



Embracing the New.  
Shaping the **NEXT.**



CONTENTS

02-17

CORPORATE OVERVIEW

At a glance	02
Products & services	03
Our Strategy	04
Chairman’s Message	08
Message from Managing Director & CEO	12
Key performance indicators	16

18-53

OUR INTEGRATED APPROACH

Responsible banking	18
Environment	26
Social	32
Governance	44

54-183

STATUTORY REPORTS

Management discussion and analysis	54
Directors’ report	88
Corporate governance report	116
Business responsibility report	171

184-310

FINANCIAL STATEMENTS

Standalone Financials	184
Consolidated Financials	267

FY 2021-22  
Key highlights

₹ 9,760 cr  
Total Net Income

₹ 2,916 cr  
Operating Profit

₹ 1,066 cr  
Net Profit

₹ 70,000 cr  
New Sanctions /  
Disbursements

4.5%  
Net NPA

17.4%  
Capital Adequacy Ratio

31.1%  
CASA ratio

60%  
Share of Retail and  
MSME in Total Advances

Embracing the new.  
Shaping the next.

YES BANK has emerged on the other side of its transformation journey with its market standing reinstated and is resolute and focused on its forward path. Our differentiated approach to growth aims at growing existing businesses and diversifying our loan profiles. Digitization has penetrated deep within our banking infrastructure, and our powerful digital frontend is helping to break open the market within the Retail, SME, Wholesale and Rural segments by extending both the ease and the reach of banking.

The last twelve months has seen the Bank return to full year net profitability of ₹1,066 crore, improved asset quality and successfully grown deposits. Likewise, we have consolidated our lead in the new-age digital payments space. YES BANK holds the highest market share in UPI transactions. Clients have renewed their confidence in us, and we have won back accounts and increased our share of wallet. Our stringent governance structures, oversight and accountability mechanisms and hard focus on recoveries have cumulatively helped to improve our GNPA ratios and led to more robust collateral coverage and credit evaluation for new loans. Thus, the strategic foundations that we have laid as a part of our reconstruction exercise are already bearing fruit.

Our technology transformation has significantly contributed to our revival and will power our future growth. Our API-first approach has already enhanced the microservices business architecture enabling faster integration with B2B customers and partners. Work is underway for a “Zero Operations” journey, with data-led decisions enabled by AI/ML overlays. Progressive cloud adoption will accelerate efficiency and flexibility while reducing risk.

We aggressively focus on talent management to fulfil our ambitious growth agenda. Keeping sight of our ESG commitments, we are leading the path to sustainability within the Indian banking industry. We are the first Indian Bank to measure, and report financed emissions of our electricity generation loan exposure. We have also launched the first green bond and green fixed deposit amongst the Indian banks.

Several aspects of our transformation are converging to build favourable traction on our growth journey while we continue to reimagine our business in view of the dynamic economic landscape.





AT A GLANCE

Milestones on the high-growth path

YES BANK is a full-service commercial bank which offers a complete range of products, services and technology-driven digital offerings to its Corporate, Retail and MSME customers. YES BANK operates its investment banking, merchant banking and brokerage businesses through YES Securities, a wholly-owned subsidiary of the Bank. Service-focused and knowledge-driven, the Bank goes beyond the traditional boundaries to offer financial solutions to the economy’s sunrise sectors and underserved communities.

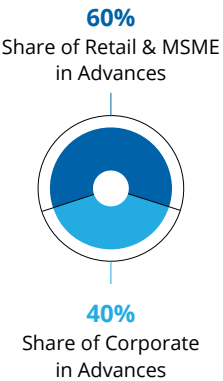
Headquartered in Mumbai, the Bank has a pan-India presence, including an IFSC Banking Unit at GIFT City, Gandhinagar, and a representative office in Abu Dhabi.

