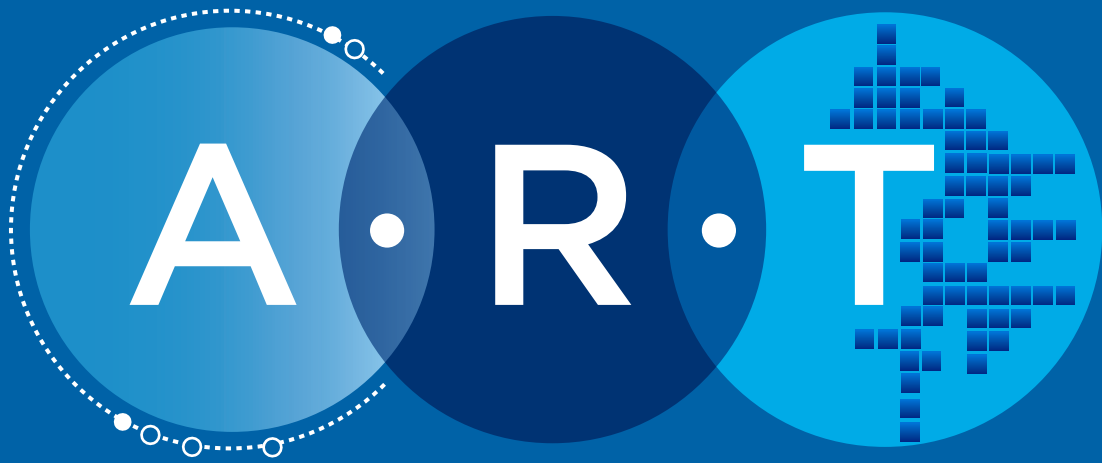


The



Alliances

Relationships

Technology

of Banking

AWARDS & RECOGNITIONS



Best Mid-Sized Bank, 2016, 2015, 2013, 2012, 2010, 2009 & 2008
 Consistent Performer and Best Asset Quality - Large Sized Banks 2014

Business Today - KPMG India's Best Banks Annual Survey



Youngest Indian Company to be part of the **Forbes Global 2000 List 2016**



Strongest Bank in India by Balance Sheet, Switzerland, 2016, Singapore, 2015, Dubai, 2013, Singapore, 2012
 Best Managed Bank in India for the 3-Year Period (2011-2013), Jakarta, 2013

The Asian Banker Awards



Porter Prize for Leveraging Unique Activity, 2016
 Finance, Banking & Insurance, 2013

Institute for Competitiveness Award



Digital Bank of Distinction Corporate/Institutional Bank - Asia, London, 2016

Best Information Security Initiatives - Global Winner, New York - 2015

Global Finance Award.



Asia's Best Bank for CSR
Euromoney Excellence Awards, Hong Kong, 2016



India's Best Bank for CSR
Asiamoney Excellence Awards, Hong Kong, April 2017



Best Renewable Energy Deal (Solar) India, 2016

Best Green bond Facility Highly commended India, 2016

The Asset Triple A Infrastructure Awards, Hong Kong



AAA rating for Environment, Social and Governance Excellence

MSCI ESG October, 2016



Continues to be the First and Only Indian Bank included in

DJSI Emerging Markets Index, New York - 2016, 2015



Best Innovation & Sustainable Financial Products & Services, 2016
 Outstanding Business Sustainability Achievement, 2015 & 2013

Karlsruhe Sustainable Finance Awards, Germany



Pioneer in Emerging Markets - India
Climate Bonds Initiative London Stock Exchange (LSE), London 2016



Payments Winner (Global)
Transaction Banking Awards, London, 2016, 2014



Best Bank for Payments and Collections - Asia Pacific
 Best Treasury & Cash Management Banks and Providers Awards
Global Finance Awards, New York, 2017



India Domestic Trade Finance Bank of the Year, 2016, 2015
 India Domestic Cash Management Bank of the Year, 2015
Asian Banking & Finance Wholesale Banking Awards, Singapore



Indian Banks' Association

'Best Technology Bank of the Year' - Medium Banks
Indian Banks' Association's (IBA) Banking Technology Awards, Mumbai, 2017



