



DEEPENING
MIND SHARE

growing
market
share

ANNUAL REPORT
2015-16

Awards & Recognitions



Bank of the Year - India

THE BANKER, LONDON - 2015



Strongest Bank in India by Balance Sheet

THE ASIAN BANKER AWARDS, SINGAPORE - 2015



Best Mid-Sized Bank - Overall, Growth & Asset Quality 2015

Consistent Performer and Best Asset Quality - Large Sized Banks 2014

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

BUSINESS TODAY - KPMG BEST BANKS ANNUAL SURVEY



Fastest Growing Mid-Sized Bank 2015

Best Mid-Sized Bank, 2012

Fastest Growing Bank (balance sheet >30,000 Cr) - 2011, 2010

Fastest Growing Bank (balance sheet <30,000 Cr) - 2009

INDIA'S BEST BANKS : A BUSINESSWORLD - PWC SURVEY



Best Information Security Initiatives - Global Winner

Best Corporate/Institutional Digital Bank - India

GLOBAL FINANCE BEST DIGITAL BANK AWARD, NEW YORK - 2015



Best Retail Bank India 2015

Best New Representative Office for NRIs UAE 2015

GLOBAL BANKING AND FINANCE REVIEW AWARDS 2015



India Domestic Cash Management Bank of the Year

India Domestic Trade Finance Bank of the Year

ASIAN BANKING & FINANCE WHOLESALE BANKING AWARDS SINGAPORE



THE ASIAN BANKER
STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

Best Trade Finance Bank in India - 2015

Best Corporate Trade Finance Deal in India - 2015

Best Cash Management Project in India - 2015

The Enterprise Risk Technology Implementation - 2015

THE ASIAN BANKER ACHIEVEMENT AWARDS, HONG KONG



Innovation Award for 'API Banking' and 'Bank in a Box'

INDIA - 2016



MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

First and Only Indian Bank included in

DOW JONES SUSTAINABILITY INDEX, NEW YORK - 2015



First Indian Company to be on the Carbon Disclosure Leadership Index for five consecutive years 2015, 2014, 2013, 2012 and 2011

FIRST INDIAN COMPANY TO BE A SIGNATORY - SINCE 2007



Outstanding Business Sustainability Achievement, 2015 & 2013

Outstanding Sustainable Project Financing, 2014

KARLSRUHE SUSTAINABLE FINANCE AWARDS, GERMANY



Golden Peacock

Corporate Social Responsibility, 2015 & 2013

Sustainability Award, London, 2015 & 2012

Environment Management Award, 2015 & 2014

Global Business Excellence Award, Dubai, 2013

Innovative Product / Service Award, 2012

GOLDEN PEACOCK GLOBAL CONVENTION



Pioneer in Emerging Markets - India

CLIMATE BONDS INITIATIVE AT LONDON STOCK EXCHANGE, LONDON - 2016



Sustainable Environmental Initiatives

BOMBAY CHAMBERS CIVIC AWARDS MUMBAI - 2015



Renewable Energy deal of the Year

THE ASSET TRIPLE A INFRASTRUCTURE AWARDS, HONG KONG - 2015

MUMBAI HOT 50

Celebrating Mumbai Brands

Top 10 Brands Headquartered in Mumbai

PAUL WRITER - MUMBAI HOT 50 AWARDS, MUMBAI - 2015



Pioneer in Banking and Financial Services

ASSOCHAM AFRICA-INDIA CHAMPION IN BIZ AWARDS, 2015



Recognized as ET Best Corporate Brand

THE ECONOMIC TIMES BEST CORPORATE BRANDS, MUMBAI - 2016



Winner - Inspiring Place to Work - Private Sector Banking

BANKING FRONTIERS IWP CONFERENCE & AWARDS CEREMONY

**MESSAGE FROM THE
NON EXECUTIVE
CHAIRPERSON**

Ms. Radha Singh

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**MD & CEO'S
COMMUNIQUÉ**

Mr. Rana Kapoor

Page 08

**INDIA BOLE
YES! - CREATING
A RESONATING
BRAND**

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**VIEW OUR ANNUAL
REPORT 2015-16 ONLINE**

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

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



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About Us

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

YES

YES BANK, India's 5th largest private sector bank is a high quality, customer centric, service driven, private Indian Bank catering to the Future Businesses of India. Since inception in 2004, YES BANK has fructified into a 'Full Service Commercial Bank' that has steadily built Corporate Banking, Financial Markets, Investment Banking, Corporate Finance, Branch Banking, Business and Transaction Banking, and Wealth Management business lines across the country, and is well equipped to offer a range of comprehensive products and services to Corporate and Retail customers.