New Age Private sector bank



₹ 318,220 cr  
Total Assets

₹ 181,052 cr  
Advances



Market leader within payments



#1  
in UPI P2M transactions with share of 43%

#1  
NEFT outward debit transactions

AEPS 18%  
market share in transaction volume (Basis off-us transactions)

Young and dynamic workforce



24,346  
Employees

9 years  
Average years of service for top management

#2  
Amongst Large-Sized Banks in the Best places to work in India 2021 awards by AmbitionBox.com

Pan-India presence



1,122  
Branches

1,244  
ATMs / BNAs / CRMs

PRODUCTS & SERVICES

Addressing diverse financial needs

 Branch Banking ➤ Page 57	 Debit Cards ➤ Page 58	 Digital Banking ➤ Page 58	 Spectrum Banking ➤ Page 58
 Yes Private ➤ Page 59	 YES First and YES First Business ➤ Page 59	 YES Premia ➤ Page 59	 YES Prosperity ➤ Page 60
 YES Family ➤ Page 60	 Global Indian Banking ➤ Page 60	 Retail Banking Assets ➤ Page 61	 Rural and Inclusive Banking ➤ Page 62
 Credit Cards ➤ Page 63	 Merchant Acquiring Services ➤ Page 63	 Fintech Partnerships ➤ Page 64	 Small and Micro Enterprises Banking ➤ Page 64
 Large Corporates ➤ Page 65	 Institutional and Government Banking ➤ Page 66	 Emerging Local Corporates ➤ Page 67	 Transaction Banking ➤ Page 68
 Financial Markets ➤ Page 68	 Stressed Asset Management ➤ Page 69		

OUR STRATEGY

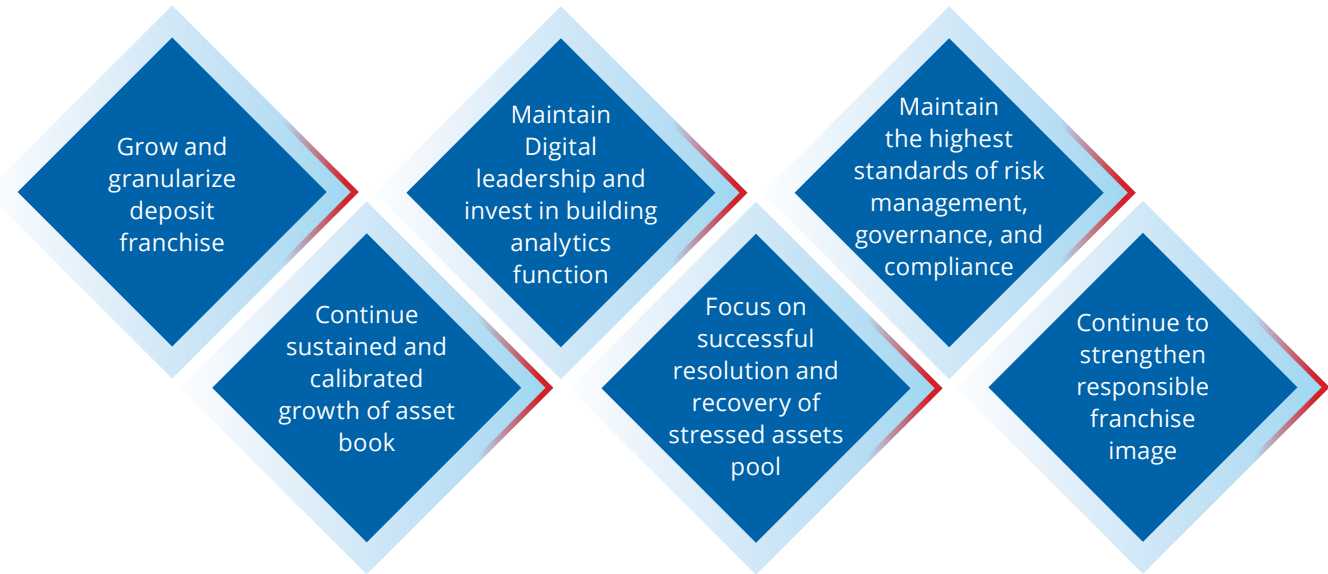
Building the foundations for new age banking

As the economy recovered from the blow of the COVID-19 pandemic, FY 2021-22 was a year of steady, calibrated growth for the Bank.