Best Corporate Payments Project in India - 2016
 Best Trade Finance Bank in India - 2016, 2015
 Best Corporate Trade Finance Deal in India - 2015
 Best Cash Management Project in India - 2015

The Asian Banker Transaction Banking Awards



Only Bank in Private Sector Category
Business Superbrands 2016



India's Most Admired Brand in Private sector Bank category, 2016
India's Most Admired Brands



Brand Excellence (Banking and Financial Services) 2016, 2013, 2012, 2011 & 2010
 Marketing Campaign of the Year 2013
 Best use of Social Media 2013
 Best Corporate Social Responsibility Practice (Overall) 2011 & 2010

CMO Asia Awards



View our Annual Report 2016-17 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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NON-EXECUTIVE CHAIRMAN**
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**INDIA BOLE YES!
CREATING A RESONATING
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ABOUT YES BANK



YES BANK is committed
to its vision of
**'BUILDING THE FINEST
QUALITY BANK OF THE
WORLD IN INDIA BY 2025'**
having evolved its organizational
ethos into the 'Professionals'
Bank of India'

AT YES BANK, OUR DIFFERENTIATION BEGINS WITH A SINGLE WORD - YES.

YES BANK, India's 4th 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, Digital 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 1,000 branches and 1,800 ATMs across all 29 states and 7 Union Territories in India.

THE A.R.T. OF BANKING

ALLIANCES. RELATIONSHIPS. TECHNOLOGY

The word 'ART' typically invokes thoughts of brilliant visuals, esoteric images and aesthetics, the result of an artist's labor of love. However, an oft unnoticed and underappreciated aspect is the underlying technical skill and practice required to make ART come to life.

Banking is no different. For ages, Banking has been equated to Branches and ATMs and off late to Digital channels, Apps and wallets. However, all of the foregoing function on the bedrock of robust technology, processes and people.

FY 2016-17 was a tipping point of sorts, with the half-life of technology innovation reducing drastically in the Banking and Payments industry through disruptions from the challengers, as well as the incumbents. This disruption presented both challenges and inherent opportunities, requiring rapid transformation and fundamental re-platforming of the banking bedrock.

At YES BANK, our philosophy to capitalize on this resulted in adoption of the ART - Alliances, Relationships and Technology (ART) approach to Banking.

The ART approach manifests itself in different ways across the various business verticals and is aimed at helping us stay ahead of the banking curve:

- **Corporate & Retail Banking** - The Bank continues to focus on 'lifecycle banking' by building strong **relationships** with our corporate & retail clientele and serving their needs using emerging **technologies**.
- **Digital Banking** - The approach has been to build **Alliances** and **Relationships** with new age

start ups and FinTech companies in an effort to 'collaborate and co-create' solutions that bring the future of Banking to the present, through **technology** led Innovation.

- **Responsible Banking** - YES BANK partners closely with leading global leaders such as UNEP-FI, WBCSD, UNGC as well as stakeholders in India, to bring in global best practices on CSR and Sustainability into the Indian context
- **Financial Inclusion** - By building strong **relationships** with a network of Business Correspondents and partnering with Cooperative Banks, YES BANK is providing these institutions access to its technology infrastructure, with the aim of enabling Financial Inclusion
- **YES Global Institute** - A practicing think tank which is building a global network of **relationships** to focus on India's sustainable and inclusive socio-economic growth and development

At YES BANK, it is our strong belief that a Bank should play the role of an 'enabler' for the country's growth and to serve the varied financial requirements of corporate and retail customers with solutions based on superior technology and service experience.

The ART approach allows YES BANK to offer Banking as a platform and Banking as a Solution, thereby not only serving retail customers but also allowing Corporates and Startups to use the Bank's expertise to create differentiated path-breaking solutions. The Banking bedrock has the potential to create impact beyond the Banking industry, and YES BANK's A.R.T will serve as an engine driving this impact.

We remain firmly on course to achieve our institutional vision of "Building the Finest Quality Bank of the World in India by 2025", and also make meaningful contribution to India's socio economic development as we move forwards on this path.

