shall not affect the rights and obligations of the option holders under the ESOS Scheme and that options already granted will continue to be governed by the existing terms of the Scheme.

b) to the Board to create, offer, issue and allot additional equity stock options not exceeding 15,00,00,000 (Fifteen Crore) (within overall ceiling mentioned in the Scheme, into equivalent equity shares each to the eligible employees as determined by the Board/NRC at its sole discretion and as per the amended ESOS Scheme;

RESOLVED FURTHER THAT the revised ESOS Scheme covering the above amendments be and is hereby approved and adopted by the members.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares, merger/ amalgamation or sale of division/undertaking or other re-organization etc. of the Bank, the number of above mentioned options in the Scheme shall be appropriately adjusted;

RESOLVED FURTHER THAT it is hereby noted that the amendments to the Scheme are not prejudicial to the interests of the option holders.

RESOLVED FURTHER THAT the Board, be and is hereby authorized, without prejudice to the generality of the above, but subject to the terms, as approved by the members, to implement, formulate, evolve, decide upon and bring into effect the ESOS Scheme on such terms and conditions as broadly contained in the explanatory statement to this Item No.15 and to make any further modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOS Scheme (within the contours of the ESOS Scheme), from time to time, including but not limited to, amendment(s) with respect to vesting conditions, period and schedule, exercise price, exercise period, performance/ eligibility criteria for grant/ vesting or to suspend, withdraw, terminate or revise the ESOS Scheme in such manner as the Board or any other person authorized by the Board may determine.

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

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

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary

steps for listing of the equity shares allotted in accordance with the ESOS Scheme on the Stock Exchanges where the securities of the Bank are listed as per the provisions of the SEBI LODR Regulations, the SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with the power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in relation to the implementation of the ESOS Scheme and to the shares (including to amend or modify any of the terms thereof within the contours of the ESOS Scheme) issued herein without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by authority of the aforesaid resolutions."

By Order of the Board of Directors
For YES BANK Limited

Shivanand R. Shettigar
Group Company Secretary

Place: Mumbai
Dated: August 07, 2020

NOTES:

1. A Statement pursuant to Section 102 of the Companies Act, 2013, setting out all material facts relating to the relevant resolutions of this Notice is annexed herewith and the same should be taken as part of this Notice.

2. **General instructions for accessing and participating in the 16th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting**.

2.1. In view of the outbreak of the COVID-19 social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 16th AGM of the Bank is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 16th AGM shall be YES Bank Tower, ONE International Center, Tower - II, Senapati Bapat Marg, Elphinstone (W), Mumbai 400 013.

2.2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Bank. However, in terms of the MCA Circulars, since the physical attendance of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 16th AGM. Institutional/ Corporate Shareholders (i.e. other than individuals HUF, NRI, etc.) are required to send a scanned

copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. (Refer Point No.5.1 below)

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

2.4. Since the AGM will be held through VC/ OAVM Facility, the Route Map is not annexed in this Notice.

2.5. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 16th AGM through VC/OAVM Facility and e-Voting during the 16th AGM.

2.6. Members may join the 16th AGM through VC/ OAVM Facility by following the procedure as mentioned below which shall be kept open for the members from 10.45 a.m. IST i.e. 15 minutes before the time scheduled to start the 16th AGM and the Bank may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 16th AGM.

2.7. The facility of participation at the 16th AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

2.8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

2.9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Bank is providing facility of remote e-voting to its members holding shares in physical or dematerialized form, as on the cut-off date, being **Thursday, September 03, 2020,** to exercise their right to vote through electronic means from a place other than the venue of the Meeting on any or all of the businesses specified in the accompanying Notice (the "Remote e-voting").

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

3.1. The remote e-voting period begins on **Sunday, September 06, 2020** at 10:00 A.M. and ends on **Wednesday, September 09, 2020** at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

3.2. A person who is not a member as on the cut-off date should treat this Notice of 16th AGM for information purpose only.

4. The remote e-Voting process is explained herein below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

A. Details on Step 1 is mentioned below:

<u>How to Log-in to NSDL e-Voting website?</u>

A.1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile and on home page click on the icon "Login" which is available under 'Shareholders' section.

A.2. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

A.3. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

A.4. Your User ID details are as given below:

Manner of holding shares	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

A.5. Your password details are given below:

If you are already registered for e-Voting	Use your existing password to login and cast your vote.
If you are using NSDL e-Voting system for the first time,	Retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

A.6. How to retrieve your 'initial password'?

a. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

b. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

A.7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

i. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

ii. Now, you will have to click on "Login" button.

iii. After you click on the "Login" button, Home page of e-Voting will open.

B. Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

B.1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

B.2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

B.3. Select "EVEN" of Bank for which you wish to cast your vote.

B.4. Now you are ready for e-Voting as the Voting page opens.

B.5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

B.6. Upon confirmation, the message "Vote cast successfully" will be displayed.

B.7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

B.8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

5. General Guidelines for shareholders:

5.1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@mehta-mehta.com with a copy marked to evoting@nsdl.co.in and AGM@yesbank.in.

5.2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

5.3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

6. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

6.1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to AGM@yesbank.in.

6.2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to AGM@yesbank.in.

7. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

7.1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Bank will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

7.2. Members are encouraged to join the Meeting through Laptops for better experience.

7.3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

7.4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

8. PROCEDURE FOR SPEAKER REGISTRATION AND TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

8.1. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request in the below given form from their Registered Email ID to AGM@yesbank.in till Sunday, September 06, 2020. Only those member who have registered themselves as a Speaker will be allowed to express their views/ask questions during the AGM.

SPEAKER REGISTRATION FORM *

Name of Shareholder *(including joint holder)*	
DPID-CLID / Folio Number	
Permanent Account Number (PAN)	
Mobile Number	
Profession Query in brief	

* All fields are mandatory

8.2. The Bank reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

8.3 Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at AGM@yesbank.in. The same will be replied by the Bank suitably.

9. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

9.1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

9.2. Only those Members/ shareholders, who will be present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

9.3. Members who have casted their vote through Remote e-Voting will be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.

9.4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

10. Kindly refer Corporate Governance Report - Shareholder Information to know the process for claiming unclaimed dividends.

The Bank has uploaded the details of unpaid and unclaimed dividend amounts lying with the Bank as on June 12, 2019 (date of last Annual General Meeting) as well as dividend/ shares transferred to IEPF on the website of the Bank (www.yesbank.in), as also on the website of the Ministry of Corporate Affairs.

11. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled, to **KFin Technologies Private Limited ("KFintech")**, Registrar and Transfer Agent ('R&T') of the Bank. Members

holding shares in electronic form may contact their respective Depository Participants for availing this facility.

12. Brief profile and other required information about the Directors that have been appointed pursuant to the 'Yes Bank Limited Reconstruction Scheme, 2020' notified by the Ministry of Finance, Government of India vide notification No. G.S.R. 174(E) dated March 13, 2020, as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India as approved by the Central Government, is enclosed to this Notice.

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

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to AGM@yesbank.in with subject line 'Inspection of AGM Documents'. The relevant documents will also be available for inspection by the members electronically during the 16th AGM on the website of the service provider https://evoting.nsdl.com/. Shareholder would be able to view documents under the EVEN of the Bank after entering their log-in credentials. This notice and the Annual Report will also be available on the Bank's website www.yesbank.in for download.

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

16. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Bank/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Bank's website www.yesbank.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Service Provider, https://evoting.nsdl.com/

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

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

19. The Members who have exercised their right to vote through Remote e-voting may attend the AGM but shall not vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Bank as on the cut-off date being **Thursday, September 03, 2020,** subject to the provisions of the Banking Regulation Act, 1949, as amended.

20. Your Bank is pleased to provide the facility of live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the e-voting website of NSDL at https://evoting.nsdl.com/ using their secure login credentials. Members are encouraged to use this facility of webcast.