The early investments made in building our digital capabilities, our broad-based distribution franchise and product suite and our focus on being a customer-focused bank positioned us well to ride these difficult and evolving times. With the vaccination drive becoming entrenched and demand coming back in the second half of the year, the Bank swiftly changed gears and gained momentum in all business areas. This enabled the Bank to end on a strong note – as seen from various business metrics - deposits and advances growth, fee income, digital product launches, stressed asset recoveries etc. The Bank’s positive financial performance reflects its underlying solid fundamentals and growth potential.

The Bank stays committed to executing its long-term strategy of being a leading Universal Bank and strengthening its market-leading position as a Banker to the ‘new age’ economy while steadily growing its Retail, SME and Wholesale businesses and diversifying income streams. At the same time, the focus of the Bank’s management is to build an institution which has the highest standards of governance, strong risk processes, and is financially strong and technologically powered to deliver the best value to its customers and all stakeholders.

Accordingly, the Bank’s key strategic objectives are as follows:



To achieve the long-term strategic objectives, the Bank has laid out a comprehensive Business Strategy for the next few years, which hinges on three key pillars:



**Inclusive, customer centric, digital & analytics led growth**

- Granularizing the business model
- Deepen and widen our reach
- Creating value across Business ecosystem & capturing flows
- Best in class ‘digital’ customer experience
- Tap incremental business opportunities in stressed assets space



**Market Leadership through value creation in the new age economy**

- Infrastructure rails to digital players
- Banker to the new age businesses e.g., fintechs, startups
- Reimagining banking through partnerships

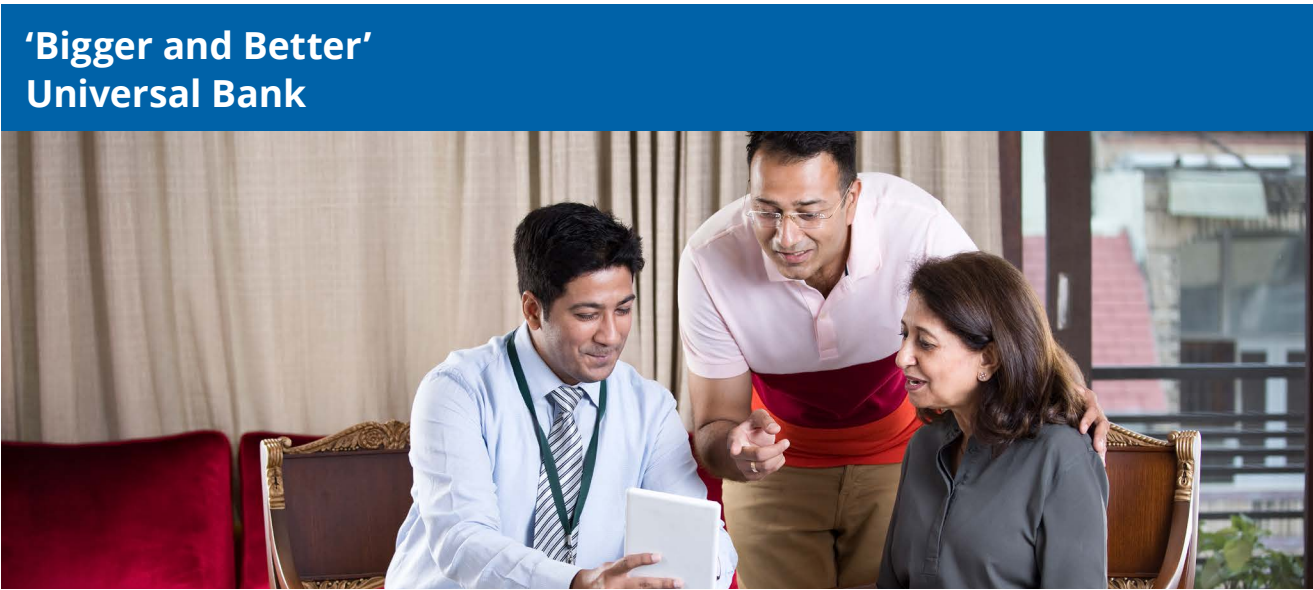


**Responsible franchise supported by People, Technology & Data**

- Highest standards of business ethics and integrity
- Embedding ESG across core business functions
- Build a purpose driven organization and strong employee value proposition
- Build muscle in Technology & Data



Our Strategy



The Bank will continue to be a leading player in the Indian banking industry. It will strive to become ‘Bigger and Better’ through a holistic business model and granular balance sheet growth, led by a focus on the Retail and SME segments. With customers at the centre of its actions, the Bank aims to strengthen its customer experience and service with greater empathy and digitize key asset and deposit journeys to build segmented and personalized ‘digital first’ propositions. The Bank’s complete product suite has been utilized for banking the entire life cycle of the customer.