FINANCIAL HIGHLIGHTS

TOTAL ASSETS (₹ in crores)

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

↑ 21.4% CAGR Increasing market share with improving granularity

SHAREHOLDERS FUNDS (₹ in crores)

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

↑ 39.6% CAGR Robust retained earnings

DEPOSITS (₹ in crores)

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

↑ 20.9% CAGR Healthy & granular deposit growth

CASA RATIO (%)

FY17	36.3
FY16	28.1
FY15	23.1
FY14	22.0
FY13	18.9

↑ 42.2% CAGR Strong traction in CASA resulting in an increase of 1,740 bps in 4 years

ADVANCES (₹ in crores)

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

↑ 29.5% CAGR Well Diversified portfolio with an improving Retail/Business banking mix

GROSS NPA (%)

FY17	1.52
FY16	0.76
FY15	0.41
FY14	0.31
FY13	0.20

Resilient Asset Quality performance despite challenging environment

NET NPA (%)

FY17	0.81
FY16	0.29
FY15	0.12
FY14	0.05
FY13	0.01

Reflective of Bank's robust Risk Management framework

CAPITAL ADEQUACY RATIO (%)

FY17	17.0
FY16	16.5
FY15	15.6
FY14	14.4
FY13	18.3

Healthy capital ratios

NET INTEREST INCOME

(₹ in crores)

FY	Income (₹ in crores)
FY17	5,797
FY16	4,567
FY15	3,488
FY14	2,716
FY13	2,219

↑ 27.1%
CAGR

Robust NII Growth supported by healthy Advances growth

NON-INTEREST INCOME

(₹ in crores)

FY	Income (₹ in crores)
FY17	4,157
FY16	2,712
FY15	2,046
FY14	1,722
FY13	1,257

↑ 34.8%
CAGR

Continued traction in healthy and diversified Non-Interest Income growth

NET PROFIT

(₹ in crores)

FY	Profit (₹ in crores)
FY17	3,330
FY16	2,539
FY15	2,005
FY14	1,618
FY13	1,301

↑ 26.5%
CAGR

PAT CAGR at a healthy 26.5% with improving granularity in earnings

NET INTEREST MARGIN

(%)

FY	Margin (%)
FY17	3.4
FY16	3.4
FY15	3.2
FY14	2.9
FY13	2.9

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

COST TO INCOME RATIO

(%)

FY	Ratio (%)
FY17	41.4
FY16	40.9
FY15	41.3
FY14	39.4
FY13	38.4

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

RETURN ON ANNUAL AVERAGE ASSETS (%)

FY	RoA (%)
FY17	1.8
FY16	1.7
FY15	1.6
FY14	1.6
FY13	1.5

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

RETURN ON EQUITY

(%)

FY	RoE (%)
FY17	21.5
FY16	19.9
FY15	19.0
FY14	25.0
FY13	24.8

Growth with quality, improving productivity and efficiency

BASIC EARNINGS PER SHARE

(₹)

FY	EPS (₹)
FY17	78.9
FY16	60.6
FY15	49.3
FY14	44.9
FY13	36.5

↑ 21.2%
CAGR

Robust retained earnings

MESSAGE FROM THE NON-EXECUTIVE CHAIRMAN



Ashok Chawla,
Non-Executive Independent
Part-Time Chairman

In the year 2016-17, YES BANK made immense progress and created a bouquet of Digital Banking products to offer an omni-channel Banking experience to the customers.



YES BANK has always believed that effective Corporate Governance forms the bedrock of Business Excellence in an organization.

Dear Shareholders,

While the Global economy continued to be fragile in FY 2016-17, the Indian economy consolidated the gains achieved in restoring macroeconomic stability. There has been robust policy support which has resulted in a renewed confidence in India, as has also been reiterated by leading multi-lateral institutions such as the International Monetary Fund (IMF).

The Government of India continued its reform agenda with focussed initiatives like the Smart Cities Mission, Digital India and improving the Ease of Doing Business. The policy measures should serve as a strong platform to ensure India asserts its position leading global economy. The Government has also unveiled measures to address the asset quality pressures and rising NPAs faced by the Banking industry.