YES BANK is headquartered in the Lower Parel Innovation District (LPID) of Mumbai, and now has a pan-India presence with a footprint of over 860 branches and 1600+ ATMs across all 29 states and 7 Union Territories in India.

VISION

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

Deepening Mind Share Growing Market Share

YES BANK was founded in 2004 on the ethos of Professional Entrepreneurship and a differentiated approach of Knowledge Banking to provide comprehensive sector specific and customized financial solutions to sunrise sectors of the economy. The **1st phase of YES BANK's lifecycle from 2004-2010** was characterized by 'entrepreneurship' and involved building strong capabilities in the wholesale banking segment with a comprehensive product suite, which leveraged the 'Knowledge Banking' approach while building a strong human capital team on the 'Owner-Manager-Partner' philosophy. By 2010, YES BANK was recognized as one of India's fastest growing banks in the previous 5 years and emerged as the **Largest 'Small' Bank** in our country, India.

From 2010-2015, YES BANK lived the '**Version 2.0**' phase during which the focus was on expanding the Retail Banking capabilities by drawing upon the Wholesale Banking franchise through a B2B2C approach for client acquisition and business generation. While the previous version was about 'entrepreneurship', in Version 2.0, YES BANK focused on further institutionalizing its systems, processes and controls gearing itself for orbit shifting expansion. The Bank built a strong platform in terms of its Brand, Distribution via Branch and ATM footprint, Technology, Human Capital as well as Risk Management. This well calibrated growth strategy resulted in YES BANK establishing itself as the **Largest 'Medium' Sized Bank** in the country with a balance sheet size of over ₹ 100,000 Crore.

FY 2015-16, marked the 1st year of the next phase of YES BANK's growth cycle of 2015 to 2020. The vision for YES BANK is to establish itself as a meaningful 'LARGE HIGH QUALITY' Bank by employing a focused 2-pronged strategy of '**Deepening Mind Share**' and '**Growing Market Share**'.

DEEPENING MIND SHARE

At YES BANK, our corporate credo has been built on a foundation of trust, reinforced by knowledge, backed by cutting-edge technology, governed by transparency and a strong commitment to Responsible Banking. In FY 2015-16, we extended this ethos to capture 'Mind Share' of all our stakeholders including our Corporate and Retail Customers, Regulators, Policy Makers, Industry Associations, and our valued Shareholders. We grew our Mind Share by undertaking multiple 'first-in-the-industry' initiatives to differentiate YES BANK in the minds of our stakeholders. Our dedicated Knowledge Teams focused on generating in depth research and insights on key sectors including Food

& Agri Business, Life Sciences & Information Technology, Tourism, Hospitality, Media & Entertainment, Renewable Energy, Education and Social Infrastructure among others. YES BANK's 'Mind Share' and expertise enables the Bank to offer Knowledge Partner services to marquee initiatives like the 1st Renewable Energy Global Investment Promotion Meet (RE-INVEST), and more recently, provided support to the 1st Maritime India Summit 2016, hosted by the Ministry of Shipping.

For our Retail Banking customers, we leveraged our brand campaign – 'INDIA *bo/e* YES!' supplementing it with an extensive digital and social media strategy to boost brand awareness, recall and consideration.

GROWING MARKET SHARE

At YES BANK, our success results from the translation of increasing 'Mind Share' to a corresponding increase in 'Market Share' of our businesses across various Corporate and Retail Segments. This increase in Market Share is also evident in our consistent Financial and Business performance over the last several years. YES BANK's growth was also an outcome of an increased branch footprint of 860 branches as of March 31, 2016, an increase of 229 branches in the last 12 months.