The growth of retail distribution continues to be a core part of the Bank’s strategy, driven by its pan-India branch network and strong digital capabilities and alliances. The Bank also recognizes the key role that Rural India will play in India’s growth story and is fully committed to fulfilling its role in serving the Bharat ecosystem. The Bank has placed a significant thrust on identifying emerging rural markets to increase value growth and drive profitability.

The Bank has also been a strong Wholesale banking player in the industry and will continue on this glide path by growing with a calibrated approach. Key pillars of the wholesale banking strategy have been to focus on client & sector-specific lending opportunities with an eye on new customer onboarding, deepening product penetration and cross-sell, liability growth and solutioning based focus on government banking and emerging local corporates. The Bank is making digital investments and focusing on knowledge sector-driven relationship management to achieve this strategy while maintaining the highest governance and risk management standards. The Bank is also targeting selective opportunities in the infrastructure lending space that are likely to get a boost from enhanced business prospects in the economy and government expenditure.



The Bank recognises an immense opportunity in relationship banking to the start-up, e-commerce and fintech ecosystem. The Bank aspires to be the Banker of Choice to these new-age companies by providing niche, customised banking solutions and selective debt and equity participation. The Bank also plans to grow its Cash Management business further, primarily driven by FinTechs and the E-commerce segment and has become the preferred Banking Partner across India. At the same time, the Bank will focus on growing its Trade Finance business through increasing non-credit flows and other initiatives such as digital analytics based cash flow lending and supply chain financing.

The Bank continues to be a market leader in the digital payments space and has steadily invested in monetising these capabilities. The Bank processes nearly every third digital transaction in the country which totals over 6 billion monthly. It has invested in the necessary infrastructure to introduce new digital payment solutions for the customers and partners, including foraying into new areas such as Toll & Transit payments and collections. The Bank has also implemented the first of its kind cloud-native module to act as a sponsor bank for IPOs. It also foresees an opportunity in the Payment Aggregation (PA) space, wherein the Bank may provide a tech platform to fintech players to allow them to comply with regulatory guidelines.



Continuing to focus on People and making investments in strengthening its Technology and Data infrastructure are pivotal to achieving the Bank’s strategic objectives. The Bank is future-proofing its technology platforms to further the digital agenda of the Bank, with IT infrastructure upgrades as required to cope with increased scale and volumes. At the same time, it is building new muscle through initiatives such as introducing the Garage concept for in-house agile development & API banking hub. The Bank is also strengthening its capabilities across data management, analytics, and artificial intelligence to deliver business value and growth.

The Bank is committed to best-in-class training and capability building for its employees, focusing on ‘role and skill-specific training and certifications across all levels. Additionally, the Bank has also launched the ‘APEX Leadership Program’ for top and senior management leaders focused on the theme of ‘Conscious Leadership’. To build a steady stream of high-quality talent for the Bank, innovative ‘train and hire’ programs have been launched in FY 2021-22, including the YES PROFESSIONAL BANKER program and YES FORCE program. The Bank also continued to invest in hiring top-end young talent from premier educational institutions through the flagship ‘YES Professional Entrepreneurship Program’.

Last but not least, the Bank recognizes that sustainable growth is inextricably linked with environmental sustainability, social development, and good governance and, therefore, continues to integrate ESG considerations into its core business strategically.



## CHAIRMAN'S MESSAGE

# A new beginning with unbounded opportunities



**Dear Shareholders,**

YES BANK has now traversed beyond two years on its extraordinary transformational journey post the Bank's Reconstruction in March 2020. After deftly navigating a challenging macro scenario in the wake of COVID-19 and other extraneous factors, your Bank is now well placed to deliver accelerated solid growth into the future in an inclusive and sustainable way. Despite several challenges, the Bank turned a significant corner and achieved a historic milestone of returning to robust profitability after a gap of two years.