The full impact of all these measures is expected to bear fruit over the next 4 to 6 quarters. At YES BANK, we are cognizant of the same and have further geared the machinery of the Bank to respond to the evolving needs of the economy.

The year, 2016-17 also marked an accelerated adoption of digital banking technologies on the back of the 'less cash' vision of the Government of India. The Bank created a bouquet of Digital Banking products to offer an omni-channel Banking experience to the new generation customers.

We have been prompt in identifying new avenues for growth; we have rapidly embraced new information-based technologies. However, what is of paramount importance is an increased recognition of the social responsibility of financial services providers. YES BANK is acutely conscious of this and is ahead of its peers in the journey to the new paradigm.

The cumulative result of all these initiatives is accolades from prestigious national and international bodies for its exemplary performance on multiple parameters - Business outcomes, Sustainability, Responsible Banking, Innovation, Technology and Human Capital.

YES BANK has always believed that effective Corporate Governance forms the bedrock of Business Excellence in an organization. The importance of this goes beyond mere adherence to rules & regulations.

My colleagues on the Board of Directors of the Bank are accomplished professionals with a proven track records in diverse fields. During the year, Ms. Radha Singh, Mr. M.R. Srinivasan, Mr. Ajay Vohra and Mr. Diwan Arun Nanda retired from the Board. I would like to thank them for their valuable

opportunity to understand the strength of the Bank's leadership and guide them to ensure long-term sustenance of business strategy while keeping in mind customer requirements.

The Board is confident that, with the initiatives taken during the year, Yes Bank would continue on its mission and vision of "Building the Finest Quality Bank of the World in India by 2025".

Ashok Chawla,
Non-Executive Independent
Part-time Chairman

● **The Board of Directors of the Bank have maintained a strong ethical environment, and strive to establish best-in-class practices within the Indian banking system.**

contribution to the Board over the years. The current Board of Directors of the Bank comprises of total 7 Directors, including 5 Independent Directors, reaffirming the Bank's governance commitment. The Board of Directors of the Bank have maintained a strong ethical environment, and strive to establish best-in-class practices within the Indian banking system.

During the year under review, the Board of Directors had the opportunity to engage with senior management during various Board/ committee meetings. These provided the Board with an

MD & CEO'S COMMUNIQUE



Rana Kapoor,
Managing Director & CEO

FY 2016-17 was a significant year in YES BANK's

lifecycle and we have made substantial progress towards achieving Size and Scale as a BIG Bank.



The Indian economy has successfully navigated through extant global uncertainties and emerged as a preferred destination for foreign investment

Dear Shareholders,

Since my last communication through YES BANK's Annual Report 2015-16, the economic and business landscape has undergone substantial changes. Global economic recovery remained fragile amidst generalized slowdown in cross border trade, rising political tendency towards protectionism, and subdued growth in productivity. Notwithstanding the resilience exhibited by global financial markets in the face of the Brexit referendum and the unanticipated US presidential election outcome, elevated levels of uncertainty continued to impact global risk appetite in 2016.

Overall, 2016 ended with World GDP growth moderating to 3.1% from 3.2% in 2015. Going forward, the IMF expects World GDP growth to improve towards 3.4% 2017, on the back of projected fiscal stimulus in the US, firming up of global commodity prices after the slump in 2015, and unchanged accommodative monetary policy stance in most of the developed economies, barring US, which is expected to take calibrated steps towards further policy normalization in 2017.

In contrast, the Indian economy has successfully navigated through extant global uncertainties and emerged as a preferred destination for foreign investment. Overall macroeconomic position has strengthened with policy support over the last two years moving towards providing structural strength and imparting efficiency. Multilateral institutes like the IMF and the World Bank have endorsed India as a 'bright spot' in today's global economy amid 'profound' reforms.

The year 2016-17 was marked by a variety of institutional and behavioral reforms like implementation of the Insolvency and bankruptcy Code, creation of Monetary Policy Committee, redesigning of the FRBM framework, passage of GST, and last but not the least, the policy thrust towards a less-cash formal