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

22. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

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

24. The Results of voting declared along with Scrutinizer's Report(s) will be displayed on the website of the Bank (www.yesbank.in) and on Service Provider's website (https://evoting.nsdl.com) and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited. The result of the e-voting will also be displayed at the Registered Office of the Bank.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO SPECIAL BUSINESS:

Item No. 2

In terms of the Reserve Bank of India's ('RBI') Circular dated January 30, 2001 and July 27, 2017 an audit firm can continue as the Statutory Central Auditor of a private sector bank for a continuous period of four years only and thereafter the said firm will be compulsorily rested for 6 years. As per Section 139 of the Companies Act, 2013, the Auditors are required to be appointed for a continuous period of 5 years.

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Bank at the 12th AGM of the Bank held on June 07, 2016 to hold office up to the conclusion of 16th AGM of the Bank. At the conclusion of the ensuing 16th AGM of the Bank, the existing statutory auditors are due for retirement in terms of the said RBI Circulars and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board has, therefore, recommended appointment of M/s. M. P. Chitale & Co., Chartered Accountants, (ICAI Firm Registration No.101851W), as the statutory auditors of the Bank in place of retiring auditors, for a period of four years from the conclusion of ensuing AGM till the conclusion of the 20th AGM, as permitted under the RBI circular and the provisions of the Companies Act, 2013 subject to the approval of the RBI on an annual basis.

RBI, vide its letter dated July 08, 2020, has conveyed its approval for appointment of M/s. M. P. Chitale & Co., Chartered Accountants, as the Statutory Auditors of the Bank for the financial year 2020-21, i.e. from the conclusion of 16th AGM till the conclusion of 17th AGM at a remuneration to be determined by the Board/Audit Committee basis the shareholder approval in addition to payment of any out of pocket expenses that may be incurred by them during the course of the Audit.

As per the requirement of the Act, M/s. M. P. Chitale & Co., Chartered Accountants, have confirmed that their appointment, if made, would be within the limits specified under Section 141(3) (g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

M/s. M. P. Chitale & Co., Chartered Accountants is a well reputed firm of Chartered Accountants with a presence of over 70 years. The firm has significant experience and expertise in rendering assurance and consulting services to various industry sectors in India and overseas and in particular to the BFSI sector. This specialization has been recognized by regulators – banking, insurance, capital markets and accounting & auditing – by involving the firm's partners in various research and regulation / standard setting projects.

The Board of Directors recommends the remuneration payable to Statutory Auditors as under:

M/s. M. P. Chitale & Co., Chartered Accountants will be paid an aggregate remuneration of ₹ 3 (Three) Crore in the form of Statutory Audit fees of ₹ 2 (Two) Crore for audit of standalone and consolidated Financial Statements, quarterly limited reviews under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, Banking Regulations Act, 1949, submission of Long Form Audit Report ('LFAR') and Statutory Certification fees of ₹ 1(One) Crore plus outlays and taxes as applicable from time to time, for the purpose of audit of the Bank's accounts for the financial year 2020-21. The power may be granted to the Board/Audit Committee to alter and vary the terms and conditions of appointment, revision including upward revision of the remuneration for remaining tenure during the proposed tenure of four years, etc., as may be mutually agreed with the Statutory Auditors. The remuneration paid to the Statutory Auditors will be disclosed in the Corporate Governance Report as well as the Annual Financial Statements of the Bank on an annual basis. The remuneration proposed for the new Statutory Auditors for financial year 2020-21 is similar to what has been paid to the outgoing

Statutory Auditors for the financial year 2019-20. There is no material change in the fees proposed to be paid to the proposed Auditors as compared to the fees paid to the incumbent Auditors.

Your Board recommends passing of the Ordinary Resolution as set out in Item No. 2 of the accompanying Notice.

None of the Directors/Key Managerial Personnel of the Bank/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

Item No. 3

Pursuant to the 'Yes Bank Limited Reconstruction Scheme, 2020' approved by the Central Government and notified by Ministry of Finance, Government of India, vide notification No. G.S.R. 174(E) dated March 13, 2020 ('Scheme') in exercise of the powers conferred by Section 45(2) of the Banking Regulation Act, 1949 and the Order of the Administrator appointed by Reserve Bank of India, Mr. Sunil Mehta (DIN - 00065343) was appointed as the Non-Executive Chairman of the Bank w.e.f. March 26, 2020 for a period of 1 year starting from March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later.

Mr. Sunil Mehta is neither related to the past promoters of the Bank nor is holding any interest in the share capital nor is having any pecuniary relationship with the Bank, and is eligible for being appointed as an Independent Director on the Board of the Bank as he meets the criteria of independence laid down under the under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Bank at its meeting held on March 26, 2020 took note of appointment of Mr. Sunil Mehta as the Non-Executive Director and Chairman of the Bank.

It is proposed to approve the remuneration payable to Mr. Sunil Mehta as the Non-Executive Chairman of the Bank in terms of provisions of the Banking Regulation Act, 1949. The Reserve Bank of India vide its communication dated May 26, 2020 has approved payment of remuneration to Mr. Mehta as proposed in the resolution.

Your Directors, therefore, recommend the passing of the Ordinary Resolution as set forth in Item No. 3 of this Notice, to take note of the appointment of Mr. Sunil Mehta (DIN - 00065343) as Non-Executive Director designated as Non-Executive Chairman of the Bank and approve payment of remuneration as proposed in the resolution.

The brief profile of Mr. Sunil Mehta is annexed at the end of this Notice.

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

Item No. 4 & 5

Pursuant to the 'Yes Bank Limited Reconstruction Scheme, 2020' approved by the Central Government and notified by Ministry of Finance, Government of India, vide notification No. G.S.R. 174(E) dated March 13, 2020 ('Scheme') in exercise of the powers conferred by Section 45(2) of the Banking Regulation Act, 1949 and the Order of the Administrator appointed by Reserve Bank of India, Mr. Mahesh Krishnamurti and Mr. Atul Bheda were appointed as the Non-Executive Directors on the Board of the Bank w.e.f. March 26, 2020 for a period of 1 year starting from March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later.

Both of them are neither related to the past promoters of the Bank nor are holding any interest in the share capital nor are having any pecuniary relationship with the Bank, and would be eligible for appointment as Independent Directors on the Board of the Bank as they meet the criteria of independence laid down under the under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Bank at its meeting held on March 26, 2020 took note of appointments

of Mr. Mahesh Krishnamurti and Mr. Atul Bheda as the Non-Executive Directors of the Bank.

Your Directors, therefore, recommend the passing of the Ordinary Resolution as set forth in Item Nos. 4 & 5 of this Notice, to take note of the appointment of Mr. Mahesh Krishnamurti and Mr. Atul Bheda as Non-Executive Directors of the Bank.

The brief profile of Mr. Mahesh Krishnamurti and Mr. Atul Bheda is annexed at the end of this Notice.

Save and except Mr. Mahesh Krishnamurti and Mr. Atul Bheda and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolutions.

Item No. 6 & 7

Pursuant to the 'Yes Bank Limited Reconstruction Scheme, 2020' approved by the Central Government and notified by Ministry of Finance, Government of India, vide notification No. G.S.R. 174(E) dated March 13, 2020 ('Scheme') in exercise of the powers conferred by Section 45(2) of the Banking Regulation Act, 1949, the Reserve Bank of India ('RBI') may appoint one or more persons as additional directors as it may consider necessary in the Bank. Accordingly, RBI vide its :

(i) orderno.DoR.PSBD.No.8005/16.05.004/2019-20 and letter no. DoR.PSBD.No.8006/16.05.004/2019-20 both dated March 20, 2020 had appointed Mr. Rama Subramaniam Gandhi (DIN - 03341633), former Deputy Governor, Reserve Bank of India; and

(ii) orderno.DoR.PSBD.No.8008/16.05.004/2019-20 and letter no. DoR.PSBD.No.8009/16.05.004/2019-20 both dated March 20, 2020 had appointed Mr. Ananth Narayan Gopalakrishnan (DIN - 05250681), Associate Professor, S P Jain Institute of Management and Research,

as Additional Directors on the Board of the Bank for a period of 2 years with effect from March 26, 2020 to March 25, 2022 or till further orders whichever is earlier.

The Board of Directors of the Bank at its meeting held on March 26, 2020 took note of appointments of Mr. Rama Subramaniam Gandhi and Mr. Ananth Narayan Gopalakrishnan as Additional Directors appointed by RBI in the Bank.