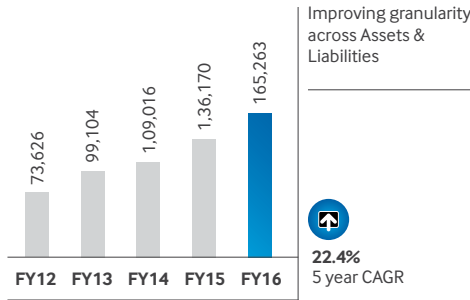
Retail Banking will play a major role in the next version of YES BANK's growth and the Bank has all the growth engines in place for a significant SCALE up of the Retail franchise. The Bank has also invested in dedicated branches for MSMEs, emphasizing on addressing the specialized needs of the companies in these segments and providing impetus to the Government's Make in India mission. YES BANK's Retail Assets product portfolio is also now complete with the launch of Credit Cards in the upcoming fiscal year 2016-17. YES BANK has adopted an innovative ART – Alliances, Relationships and Technology driven approach to Digitized Banking to partner with financial technology companies and acquire customers in both the Corporate and Retail segments.

YES BANK currently has a Market Share of close to 1% in the Indian Banking industry and with a planned, steady growth rate of approximately 25% over the next 5 years, the Bank aims to garner a 2.5% Market Share in India. This growth will be built on the back of a consistently deepening 'Mind Share' and YES BANK's reinforced commitment towards the vision of '**Building the Finest Quality Bank of the World in India by 2020**'.

Financial Highlights

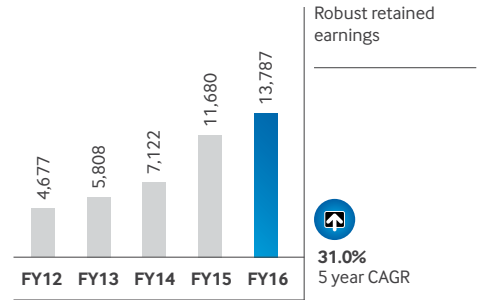
Total Assets

(₹ in Crores)



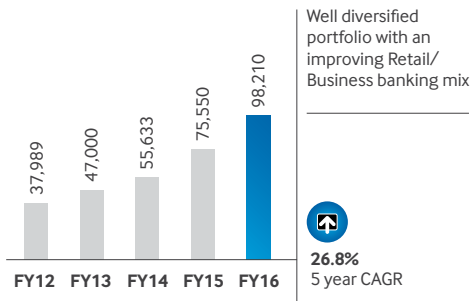
Shareholders Funds

(₹ in Crores)



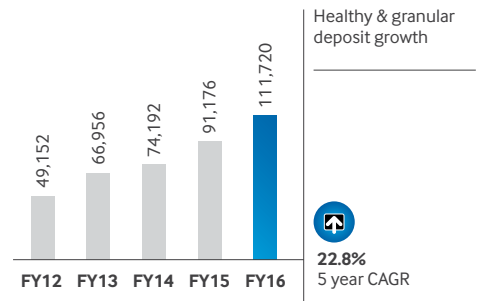
Advances

(₹ in Crores)



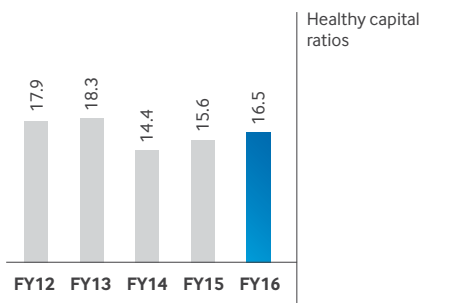
Deposits

(₹ in Crores)



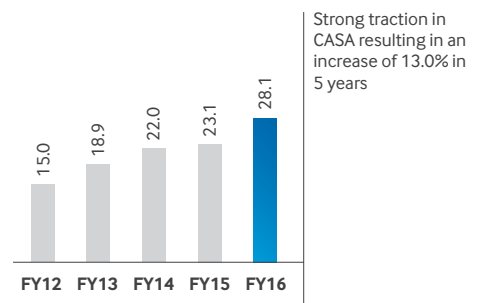
Capital Adequacy Ratio

(%)



