

*commitment*

A redefined **YES.**

*transparency*

*promise*

### 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



Intellectual Capital



Human Capital



Social & Relationship Capital



Natural Capital

[Read more](#) PG NO 29

# Contents

## 01 Corporate Overview

- 01 Commitment. Promise. Transparency. A redefined YES
- 02 Key highlights FY 2019-20
- 03 YES BANK at a glance
- 05 Products and services
- 06 Geographical presence
- 07 Message from the Chairman
- 10 Message from the Managing Director and CEO
- 12 Key performance indicators
- 15 COVID-19 response
- 17 Customer focus
- 21 Technology and digital innovation
- 25 Retail

## 29 Our Approach to Value Creation

- 29 Value creation model
- 31 Our strategy
- 36 Risk management

## 40 Our ESG Focus

- 43 Environment
- 54 Social
- 69 People
- 80 Governance

## 84 Statutory Reports

- 84 Management discussion and analysis
- 106 Directors' report
- 146 Report on corporate governance
- 187 Annual business responsibility report

## 198 Financial Statements

- 198 Standalone Financials
- 267 Consolidated Financials

## 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.

## CONTENTS

### Corporate Overview

- 01 Commitment, Promise, Transparency. A redefined YES
- 02 Key highlights FY 2019-20
- 03 YES BANK at a glance
- 05 Products and services
- 06 Geographical presence
- 07 Message from the Chairman
- 10 Message from the Managing Director and CEO
- 12 Key performance indicators
- 15 COVID-19 response
- 17 Customer focus
- 21 Technology and digital innovation
- 25 Retail

### Our approach to value creation

- 29 Value creation model
- 31 Our strategy
- 36 Risk management

### Our ESG focus

- 43 Environment
- 54 Social
- 69 People
- 80 Governance

### Statutory Reports

- 84 Management discussion and analysis
- 106 Directors' report
- 146 Report on corporate governance
- 187 Annual business responsibility report

### Financial Statements

- 198 Standalone Financials
- 267 Consolidated Financials

# 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



## CONTENTS

### Corporate Overview

- 01 Commitment. Promise. Transparency. A redefined YES
- 02 **Key highlights FY 2019-20**
- 03 YES BANK at a glance
- 05 Products and services
- 06 Geographical presence
- 07 Message from the Chairman
- 10 Message from the Managing Director and CEO
- 12 Key performance indicators
- 15 COVID-19 response
- 17 Customer focus
- 21 Technology and digital innovation
- 25 Retail

### Our approach to value creation

- 29 Value creation model
- 31 Our strategy
- 36 Risk management

### Our ESG focus

- 43 Environment
- 54 Social
- 69 People
- 80 Governance

### Statutory Reports

- 84 Management discussion and analysis
- 106 Directors' report
- 146 Report on corporate governance
- 187 Annual business responsibility report

### Financial Statements

- 198 Standalone Financials
- 267 Consolidated Financials

## Key highlights FY 2019-20

**₹10,247<sub>CRORE</sub>**  
Total Net Income

**8.5%**  
Capital adequacy ratio<sup>^</sup>

**2.2%**  
Net interest margin

**5.03%**  
Net NPA

**44%**  
Retail and MSME advances  
in total portfolio

**26.6%**  
CASA ratio

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



## CONTENTS

### Corporate Overview

- 01 Commitment. Promise. Transparency. A redefined YES
- 02 Key highlights FY 2019-20
- 03 **YES BANK at a glance**
- 05 Products and services
- 06 Geographical presence
- 07 Message from the Chairman
- 10 Message from the Managing Director and CEO
- 12 Key performance indicators
- 15 COVID-19 response
- 17 Customer focus
- 21 Technology and digital innovation
- 25 Retail

### Our approach to value creation

- 29 Value creation model
- 31 Our strategy
- 36 Risk management

### Our ESG focus

- 43 Environment
- 54 Social
- 69 People
- 80 Governance

### Statutory Reports

- 84 Management discussion and analysis
- 106 Directors' report
- 146 Report on corporate governance
- 187 Annual business responsibility report

### Financial Statements

- 198 Standalone Financials
- 267 Consolidated Financials

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<sup>^</sup>



## 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<sup>#</sup>



## PAN INDIA PRESENCE

**1,135** Branches, **21** BC Manned  
Banking outlets and **1,423** ATMs<sup>\*</sup>

<sup>#</sup> As on March 31, 2020.

<sup>^</sup> for FY 2019-20.

<sup>\*</sup>Includes CRMs and BNA as on March 31, 2020.