Your Directors, therefore, recommend the passing of the Ordinary Resolution as set forth in Item Nos. 6 & 7 of this Notice, to take note of the appointment of Mr. Rama Subramaniam Gandhi and Mr. Ananth Narayan Gopalakrishnan as Additional Directors appointed by RBI in the Bank.

The brief profiles of Mr. Rama Subramaniam Gandhi and Mr. Ananth Narayan Gopalakrishnan are annexed at the end of this notice.

Save and except Mr. Rama Subramaniam Gandhi and Mr. Ananth Narayan Gopalakrishnan and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution.

Item Nos. 8, 9 & 10

Pursuant to the 'Yes Bank Limited Reconstruction Scheme, 2020' approved by the Central Government and notified by Ministry of Finance, Government of India, vide notification No. G.S.R. 174(E) dated March 13, 2020 ('Scheme') in exercise of the powers conferred by section 45(2) of the Banking Regulation Act, 1949, the State Bank of India ('SBI') was empowered to nominate 2 (two) Directors on the Board of the Bank. Accordingly, Mr. Partha Pratim Sengupta and Mr. Swaminathan Janakiraman were nominated by SBI as Nominee Directors on the Board of the Bank.

The Board of Directors of the Bank at its meeting held on March 26, 2020 appointed Mr. Partha Pratim Sengupta and Mr. Swaminathan Janakiraman as Nominee Directors on the Board of the Bank w.e.f. March 26, 2020 for a period of 1 year starting from March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later, as per the nomination received from the State Bank of India.

Mr. Partha Pratim Sengupta, vide letter dated July 24, 2020, had tendered his resignation from the Directorship of the Bank on account of his

appointment as MD & CEO of the Indian Overseas Bank, accordingly he ceased to be Director of the Bank with effect from July 24, 2020.

In view of vacancy arising out of resignation of Mr. Partha Pratim Sengupta, SBI by its letter dated July 29, 2020 nominated Mr. V. S. Radhakrishnan (DIN - 08064705), as Nominee Director on the Board of YES Bank Limited w.e.f. July 31, 2020. The nomination received for Mr. V. S. Radhakrishnan is for the period upto January 31, 2023 or till further instructions from SBI, whichever is earlier. The tenure of the Director so appointed shall be governed by the Scheme.

Your Directors, therefore, recommend the passing of the Ordinary Resolution as set forth in Item Nos. 8, 9 and 10 of this Notice, to take note of the appointment of Mr. Partha Pratim Sengupta as a Nominee Director and subsequent resignation w.e.f. July 24, 2020 and appointment of Mr. Swaminathan Janakiraman and Mr. V. S. Radhakrishnan as Nominee Directors on the Board of the Bank.

The brief profile of Mr. Swaminathan Janakiraman, Mr. Partha Pratim Sengupta and Mr. V. S. Radhakrishnan are annexed to this notice.

Save and except Mr. Swaminathan Janakiraman and Mr. V S Radhakrishnan and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolutions.

Item No. 11

Pursuant to 'Yes Bank Limited Reconstruction Scheme, 2020' approved by the Central Government and notified by Ministry of Finance, Government of India, vide notification No. G.S.R. 174(E) dated March 13, 2020 ('Scheme') in exercise of the powers conferred by Section 45(2) of the Banking Regulation Act, 1949 and the Order of the Administrator appointed by Reserve Bank of India ('RBI'), Mr. Prashant Kumar (DIN - 07562475) was appointed as Managing Director and Chief Executive Officer of the Bank ('MD & CEO') w.e.f March 26, 2020 to hold office for a period of 1 year starting from March 26, 2020 till March 25, 2021 or until an alternate Board is constituted by the Bank, whichever is later.

The Board of Directors of the Bank at its meeting held on March 26, 2020 took note of appointment of Mr. Prashant Kumar as the MD & CEO of the Bank and recommends for noting by members of the Bank.

It is proposed to approve the remuneration payable to Mr. Prashant Kumar as MD & CEO of the Bank in terms of the applicable provisions of the Banking Regulation Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time, the Companies Act, 2013 and relevant rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. RBI has approved the fixed remuneration of the MD & CEO vide its communication dated June 24, 2020 and informed the Bank that a separate communication on variable pay would follow.

MD & CEO compensation, which comprises fixed pay and variable pay, is in alignment with the RBI Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff, applicable to all Private Sector Banks (including Local Area Banks, Small Finance Banks, Payments Banks) and Foreign Banks operating in India as per RBI circular Reference No. RBI/2019-20/89 DOR.Appt. BC.No.23/29.67.001/2019-20 November 4, 2019.

Fixed pay:

The fixed pay of ₹28,477,450, is as per the approval received from RBI and is subject to Shareholders' approval and includes basic salary, other cash allowances, retirals (PF & Gratuity), other benefits and perquisites as per details given below:

Sr. No.	Particulars	Remuneration per annum (₹)
	Part A:	
A	**Remuneration**	
	Basic Salary	45,00,000
	Dearness Allowance	-
	House Rent Allowance	-
	Other allowances, if any	1,05,00,000
	Sub Total – Fixed Salary	**1,50,00,000**
	Provident Fund (@12% of basic salary)	5,40,000
	Gratuity (as per Act, calculated @ 4.81% of basic salary)	2,16,450
	Pension	N.A.
	Leave Fare Concession (1 month basic)	3,75,000
B	**Perquisites**	
	Bank Furnished and Maintained accommodation (the figure indicate the maximum limit of ₹6 lakhs pm and includes monthly rent, cost of deposit @ 8% pa and house maintenance cost)	72,00,000
	Furniture/White goods (Not exceeding ₹20 lakh once in service – Apportioned over 5 years. Purchase or renting may be considered)	4,00,000
	Free use of two Bank's cars with Driver for Official purposes & Private purposes	
	a. Official purposes (Toyota Camry – approx. cost ₹55 lakh costed @₹2200/- per lakh of car value)	14,52,000
	b. Private purposes (Toyota Altis – approx. cost ₹35 lakh costed @₹2200/- per lakh of car value)	9,24,000
	c. 2 Drivers expenses (maximum annual limit including salary, overtime, uniforms etc)	8,00,000
	Other benefits, if any	
	Gas, Electricity & Water (Actuals, subject to maximum annual limit)	4,00,000
	Residence Telephone (Actuals, subject to maximum annual limit)	60,000
	Life Insurance/ Personal Accident Insurance premium for self	60,000
	Club Memberships – 2 clubs (1 social and 1 business)	10,50,000
C	**Leave**	
	Ordinary Leave / Privilege Leave	25 days
	Sick Leave	7 days
D	**Total Fixed Pay (including estimated value of perquisites and retirals)**	**2,84,77,450**

Variable pay:

Variable Pay is a compensation element which is linked to Organizational Performance, Business Unit Performance and Individual Performance and is governed by the aforementioned RBI Circular No. RBI/2019-20/89 DOR.Appt. BC.No.23/29.67.001/2019-20 dated November 4, 2019, RBI guidelines and the Compensation Policy of the Bank, which also includes claw back and malus clauses.

The variable pay, which comprises Performance Bonus (Cash) and Performance Employee Stock Options (PESOP) shall be determined at the end of the performance period FY 2020-21 and is subject to approval from Nomination and Remuneration Committee, Board of Directors, RBI and Shareholders.

Mr. Prashant Kumar shall not be subject to retirement by rotation during his tenure as MD & CEO of the Bank.

Your Directors, therefore, recommend the passing of the Ordinary Resolution as set forth in Item No. 11 of this Notice, to take note of the appointment of Mr. Prashant Kumar (DIN - 07562475) as MD & CEO of the Bank from March 26, 2020 till March 25, 2021 and to approve his remuneration as mentioned in the resolution.

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

Item No. 12

The Reserve Bank of India vide its press release No.: 2019-2020/2025 dated March 05, 2020 in exercise of the powers conferred under Section 36ACA of the Banking Regulation Act, 1949 ("BR Act"), in consultation with the Central Government, superseded the erstwhile Board of Directors of the Bank for a period of 30 days and Mr. Prashant Kumar was appointed as the Administrator under Section 36ACA (2) of the Act. In terms of the above press release, by RBI Order DoR.PSBD. No.7121/16.01.137/2019-202 dated March 05, 2020 addressed to the Bank, Mr. Prashant Kumar took the charge as Administrator of the Bank and assumed his office on March 06, 2020.