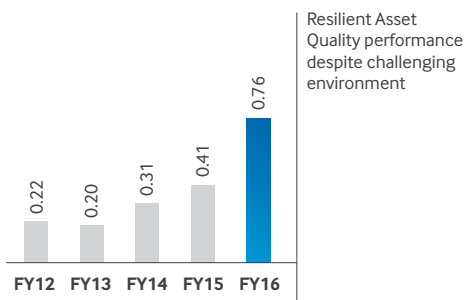
CASA Ratio

(%)



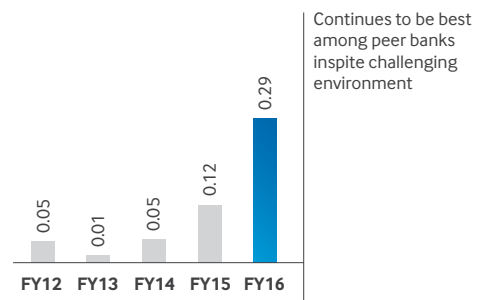
Gross NPA

(%)



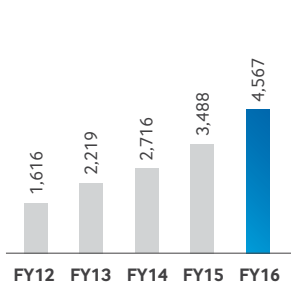
Net NPA

(%)



Net Interest Income

(₹ in Crores)



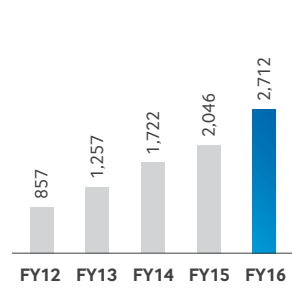
Robust NII Growth supported by healthy Advances growth



29.7%
5 year CAGR

Non Interest Income

(₹ in Crores)



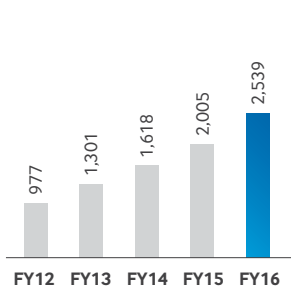
Continued traction in healthy and diversified Non-Interest Income growth



33.4%
5 year CAGR

Net Profit

(₹ in Crores)



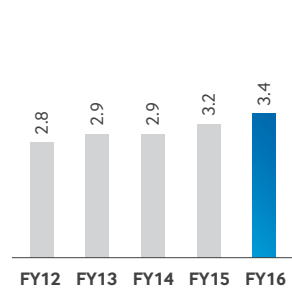
5 Year PAT CAGR at a healthy 27.0% with improving granularity in earnings



27.0%
5 year CAGR

Net Interest Margin

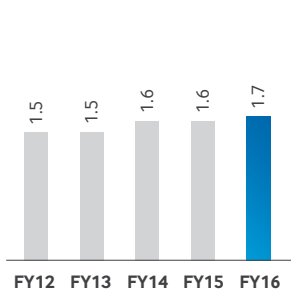
(%)



Improving margins on the back of robust CASA growth & improving Retail mix

Return on Annual Average Assets

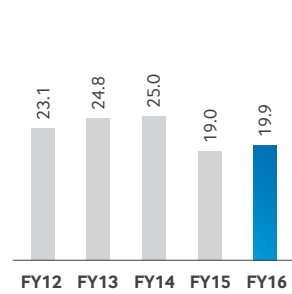
(%)



RoA's at or above 1.5% for the past 5 years

Return on Equity

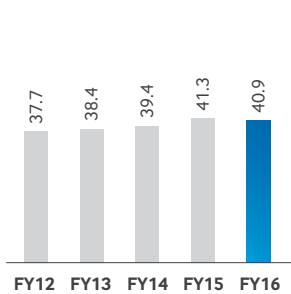
(%)



Growth with quality, improving productivity and efficiency

Cost to Income Ratio

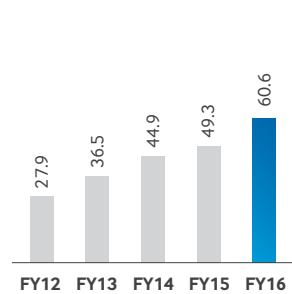
(%)



Steady Investments in infrastructure - branches, people, processes & technology

Basic Earnings per Share

(₹)