## CONTENTS

### Corporate Overview

- 01 Commitment. Promise. Transparency. A redefined YES
- 02 Key highlights FY 2019-20
- 03 **YES BANK at a glance**
- 05 Products and services
- 06 Geographical presence
- 07 Message from the Chairman
- 10 Message from the Managing Director and CEO
- 12 Key performance indicators
- 15 COVID-19 response
- 17 Customer focus
- 21 Technology and digital innovation
- 25 Retail

### Our approach to value creation

- 29 Value creation model
- 31 Our strategy
- 36 Risk management

### Our ESG focus

- 43 Environment
- 54 Social
- 69 People
- 80 Governance

### Statutory Reports

- 84 Management discussion and analysis
- 106 Directors' report
- 146 Report on corporate governance
- 187 Annual business responsibility report

### Financial Statements

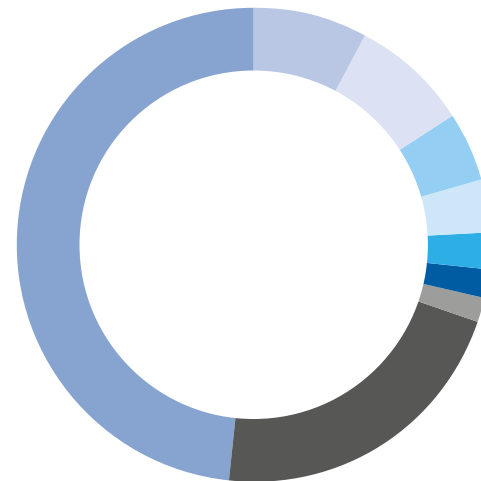
- 198 Standalone Financials
- 267 Consolidated Financials

## 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.

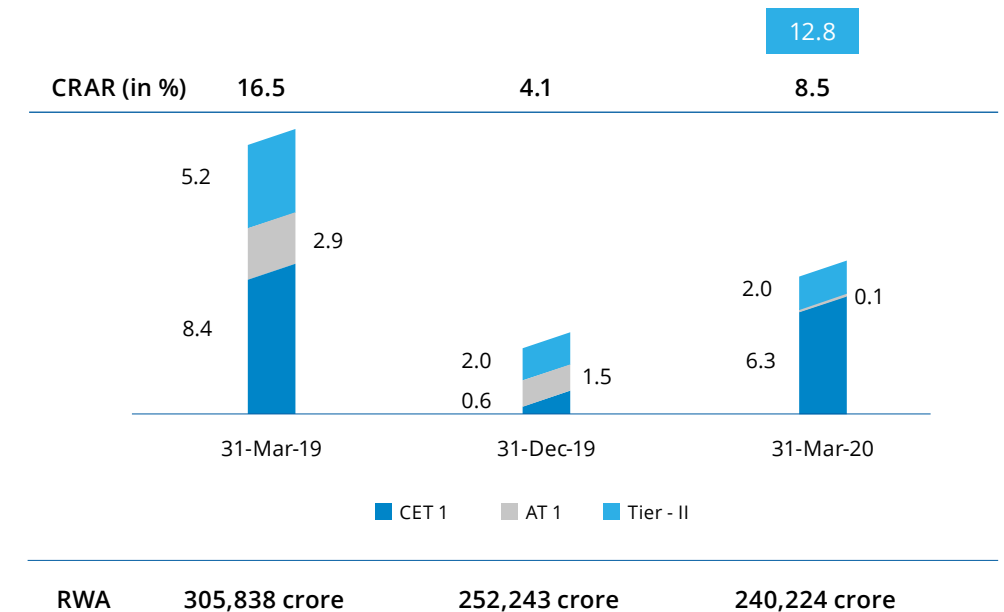
### SHAREHOLDING MODEL AS ON MARCH 31, 2020



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

### 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%.



### ADVANCES MIX



## CONTENTS

### Corporate Overview

- 01 Commitment. Promise. Transparency. A redefined YES
- 02 Key highlights FY 2019-20
- 03 YES BANK at a glance
- 05 Products and services**
- 06 Geographical presence
- 07 Message from the Chairman
- 10 Message from the Managing Director and CEO
- 12 Key performance indicators
- 15 COVID-19 response
- 17 Customer focus
- 21 Technology and digital innovation
- 25 Retail

### Our approach to value creation

- 29 Value creation model
- 31 Our strategy
- 36 Risk management

### Our ESG focus

- 43 Environment
- 54 Social
- 69 People
- 80 Governance

### Statutory Reports

- 84 Management discussion and analysis
- 106 Directors' report
- 146 Report on corporate governance
- 187 Annual business responsibility report