The Ministry of Finance, Government of India vide Notification No. G.S.R. 174(E) dated March 13, 2020 published in the Official Gazette of India, 'Yes Bank Limited Reconstruction Scheme, 2020' ('Scheme'). As per the said Scheme, the office of Mr. Prashant Kumar as Administrator of the Bank stood vacated immediately after 7 calendar days from the date of cessation of RBI imposed moratorium with effect from 18:00 hours on March 18, 2020 and reconstitution of a new Board of Directors pursuant to the Scheme on March 26, 2020.

Mr. Prashant Kumar handed over the charge and the new Board assumed the charge of the management and affairs of the Bank w.e.f. March 26, 2020.

Mr. Prashant Kumar is eligible for payment of all-inclusive Salary and Allowances of ₹ 8,19,672/- as Administrator of the Bank for the period from March 6, 2020 to March 25, 2020, as per the approval granted by the Reserve Bank of India in its communication dated July 18, 2020 in exercise of the powers conferred by Section 36ACA(7) of the Banking Regulation Act, 1949.

Your Directors, therefore, recommend passing of the Ordinary Resolution, as set forth in Item No. 12 of this Notice, for noting by the members of the Bank.

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

Item No. 13

Mr. Ravneet Singh Gill, Ex-Managing Director and Chief Executive Officer demitted office as MD & CEO of the Bank w.e.f. the close of business hours on March 5, 2020 pursuant to the Reserve Bank of India's press release No. 2019-2020/2025 dated March 5, 2020 wherein the RBI, in exercise of the powers conferred under 36ACA of the Banking Regulation Act 1949 ('BR Act'), RBI , in consultation with Central Government, superseded the Board of Directors of YES Bank Limited for a period of 30 days and Shri Prashant Kumar, ex-DMD and CFO of State Bank of India was appointed as the Administrator of the Bank under Section 36ACA (2) of the Act.

In terms of explanation given under Regulation 35B of BR Act, any provision conferring any benefit or providing any amenity or perquisite, in whatever form, whether during or after the termination of the term of office of the MD & CEO, shall be deemed to be a provision relating to his remuneration. It further provides that any provision relating to appointment and remuneration of MD & CEO shall not have effect unless approved by the RBI.

After supersession of the Board a request was received from Mr. Ravneet Singh Gill for continuation of use of Bank provided Car facility for a period of one (1) month and accommodation facility for a period of two (2) months and subsequently for one (1) more month due to national lockdown. Accordingly, the Bank had applied to the RBI for continuation of use of said facilities by Mr. Ravneet Singh Gill and RBI vide its

communication dated April 04, 2020 and May 22, 2020 had granted its approval for the same.

The Board of Directors at its meeting held on May 06, 2020, had approved the proposal as mentioned in the resolution for allowing Mr. Ravneet Singh Gill to use Bank's provided car facility for the period of one (1) month and accommodation facility for the period of 90 days commencing from March 07, 2020.

The Board was of the view that the aforesaid perquisites will also be appropriate gesture and consideration for Ex MD & CEO of the Bank to enable him to make alternative arrangements and orderly transition with regard to his accommodation and other benefits during the lockdown period due to COVID-19.

Your Directors, recommend the passing of resolution by the members of the Bank as set forth in Item No. 13 of this Notice, to ratify continuation of use of Bank's provided car facility for a period of 1 month and accommodation for the period of 90 days commencing from March 07, 2020 by Mr. Ravneet Singh Gill, Ex-MD & CEO as per the details given hereinabove.

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

Item No. 14

Under the YES Bank Limited Reconstruction Scheme, 2020 ('Scheme'), Article Nos 110(b), 127 (b), 127A (a) and article 127A (b) granting special rights to the Indian Partners / Promoters of the Bank were deleted.

However, the Scheme did not expressly amend or omit certain Articles which are linked to the deleted clauses and/or related to Indian Partners / Promoters rights. The Bank is of the view that, after the Scheme has been implemented, these Articles have no legal effect and became infructuous.

Further, the Promoters / Promoter Group have been re-classified as public shareholders of the Bank.

Accordingly, it is proposed to amend the Articles of Association of the Bank as specified in the Resolution. The relevant current Articles are reproduced hereunder, wherein the underlined portion is proposed to be deleted or amended.

3. INTERPRETATION

a) In these presents, unless there be something in the subject or context inconsistent therewith:

"Affiliate"
means any person which is a holding company or subsidiary of Rabo or any person including any subsidiary or holding company which, directly or indirectly, (a) Controls either Rabo or the Indian Partners, (b) is Controlled by either Rabo or the Indian Partners, (c) is Controlled by the same person who, directly or indirectly, Controls Rabo or the Indian Partners, or (d) is a subsidiary of the same person of which Rabo is a subsidiary. For the purposes of this definition, the term "holding company" and "subsidiary" shall have the meaning ascribed to under Section 4 of the Act.

"Ashok Kapur"
means Mr. Ashok Kapur, an Indian National and resident of 11, Silver Arch, Napean Sea Road, Mumbai – 400006 and unless it be repugnant to the context, shall mean and includes his successors, legal representatives and assigns;

"Controlling" "Controlled by" or "Control"
with respect to any person, means ownership of more than 50% of voting securities of such person and the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by agreement or otherwise and the power to elect more than 50% of the directors, partners or other individuals exercising similar authority with respect to such person;

"Indian Partners"
Ashok Kapur and Rana Kapoor, are collectively referred to as the "Indian Partners" and each of

Ashok Kapur, and Rana Kapoor is individually referred to as the "Indian Partner";

"Rabo"
means Rabobank International Holding B.V. a closed company with limited liability established and existing under the laws of The Netherlands, with its statutory seat at Utrecht, The Netherlands and with its principal place of business at Croeselaan 18, 3521 CB Utrecht, The Netherlands, and unless it be repugnant to the context, shall include its successors and assigns;

"Rana Kapoor"
means Mr. Rana Kapoor, an Indian National and resident of Grand Paradi Apartments, Rowhouse # 1, Mumbai- 400036 and unless it be repugnant to the context, shall mean and includes his successors, legal representatives and assigns;

The "Companies Act, 2013"
Means Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules, circulars and notifications made thereunder;

49. (e) Neither Rabo nor the Indian Partners shall Transfer or cause a Transfer of their respective shareholding in the Company to the extent of 9,80,00,000 (Nine Crores Eighty Lakhs) Equity Shares of the Company for a period of five years from May 24, 2004. Notwithstanding anything to the contrary contained in these presents, Article 49 (e) shall be subject to any guideline/instruction/ direction whether oral or written issued/recommended/approved by the Reserve Bank with respect to the capital structure of the Company. Provided further that in the event that the Reserve Bank relaxes its requirement for the lock-in then the release of the aforesaid locked-in shares shall be effected in a manner that is proportionate to the shareholding of the Indian Partners and Rabo in the Company.

52. (b) Notwithstanding anything to the contrary the Board may, at its absolute and uncontrolled discretion refuse to register the Transfer of any Shares or other securities of the Company being Shares or securities issued by the Company in favour of any transferee whether individual firm, group constituent of a group, Body Corporate or Bodies Corporate under the same management or otherwise and whether in his or its own name or in the name of any other person if the same is not in accordance with Article 49 (e) of the Articles and/or if such a Transfer is not approved/acknowledged by the Reserve Bank, wherever such approval/ acknowledgement is required.

110(c): Apart from the IP Representative Directors and the Rabo Representative Director, the other directors shall be independent ("Independent Directors"). The Indian Partners shall propose the names of the first three Independent Directors, who upon approval by Rabo, shall be appointed as such by the Board. Rabo and the Indian Partners may, recommend the names of the remaining Independent Directors to the nominations Committee of the Company.