Robust retained earnings

Message from the Non-Executive Chairperson



India's relatively stronger macroeconomic fundamentals in terms of growth, inflation, current account and fiscal deficit provide a reasonable degree of resilience to the Indian financial system



Ms. Radha Singh, Non Executive Chairperson

India stands at a crucial juncture – while a gradual improvement in domestic macros provides an opportunity to outgrow its recent performance; a labyrinth of risks on the global front has threatened to tie it down. Overall, India's relatively stronger macroeconomic fundamentals in terms of growth, inflation, current account and fiscal deficit provide a reasonable degree of resilience to the Indian financial system. In the given scenario; India appears to be an island of relative calm in an ocean of turmoil.

The Reserve Bank of India (RBI) has responded to these macroeconomic conditions by cutting the benchmark repo rate by 75 bps during FY 2015-16 and another 25 bps in April 2016 coupled with measures to improve liquidity in the banking system.

The Government also maintained its momentum in terms of unveiling multiple new initiatives like Startup India, Standup India and Digital India in addition to its focus on Make in India and Ease of Doing Business. These initiatives are expected to come together and provide impetus to the Indian economy. Improvement in the economy will also provide support to the Banking industry especially the PSU Banks, which have been facing asset quality pressures and rising NPAs.

YES BANK's prudent risk management and focus on Knowledge Banking for risk assessment has ensured that the Bank continues to maintain best-in-class NPA ratios. The Bank is also gradually building a granular and diversified portfolio book spurred by growth in the Retail and SME segments. The Bank has received multiple accolades recognizing its stellar performance on multiple parameters across Business and Financial Outcomes, Responsible Banking, Innovation, Financial Inclusion and Human Capital, among others.

Since inception, YES BANK has believed that good and effective Corporate Governance plays a significant role in achieving the corporate vision and mission of the organization. Corporate and Financial Governance at YES BANK transcends beyond just adherence to rules and regulations.

The Board of Directors of the Bank are accomplished personalities of the highest standing having proven track records in diverse fields, in conformity with the statutory provisions under the Banking Regulations Act, 1949, Companies Act, 2013 and Equity Listing Agreements. In FY 2015-16, 2 new Directors

India's relatively stronger macroeconomic fundamentals in terms of growth, inflation, current account and fiscal deficit provide a reasonable degree of resilience to Indian financial system.

YES BANK has believed that good and effective Corporate Governance plays a significant role in achieving the corporate vision and mission of the organization.

joined YES BANK's Board - Mr. Ajai Kumar and Mr. Ashok Chawla. The newly appointed directors bring significant experience in the area of policy making, supervision and strategic direction. During the year, Mr. Ravish Chopra stepped down from the Board. I would like to thank Mr. Ravish for his valuable contribution to YES BANK's Board over the last 3 years. Mr. Ajay Vohra, Director will be retiring after 8 years of invaluable service to the Board of Directors, providing outstanding legal and governance related advice to the Bank. The current Board of Directors of the Bank now comprises of total 10 Directors, including six independent directors. The Board of Directors of the Bank have established and maintained a desirable ethical environment, establishing best-in-class practices of corporate governance.

During the year under review, the Board of Directors continued to extensively engage with the top and senior management of the Bank. Such engagements have provided the Board with an opportunity to mentor and groom the Bank's leadership and ensure long-term sustenance of business strategy.

All the foregoing initiatives taken during the year under the overall guidance of the Board of Directors ensured that YES BANK continued in its chosen path of strengthening its organizational character as the 'Professionals' Bank of India'.



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

MD & CEO's Communique



Focus is on ACTION and QUALITY to achieve size and SCALE as a LARGE HIGH QUALITY BANK in India



Rana Kapoor, Managing Director & CEO

Dear Shareholders,

The economic and business landscape in India has undergone many changes, since my last communication through YES BANK's Annual Report in 2014-15.

Belying expectations of a recovery, global economic conditions weakened with the impact exacerbated by sharp decline in global commodity prices and heightened volatility in global financial markets, especially currencies. Weak trade and investment appetite coupled with a generalized disinflationary environment prompted many countries to opt for policy stimulus measures to revive economic growth. With limited room for flexibility in government balance