### Financial Statements

- 198 Standalone Financials
- 267 Consolidated Financials

## Products and services

# Tailored to suit evolving customer needs



### BRANCH BANKING

[Read more](#) PG NO 85



### DIGITAL BANKING

[Read more](#) PG NO 86



### GLOBAL INDIAN BANKING

[Read more](#) PG NO 87



### RURAL BANKING GROUP

[Read more](#) PG NO 87



### INCLUSIVE & SOCIAL BANKING AND MICROFINANCE BANKING

[Read more](#) PG NO 87



### CREDIT CARDS

[Read more](#) PG NO 89



### RETAIL BANKING ASSETS

[Read more](#) PG NO 89



### SMALL ENTERPRISES BANKING

[Read more](#) PG NO 89



### AGRIBUSINESS PRODUCT MANAGEMENT

[Read more](#) PG NO 90



### CORPORATE BANKING

[Read more](#) PG NO 90



### CORPORATE FINANCE - INFRASTRUCTURE BANKING (CFIB)

[Read more](#) PG NO 90



### MULTINATIONAL CORPORATE BANKING

[Read more](#) PG NO 91



### EMERGING LOCAL CORPORATES (ELC)

[Read more](#) PG NO 91



### GOVERNMENT BANKING

[Read more](#) PG NO 91



### INDIAN FINANCIAL INSTITUTIONS BANKING

[Read more](#) PG NO 92



### INTERNATIONAL BANKING

[Read more](#) PG NO 92



### TRANSACTION BANKING

[Read more](#) PG NO 93



### FINANCIAL MARKETS

[Read more](#) PG NO 93



### LOAN SYNDICATIONS

[Read more](#) PG NO 94



### ASSET RECONSTRUCTION AND MANAGEMENT GROUP

[Read more](#) PG NO 94

## CONTENTS

### Corporate Overview

|    |  |
|----|--|
| 01 | Commitment. Promise. Transparency. A redefined YES |
| 02 | Key highlights FY 2019-20                          |
| 03 | YES BANK at a glance                               |
| 05 | Products and services                              |
| 06 | <b>Geographical presence</b>                       |
| 07 | Message from the Chairman                          |
| 10 | Message from the Managing Director and CEO         |
| 12 | Key performance indicators                         |
| 15 | COVID-19 response                                  |
| 17 | Customer focus                                     |
| 21 | Technology and digital innovation                  |
| 25 | Retail   |

### Our approach to value creation

|    |                      |
|----|----------------------|
| 29 | Value creation model |
| 31 | Our strategy         |
| 36 | Risk management      |

### Our ESG focus

|    |             |
|----|-------------|
| 43 | Environment |
| 54 | Social      |
| 69 | People      |
| 80 | Governance  |

### Statutory Reports

|     |                                       |
|-----|---------------------------------------|
| 84  | Management discussion and analysis    |
| 106 | Directors' report                     |
| 146 | Report on corporate governance        |
| 187 | Annual business responsibility report |

### Financial Statements

|     |                         |
|-----|-------------------------|
| 198 | Standalone Financials   |
| 267 | Consolidated Financials |

## 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.



## CONTENTS

### Corporate Overview

- 01 Commitment. Promise. Transparency. A redefined YES
- 02 Key highlights FY 2019-20
- 03 YES BANK at a glance
- 05 Products and services
- 06 Geographical presence
- 07 **Message from the Chairman**
- 10 Message from the Managing Director and CEO
- 12 Key performance indicators
- 15 COVID-19 response
- 17 Customer focus
- 21 Technology and digital innovation
- 25 Retail

### Our approach to value creation

- 29 Value creation model
- 31 Our strategy
- 36 Risk management

### Our ESG focus

- 43 Environment
- 54 Social
- 69 People
- 80 Governance

### Statutory Reports

- 84 Management discussion and analysis
- 106 Directors' report
- 146 Report on corporate governance
- 187 Annual business responsibility report

### Financial Statements

- 198 Standalone Financials
- 267 Consolidated Financials

## 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

*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.*

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.

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

## CONTENTS

### Corporate Overview

- 01 Commitment. Promise. Transparency. A redefined YES
- 02 Key highlights FY 2019-20
- 03 YES BANK at a glance
- 05 Products and services
- 06 Geographical presence
- 07 **Message from the Chairman**
- 10 Message from the Managing Director and CEO
- 12 Key performance indicators
- 15 COVID-19 response
- 17 Customer focus
- 21 Technology and digital innovation
- 25 Retail

### Our approach to value creation

- 29 Value creation model
- 31 Our strategy
- 36 Risk management

### Our ESG focus

- 43 Environment
- 54 Social
- 69 People
- 80 Governance

### Statutory Reports

- 84 Management discussion and analysis
- 106 Directors' report
- 146 Report on corporate governance
- 187 Annual business responsibility report

### Financial Statements

- 198 Standalone Financials
- 267 Consolidated Financials

## 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 headwinds. 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

*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*

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.

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