111. The persons hereinafter named are the first Directors of the Company ("First Directors"):

a) Ashok Kapur (IP Representative Director)
b) Rana Kapoor (IP Representative Director)
c) W.J. Kolff

111(d): The Board may appoint an Alternate Director to act for a Director (hereinafter in this Article called the "Original Director"), at his suggestion or otherwise, during his absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held. The person to be appointed, as an Alternate Director shall be nominated by the Shareholder for whose representation the Director was appointed.

118(b): If the office of any Director appointed by the Company is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board and the Directors so appointed shall hold office only upto the date on which the Director in whose place he is appointed would have held office if it had not been vacated. Such vacancy if that of the Rabo Representative Director or the IP Representative Directors shall be filled by individual(s) who shall be recommended for appointment by Rabo or the Indian Partners as the case may be.

121. Two of the IP representative Directors as well as the Rabo Representative Director shall not liable to retire by rotation. The other Directors shall be persons whose period of office is liable to determination by rotation and, subject to the provisions of the Act, shall be appointed by the Company in General Meeting.

The existing and amended Articles of Association of the Bank will be available for inspection electronically.

Your Board, therefore, recommends passing of the Special Resolution as set out in Item No.14 of the accompanying Notice.

None of the Directors/Key Managerial Personnel of the Bank/their relatives are, in any way, concerned or interested financially or otherwise, in the above resolution except to the extent of their shareholding, if any, in the Bank.

Item No. 15

As you are aware, the Bank has faced multitude of challenges in the last few quarters including the ongoing global COVID 19 impact. Despite this, the Bank has shown resilience and post the reconstruction of the Bank, has embarked on a transformation journey which has been further accelerated by the culmination of the recent FPO. In this phase of the Bank life cycle, it is imperative that the employees continue to remain motivated and partner wholeheartedly in all initiatives to bring the Bank back to normalcy and accelerate its growth in alignment with the business strategy.

YES BANK's Human Capital philosophy focuses on recruiting and retaining top quality Human Capital and empowering them to push their boundaries beyond their comfort zones, inculcating the right values, attitude and mindset. In this context, it is important that YES BANK continues to articulate and demonstrate a strong employee value proposition which is perceived positively by employees and encompasses the key elements comprising; **Career** (Professional Growth), **Connect** (Productive engagement), **Compensation** (Creating and Sharing Value) and **Care** (Employee well-being) anchored in deep sense of Ownership, Pride driven by Professional Entrepreneurship.

The compensation philosophy of the Bank envisages a "Sum of parts" compensation structure with Employee stock options being an important component for long term retention/ motivation through wealth creation in tandem with the growth of the Bank.

The shareholders at the AGM held in 2018 had approved 'YBL ESOS – 2018' (**'ESOS Scheme'**) for 7.50 Crore stock options to be granted to employees of the Bank and its subsidiary companies.

For the reasons explained in detail in subsequent paras, a need was felt to increase the ESOP pool available for grant. Hence, it is now proposed to increase the total stock options available in the ESOS Scheme by 15,00,00,000 (Fifteen Crore) options i.e from 7,50,00,000 (Seven Crore Fifty Lakh) equity stock options to 22,50,00,000 (Twenty-Two Crore Fifty Lakh) equity stock options.

1. **Hiring and Retention of key talent in top, senior and middle management:**
   The shareholders had earlier approved an ESOP pool of 7.50 Crore options under the current ESOS 2018 scheme. The Bank has granted options under the said scheme and the balance is nearing exhaustion. In line with the Bank's compensation philosophy, a fresh infusion into the ESOP pool is required for the purpose of hiring and retaining critical talent which needs to be ring fenced to avoid poaching by competition

and other organizations. While the Bank is implementing a holistic program to engage and retain talent, ESOPS will play a key role in the retention strategy of the Bank.

2. **New RBI compensation guidelines :**
Another important reason for seeking an enhancement in the ESOP is the revised Compensation guidelines notified by the RBI vide its circular dated November 4, 2019, which are applicable from April 1, 2020. The guidelines, inter alia, stipulate the framework for the compensation structure in respect of MD & CEO, Executive Directors, Material Risk Takers, Risk & Control function staff and other employees. The compensation guidelines makes it mandatory for Banks to maintain a certain proportion between Fixed & Variable pay and further stipulate that at least 50 % of the variable pay should be in the form of ESOP or Stock linked instruments. Hence the Bank will require to maintain an adequate ESOP pool for implementing the revised compensation structure year on year, in alignment with the aforementioned RBI guidelines.

It is further clarified that the enhancement in the ESOP pool as proposed above, is in no way any guarantee of allotment of ESOP and is merely an enabling provision. The actual grant of ESOP shall be subject to the performance of the Bank, Business unit and the individual with the approval of N&RC, Board and RBI in the case of MD & CEO and Executive Directors (if appointed).

It is also proposed to change the nomenclature of the Scheme from **'YBL ESOS - 2018'** to **'YBL ESOS - 2020'** and all the plans under the said ESOS Scheme would continue to be valid. The change in nomenclature will not affect the rights and obligations of the option holders under the Scheme/ Plans and that options already granted will continue to be governed by the existing terms Scheme/ Plans.

The Nomination & Remuneration Committee and the Board of Directors of the Bank (**'Board'**) vide resolutions passed on July 24, 2020 and August 7, 2020 (adjourned meeting of July 28, 2020), respectively have approved the proposed amendments in the Scheme.

All other provisions and terms and conditions of the YBL ESOS – 2018 scheme would remain same as approved earlier by the Members at the 14th AGM of the Bank and the options, already granted, if any under the Scheme/ Plans would continue to be governed by the existing terms and conditions of YBL ESOS 2018 without any change in the rights and obligations of the option holders.

After the amendment to the number of options available in the Scheme and to the name of the Scheme, the broad terms and conditions of the amended Scheme would inter-alia include the following:

Brief description of YBL ESOS - 2020

The key features of the new ESOS scheme viz. YBL ESOS - 2020 are highlighted below and remain unchanged from the approved ESOS 2018 scheme which is currently in force.

a) Objects of the Scheme

YES BANK Limited has from time to time granted stock options to its employees at the time of joining and to reward performance of existing employees. In order to retain the existing employees and also to attract, hire and retain the best talent, the Scheme was introduced, namely 'YBL ESOS - 2018' (being renamed as 'YBL ESOS – 2020'), whereby, employees who comply with certain eligibility criteria would be given options to subscribe to a specified number of equity shares in the Bank. The employees could exercise the option after a stipulated time and after complying with the conditions subject to which the options are granted, by paying the appropriate consideration, consequent to which the shares would be allotted to them.

b) Nomination and Remuneration Committee ('NRC')

The NRC of the Bank shall act as the Compensation Committee under Regulation 5 of the SEBI SBEB Regulations, which has

been authorized to inter alia formulate, administer and supervise the Scheme including framing of its terms and conditions of ESOS as permitted under the SEBI SBEB Regulations. All questions of interpretation, dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with the Scheme shall be referred to the NRC and shall be determined by the NRC and such determination/ decision/ interpretation shall be final and binding upon all persons having an interest in or affected by the Scheme.

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

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

c) Total number of options/shares to be granted under the Scheme

The Scheme comprises creation on an ESOP pool of 22,50,00,000 options entitling the grantees to subscribe to an aggregate of 22,50,00,000 equity shares of the Bank of the face value of ₹ 2/- each.

The aforementioned ESOP pool consists of the existing pool of 7,50,00,000 (Seven Crore Fifty Lakh) equity stock options enhanced by 15,00,00,000 (Fifteen crore) now proposed, thereby taking the total ESOP pool to 22,50,00,000 (Twenty-Two Crore Fifty Lakh) equity stock options.

The total issued and paid up capital of the Bank as on August 7, 2020 is ₹ 50,10,98,11,962 consisting of 25,05,49,05,981 Equity Shares of ₹ 2.00 each and the maximum dilution that could take place in future under the Scheme i.e. YBL ESOS – 2020 would not exceed 1.03%, after considering the expanded issued and paid-up share capital of the Bank and the outstanding options from earlier schemes.

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

d) Identification of classes of employees entitled to participate in the Scheme

The current and future employees of the Bank and its subsidiary companies in India and/or abroad, subject to regulatory guidelines, would be eligible for grants based on eligibility criteria including but not limited to the management band, performance, potential, and tenure of service of the employee. Employees include whole time directors but exclude promoters of the Bank and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Bank. The options may be granted to the employees as determined by NRC at its discretion.

e) Requirements of Vesting and Period of Vesting

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

The stock options could be granted in tranches and could vest in tranches or at one time and the vesting schedule for each tranche and conditions subject to which vesting would take place will be decided by the NRC and will be outlined in the grant letter which will be issued to each grantee employee.

f) Maximum period within which the options shall be vested

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

g) Exercise Price/Pricing Formula

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

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

h) Exercise period and the process of exercise

Exercise period is a period, as may be determined by NRC for each grant, commencing from the grant date and expiring on completion of such period not exceeding ten (10) years from the grant date.

The option grantee may exercise the options by submitting the exercise form to the Bank accompanied by payment, including applicable taxes, of an amount equivalent to the exercise price in respect of issue of equity shares. NRC may determine the procedure for exercise from time to time. Upon receipt of the exercise form and the payment of the exercise price along with applicable taxes in a form and manner as stipulated in the Scheme or by the NRC, the Bank shall issue and allot shares to the option grantee.

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

All tax liabilities, present and future, arising at the time of grant, exercise and sale of shares issued pursuant to exercise of options by the employee shall be borne by the employee.

i) Appraisal process for determining the eligibility of employees for the Scheme

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

j) Maximum number of options / quantum of benefits to be issued per employee and in aggregate under the Scheme:

The number of options that would be issued to each employee under the Scheme will be at the sole decision of the NRC. Provided always that, the maximum options per Employee will be fixed at 5 million options.

k) Implementation and administration of the Scheme whether by the Bank or through a trust

The Scheme shall be implemented and administered directly by the Bank/NRC. The Scheme involves grant of 22,50,00,000 options entitling the grantees to subscribe to an aggregate of 22,50,00,000 equity shares of the Bank of face value of ₹ 2/- each.

l) Whether the Scheme involves new issue of shares by the Bank or secondary acquisition by the trust or both

There will be new issuance of equity shares by the Bank as and when the options are exercised by the employees of the Bank and its subsidiaries.

m) The amount of loan to be provided for implementation of the Scheme by the Bank to the trust, its tenure, utilization, repayment terms, etc. : The Scheme is not administered through a trust - Not applicable

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Scheme: The Scheme is not administered through a trust - Not applicable

o) Disclosure and accounting policies

The Bank shall conform to the applicable accounting policies in accordance with and subject to Regulation 15 of the SEBI SBEB Regulations, prescribed by SEBI, RBI, and/or any other appropriate regulatory authority, from time to time.

p) Method for valuation of options

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

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

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

q) Listing of Equity Shares

In accordance with and subject to applicable law, the shares allotted pursuant to the exercise of options under the Scheme, shall be listed on BSE Limited and National Stock Exchange of India Limited.

Approval of the Members is sought in terms of Section 62(1)(b) of Companies Act, 2013 and any other applicable provisions of law, for the issue of equity stock options convertible into equity shares of the Bank to the eligible employees as defined under the Scheme. The resolutions and the terms stated therein as also the terms stated in this explanatory statement hereinabove shall be subject to the guidelines/regulations issued/to be issued by statutory authorities in that behalf and the Board of Directors/NRC shall have the absolute authority to vary or modify the terms hereinabove in accordance with and subject to all applicable guidelines which may be stipulated by SEBI or otherwise.

Your Directors, therefore, recommend the passing of the resolution(s) as set forth in Item No.15 of this Notice as Special Resolution(s).

Save and except Mr. Prashant Kumar, Managing Director and Chief Executive officer, Mr. Anurag Adlakha, Chief Financial Officer and Mr. Shivanand R. Shettigar, Group Company Secretary to the extent of the options & shareholding held and that may be granted to them from time to time under the Scheme and consequently their relatives, none of the other Directors and their relatives is or are, in any way, concerned or interested, directly or indirectly, financially or otherwise, in the proposed resolution(s).

By Order of the Board of Directors
For YES BANK Limited

Shivanand R. Shettigar
Group Company Secretary

Place: Mumbai
Dated: August 07, 2020

1. Mr. Sunil Mehta

Age	62
Date of first appointment on Board	March 26, 2020
Qualification	B Com (Honours), FCA-ICAI, AMP- Wharton School of Management, University of Pennsylvania, USA
Brief Resume including experience	Mr. Sunil Mehta has over three and a half decades of proven leadership experience in banking, financial services, insurance and investments with Citibank and AIG. In 2013, he left AIG where he was the Country Head & CEO for AIG India since 2000. Subsequently, he started SPM Capital Advisers Pvt. Ltd. Mr. Mehta is the Chairman and Managing Director of SPM Capital Advisers Pvt. Ltd., a leading business advisory and consulting firm in India.
	As Country Head & CEO for AIG in India, Mr. Mehta was responsible for all AIG businesses in India covering Insurance, Financial Services, Real Estate and Investments amongst other businesses. He set up AIG's insurance JVs with Tatas and was also responsible for expanding AIG's presence across ten businesses in India which included Life & Non-Life Insurance, Private Equity, Asset Management, Real Estate, Home Finance, Consumer Finance, Software Development, Mortgage Guaranty and Aircraft Leasing. He was on the Board of all AIG Companies in India and on the Board of IDFC Ltd. for several years.
	Prior to joining AIG, Mr. Mehta worked with Citibank for over 18 years where he held various senior positions covering operations, sales & risk process re-engineering, risk management, public sector business and corporate banking. His last assignment was Corporate Bank Head for Citibank India and Senior Credit Officer.
	Mr. Mehta was Non-Executive Chairman of Punjab National Bank from March 2017 till February 2020. He was an Independent Director on the Board of State Bank of India from June 2014 to March 2017. He is presently a Board Member of ACC Ltd. (A subsidiary of LafargeHolcim Group), Sashakt India Asset Management Ltd., Welmo Fintech Pvt. Ltd. and Bodytronix Fitness Pvt. Ltd. Mr. Mehta was on the Board of a startup digital non-life insurance company - Acko General Insurance Ltd. till October 2018.
	In addition, he is a Senior Advisor to notable international/domestic firms amongst his other business responsibilities at SPM Capital Advisers Pvt. Ltd.
	Mr. Mehta was asked to Chair the Committee on Resolution of Stressed Assets by the Honorable Finance Minister of India. Other Members of the Committee included the Chairman of State Bank of India, Managing Director of Bank of Baroda and Deputy Managing Director of SBI. The Committee presented the Sashakt Report on Resolution of Stressed Assets to the Finance Minister on July 2, 2018. The report is under implementation and made significant progress with adoption of the Inter Creditor Agreement (ICA) by the Regulator and all major Banks/NBFC's in addition to other recommendations.

	Mr. Mehta is closely engaged with various Think Tanks and Chambers of Commerce. He is the founding Board Member of the Asia Society India Centre and a Past Chairman of American Chamber of Commerce (AMCHAM India). He is currently on the India Advisory Board of US India Strategic Partnership Forum (USISPF).
	Mr. Mehta has strong interests in building sustainable communities and is the immediate Past Chairman of Action for Ability Development and Inclusion (Formerly The Spastics Society of North India). He is actively engaged with The United Way and on the Boards of United Way India and Mumbai. He was also the Chairman of both these organizations and also member of the Global Transition Board of United Way Worldwide.
	Mr. Mehta is a graduate from Shri Ram College of Commerce, Delhi University. He is a Fellow Member of the Institute of Chartered Accountants of India and an Alumni of the Wharton School of Management, University of Pennsylvania, USA.
Nature of his expertise in specific functional areas	Banking, Financial Services, Insurance, Real Estate and Investments, Consulting and Advisory
Other Directorship	1. ACC Limited
	2. Sashakt India Asset Management Limited
	3. Welmo Fintech Private Limited
	4. Bodytronix Fitness Private Limited
	5. SPM Capital Advisers Private Limited
	6. Asia Society India Centre
Chairmanship/Membership of Committees in companies in which position of Director is held	Chairman of Stakeholders Relationship Committee- ACC Limited Member of Audit Committee – ACC Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	1,92,000 equity shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Non-Executive Chairman of the Bank pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A.

2. Mr. Mahesh Krishnamurti

Age	64 years
Date of first appointment on Board	March 26, 2020
Qualification	MBA (Finance), B.Sc.(Economics)
Brief Resume including experience	Mr. Mahesh Krishnamurti has extensive experience in partnering closely with senior leadership teams in some of the most dynamic companies in the world. In December 2018, he left RGP, a leading Nasdaq-listed global consultancy ("RECN"), where he had been India MD & Country head and member of the Global Leadership Team since 2007. He was selected by the Board to establish and lead RGP India, and relocated to Mumbai from New York in 2007. At RGP, Mr. Krishnamurti advised large MNCs on operational and strategic initiatives. Prior to his India assignment, Mr. Krishnamurti's career in the US variously covered senior operational, sales, finance, planning, entrepreneurial, and consultancy roles at Digital Equipment Corporation, Symbol Technologies, Goldman Sachs, Worth Media, and RGP.
	He is also an LP and Advisor to the founders of Arka Venture Labs, a cross-border, B2B deep-tech seed fund focused on supporting early-stage technology ventures in India and transitioning them to the Silicon Valley ecosystem. Mr. Krishnamurti is a Supervisory Board member at MyCFO, a well-established consultancy with a large client portfolio that is adept at implementing practical solutions. As an Impact Advisor, he is deeply interested in Sustainability, and Environmental, Social, Governance (ESG) challenges. He is Advisor/ Partner with BuzzOnEarth Media, a fast-growing online media platform with a global audience that engages the masses and actively influences them towards positive action on Sustainability Development Goals. Mr. Krishnamurti is also advising various other promising social impact and technology start-ups.
	Mr. Krishnamurti is innately international and culturally versatile, having lived in Thailand (childhood), Switzerland (schooling), UK, US, and India. He is conversant in French, Thai, Tamil, Telugu, and Hindi, having been raised in a United Nations family.
	He has been Chairman, American Chamber of Commerce, India Western Region; Committee Member, Policy Research & Development, Bombay Chamber of Commerce; Charter Member TiE; BIMTECH Advisory Council Member; Rotarian.
	Mr. Krishnamurti holds a B.Sc. (Economics) from the London School of Economics and Political Science, and an MBA (Finance) from NYU, Stern School of Business. He has also attended management programs at the Wharton School, and MIT, Sloan School of Management.
Nature of his expertise in specific functional areas	Advising promising social impact and Technology start-ups and leading Business Initiatives at the highest levels Internationally, Operational, Sales, Finance, Planning, Entrepreneurial and Consultancy
Other Directorship	Nil
Chairmanship/Membership of Committees in companies in which position of Director is held	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	Nil

No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Non-Executive Director of the Bank pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

3. Mr. Atul Bheda

Age	56 years
Date of first appointment on Board	March 26, 2020
Qualification	BCom, LLB(Gen), FCA, DISA(ICA)
Brief Resume including experience	CA Atul Bheda is a practicing Chartered Accountant with a degree in law and Information Systems Audit (ISA). He is in practice since 34 years. He has experience in the areas of Tax, Bank and other Audits, Computer Software Development, Finance, Corporate laws etc.
	He has been a Member of the Central Council of the Institute of Chartered Accountants of India (ICAI) from 2007 to 2013 and has been contributing to the ICAI by chairing various committees like Information Technology (IT), Indirect Tax (IDTC), Ethical Standards Board (ESB), and the Expert Advisory Committee (EAC) and has represented ICAI on committees of SEBI, RBI, IRDA. and XBRL International. He was a member of Accounting Standards Board, Corporate Laws and Corporate Governance Committee, Internal Audit Standards Board, Committee on Banking, Insurance & Pension, Auditing and Assurance Standards Board of Studies, Examination Committee, Disciplinary Committee of ICAI.
	He has been the founder director of XBRL Limited in India. He was Chairman of Taxonomy Development and Review Committee of XBRL India.
	He was Chairman of The Western India Regional Council (WIRC of ICAI) which is the largest Regional Council of The Institute of Chartered Accountants of India (ICAI).
	He has also contributed to many Education and Charitable Organisations in various capacities.
Nature of his expertise in specific functional areas	Tax, Bank and other Audits, Computer Software Development, Finance, Corporate laws etc.
Other Directorship	Nil
Chairmanship/Membership of Committees in companies in which position of Director is held	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	15,150 equity shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Non-Executive Director of the Bank pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

4. Mr. Rama Subramaniam Gandhi

Age	64 years
Date of first appointment on Board	March 26, 2020
Qualification	Master's Degree in Economics 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 Certificate course in System Programming from the IBM Education, Sydney, Australia Certificate Course in Gandhian Thoughts from the Madurai University, Tamil Nadu, India
Brief Resume including experience	Mr. R. Gandhi is a financial sector policy expert and adviser. His expertise includes banking and non-banking regulation, payment systems, financial markets, FinTech and currency management. He served as a Deputy Governor of the Reserve Bank of India for three years from 2014 to 2017. With 37 years of experience, he has been a seasoned and accomplished central banker. He had a three year secondment to the Securities and Exchange Board of India (SEBI), the capital market regulator. He also held the charge of Director of the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad.
	In his long and illustrious career, Mr. Gandhi 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) and was a member of the Basel Committee on Banking Supervision (BCBS) and the Committee on Global Financial Systems (CGFS), Basel. At present, he advises banks, finance companies and fintech entities.
	Mr. Gandhi has a master's degree in Economics from the Annamalai University, in Tamil Nadu, India. He completed 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.
Nature of his expertise in specific functional areas	Banking, Finance, Information Technology, Payment & Settlement Systems and Risk Management
Other Directorship	1. BFSI Sector Skill Council of India 2. Electronic Payment and Services Private Limited 3. NESL Asset Data Limited 4. National E-Governance Services Limited 5. Clearcorp Dealing Systems (India) Limited 6. The Clearing Corporation of India Limited 7. Perfect Day India Private Limited 8. Perfios Software Solutions Private Limited

Chairmanship/Membership of Committees in companies in which position of Director is held	Chairmanship Nomination & Remuneration Committee, NESL Asset Data Limited Audit Committee and Risk Management Committee, NESL Asset Data Limited Regulatory Compliance Committee, Corporate Social Responsibility Committee and Human Resources Committee, The Clearing Corporation of India Limited Audit & Risk Committee, Electronic Payment and Services Private Limited
	Membership Nomination & Remuneration Committee, National E-Governance Services Limited Nomination & Remuneration Committee, The Clearing Corporation of India Limited Risk Management Committee The Clearing Corporation of India Limited Audit Committee, The Clearing Corporation of India Limited Technical Approval Committee, The Clearing Corporation of India Limited Committee for Bye-Laws, Rules and Regulations, The Clearing Corporation of India Limited Business & Operations Committee, Electronic Payment and Services Private Limited Finance Committee, Electronic Payment and Services Private Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	15,000 equity shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Additional Director (appointed by RBI) pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

5. Mr. Ananth Narayan Gopalakrishnan

Age	51 years
Date of first appointment on Board	March 26, 2020
Qualification	B. Tech (Electrical Engineering, IIT Bombay), PGDM (IIM Lucknow)
Brief Resume including experience	Mr. Ananth Narayan is an Associate Professor, SPJIMR and Senior India Analyst, Observatory Group LLC. He is an Independent Director on the boards of SBI Capital Markets Ltd., Clearcorp Dealing Systems Ltd., CARE Ratings Ltd., Agappe Diagnostics Ltd., Southern Ridges Macro Fund and Southern Ridges Master Macro Fund. He is a member of SEBI's Mutual Fund Advisory Committee, FICCI's Capital markets Committee and Kerala Infrastructure Fund Management Ltd.'s Investment Committee. He has over 24 years of experience in banking and financial markets – with Standard Chartered Bank, Deutsche Bank and Citibank. Till December 2017, he was MD & Regional Head of Financial Markets, ASEAN & South Asia with Standard Chartered Bank. Previously, he was SCB's Head of Financial Markets & Co-Head of Wholesale Banking for South Asia between 2012-15, and Regional Head of FX, Rates & Credit Trading South Asia, between 2009-12.

	Prior to Standard Chartered Bank he was with Citibank in Mumbai till 2005 (Director & Head of FICC Trading), and with Deutsche Bank in Mumbai (Managing Director & Head of Global Rates, South Asia – till August 2009). He served as the Chairman of the board of Standard Chartered Nepal Ltd. between 2016 – 2017. He was Vice Chairman on the board of Fixed Income Money Market and Dealers Association (FIMMDA) and Foreign Exchange Dealers Association of India (FEDAI), between 2012 and 2017.
	He was on the board of Central Depository Services Ltd. (CDSL) and Standard Chartered Securities India Ltd. (SCSI) between 2013 and 2017. He has been a part of various RBI committees (including the one that launched FX Options in India, Interest Rate Futures, Financial Stability, Financial Benchmarks etc). He has a B.Tech (Electrical) from IIT Bombay and a PGDM from IIM Lucknow.
Nature of his expertise in specific functional areas	Banking and Financial Markets
Other Directorship	1. SBI Capital Markets Limited
	2. Clearcorp Dealing Systems (India) Limited
	3. CARE Ratings Limited
	4. Agappe Diagnostics Limited
	5. Southern Ridges Macro Fund, Cayman Islands,
	6. Southern Ridges Master Macro Fund, Cayman Islands
	7. Dvara Research Foundation
Chairmanship/Membership of Committees in companies in which position of Director is held	Membership Nomination & Remuneration Committee, CARE Ratings Limited Audit Committee, CARE Ratings Limited Rating Sub Committee, CARE Ratings Limited Stakeholders Relationship Committee, CARE Ratings Limited Nomination & Remuneration Committee, SBI Capital Markets Limited Audit Committee, SBI Capital Markets Limited CSR Committee, ClearCorp Dealings Systems (India) Limited Audit Committee, Agappe Diagnostics Limited Nomination & Remuneration Committee, Agappe Diagnostics Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	15,000 equity shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Additional Director (appointed by RBI) pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

6. Mr. Swaminathan Janakirman

Age	56 years
Date of first appointment on Board	March 26, 2020
Qualification	B.Com from Madras University, Master's degree in Business Administration from National Institute of Business Management, India
Brief Resume including experience	Mr. Swaminathan Janakiraman is the Dy. Managing Director (Finance) of State Bank of India ('SBI'). Mr. Swaminathan, in a career spanning over 31 years with SBI, has held various assignments across Corporate and International Banking, Trade Finance, Retail and Digital Banking and Branch Management.

	In his current assignment as DMD Finance, he oversees Budgeting, Capital Planning, Financial Reporting, Taxation, Audit, Economic Research, Investor Relations and Secretarial Compliance. Prior to this as Chief Digital Officer of SBI, he served as the head of Digital & Transaction Banking verticals of the Bank. Prior to that, as a CGM, Mr. Swaminathan was the head of the SBI's Hyderabad Circle overseeing the Bank's business in the State of Telangana, handling a wide spectrum of Retail Banking under various customer segments, through its 1,150 branches.
	During his stint in SBI's International Banking Group, Mr Swaminathan served as General Manager (FIG), Corporate Centre Mumbai, which handles SBI's correspondent banking relationships including Institutional Sales, Trade Finance and Payments Products. As a DGM, he was head of Global Trade Services, responsible for Trade Finance business and Trade Operations of SBI's overseas offices. He was also Head of Trade Finance at SBI's Branch in New York. As SBI's nominee, he served on the Board of Bank of Bhutan, an SBI JV in Bhutan.
	As SBI's nominee, Mr. Swaminathan was a Director on the boards of NPCI, NPCI International and Jio Payments Bank. Mr Swaminathan is currently the SBI's nominee director and Chairman of the Board of SBI Payments Services Pvt Ltd, an SBI Hitachi JV. He is a Certified Anti-Money Laundering Specialist (CAMS) as well as Certified Documentary Credit Specialist (CDCS).
Nature of his expertise in specific functional areas	Corporate and International Banking, Trade Finance, Retail, Digital Banking and Branch Management, Digital & Transaction Banking
Other Directorship	1. SBI Payments Services Private Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	Chairmanship Business Strategy Committee, SBI Payments Services Private Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	800 Equity Shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Nominee Director appointed by State Bank of India pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

7. Mr. Partha Pratim Sengupta (Since Resigned w.e.f July 24, 2020)

Age	57 years
Date of first appointment on Board	March 26, 2020
Qualification	B.SC. (Physics, HONS), B.ED.,CATIB.
Brief Resume including experience	Mr. Partha Pratim Sengupta, Deputy Managing Director, SBI, a career banker, joined SBI as a Probationary Officer in February 1987. Before assuming charge as Deputy Managing Director & Chief Credit Officer in September 2018, he was the Chief General Manager of SBI, Kolkata Circle. Prior to this, he was General Manager at Mid Corporate Regional office, Pune and Deputy General Manager, IFB Mumbai. He has been instrumental in changing the Credit Underwriting and Monitoring Processes in SBI. He is also chairing the Corporate Centre Credit Committee of SBI, the highest committee in SBI.
Nature of his expertise in specific functional areas	Banker, Credit Underwriting and Monitoring Processes

Other Directorship	1. National E-Governance Services Limited; 2. Asset Reconstruction Company (India) Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	Membership Audit Committee, State Bank of India Risk Management Committee, State Bank of India Special Committee of the Board to monitor large value Frauds, State Bank of India Board Committee to Monitor Recovery, State Bank of India Audit Committee, National E- Governance Services Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on July 24, 2020)	Nil
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Nominee Director appointed by State Bank of India pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

8. Mr. V. S. Radhakrishnan (w.e.f. July 31, 2020)

Age	57 Years
Date of first appointment on Board	July 30, 2020
Qualification	M. Com., MBA
Brief Resume including experience	Shri V. S. Radhakrishnan joined State Bank of India ('SBI') as Probationary Officer in 1988. He has served SBI in various geographical locations both in India and abroad. He has rich experience in Corporate Banking and worked in both Corporate Accounts Group (CAG) and Commercial Client Group (CCG) verticals of the Bank, apart from Forex treasury and Retail Network. He has worked as General Manager & Regional Head, CAG, New Delhi and Chief General Manager (CAG), SBI Corporate Centre, Mumbai. Presently he is posted as Deputy Managing Director at State Bank of India, Corporate Centre, Mumbai.
Nature of his expertise in specific functional areas	Banking experience of 32 years
Other Directorship	SBI Macquarie Infrastructure Management Private Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	Nil
No. of board meetings attended during the year	N.A.
Terms and conditions of appointment or re-appointment including remuneration	Nominee Director appointed by State Bank of India pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A

9. Mr. Prashant Kumar

Age	59
Date of first appointment on Board	March 26, 2020
Qualification	Science Graduate and Law Graduate from Delhi University
Brief Resume including experience	Mr. Prashant Kumar joined State Bank of India ('SBI') in 1983 as Probationary Officer and since then he held various important portfolios in SBI. He has over 35 years of experience in the Banking field. In his long service in SBI, he had the opportunity to work in various areas of banking such as Credit, Retail Banking, Human Resources & Strategic Training and Finance.
	He held the position of General Manager in Mumbai and Chief General Manager of Kolkata Circle in SBI. After elevation to the position of Deputy Managing Director, he held the position of Chief Operating Officer, Corporate Development Officer (HR) and Chief Financial Officer of SBI at its Corporate Office in Mumbai.
	He is a Science graduate and a law graduate from Delhi University.
Nature of his expertise in specific functional areas	Banking, Credit, Retail Banking, Human Resources & Strategic Training and Finance
Other Directorship	YES Securities (India) Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on August 7, 2020)	15,040 equity shares
No. of board meetings attended during the year	1
Terms and conditions of appointment or re-appointment including remuneration	Appointed as Managing Director & CEO of Bank pursuant to Yes Bank Limited Reconstruction Scheme 2020
Remuneration last drawn	N.A