To ensure seamless and quality growth from hereon, our top priorities would be to extend the boundaries of safe and easy banking, establish new paradigms of customer satisfaction, sharpen our operating performance, and foster innovation and digitisation that will give strong momentum to our fast-emerging business evolution. Your Bank will continue to ensure that this quality and sustainable growth is achieved by maintaining the highest standards of governance, compliance, and risk assurance.

### EXTERNAL ENVIRONMENT

FY 2021-22 has been a year of resurgence for the economy, and our growth curve has gained from this upswing. After a year of contraction of 6.6% in 2020-21, the Indian economy is back on track in FY 2021-22 and has grown by 8.7%. Agricultural growth remained in the positive territory through the period of the COVID-19 restrictions. Manufacturing sector growth was at 9.9% in FY 2021-22, after being in a contraction zone in the previous year while Services sector growth was strong at 8.4% in FY 2021-22, recovering from a 7.8% contraction in FY 2020-21.

The new fiscal has started with its challenges as the world economy remains on edge against global inflationary pressures and the unexpected Russia-Ukraine conflict and its broader geopolitical implications. With oil and commodity prices ratcheting up, India's macro fundamentals are also likely to be under pressure, especially as inflationary contagion worsens and external sector vulnerability increases. Consequential potential adverse impact and volatility of fixed income and capital markets will need to be closely monitored. However, as per estimates by multilateral agencies, India would maintain its position among the fastest-growing economies globally, with RBI holding adequate stock of foreign exchange reserves to contain external sector vulnerabilities. Even with all these global uncertainties, we expect the government to continue its reforms process and support robust economic growth through calibrated public capital expenditure and continued policy modifications for ease of doing business.

Given the growing uncertainties over global and domestic risks, your Bank will maintain a strong vigil for unexpected risks. Over the past two years, we have steered through a very complex situation and developed robust risk processes. Therefore, the Bank remains confident of achieving its full potential in the current financial year by tapping into emerging growth



**Balance Sheet crosses ₹3 lakh crore during the year and GNPA ratio improves to 13.9% vs 15.4% last year.**



opportunities and extending full support and services to the underserved.

### TRANSFORMATION YIELDING STRONG RESULTS

The Bank's transformation journey is now near complete, and the restructuring is yielding strong results. While the year that followed the start of this transformation was about building more robust internal structures, risk management mechanisms and growing public trust, this year's focus has been on delivering on the promise and setting a definitive growth agenda for the future.

Your Bank has performed successfully across several key parameters despite the COVID-19 pandemic and other headwinds that slowed economic growth over the year. The Bank reported a net profit of ₹1,066 crore in FY 2021-22 – this is the first full year of profitability reported since FY19. Strong growth is reflected across total assets, advances, deposits, and the strategic objective of our advances mix between Retail and MSME to Corporate at 60:40 has been achieved. Our deposits growth has been leapfrogging ahead, with current account deposits growing by 39% and savings accounts deposits by 48% YoY. Our retail book has become more diversified this year, and we continue to keep a hawk-eye focus on the quality and collections under this book. The Bank's balance sheet crossed ₹3 lakh crore for the first time since September 2019. GNPA ratio has improved to 13.9% vs 15.4% last year. These positive indicators

## Chairman's Message



**The next wave of digitisation in banking will be catalysed by intelligent platforms that extend serviceability and unlock new customer segments and business opportunities. Both our retail and wholesale businesses are designed to leverage this force multiplier.**



spotlight YES BANK's transformation after the turbulence of the recent years, and we are deeply grateful to all our stakeholders for standing with us and demonstrating faith in us. We endeavour to deliver on our mission of being a customer-centric, service-driven bank catering to the future needs of India. For tomorrow belongs to those who shape it today.

### RIDING THE TECH WAVE

The next wave of digitisation in banking will be catalysed by intelligent platforms that extend serviceability and unlock new customer segments and business opportunities. Both our retail and wholesale businesses are designed to leverage this force multiplier. A strong foundation has already been built with an extensive pan-India network of 1,122 branches. Our physical reach underpins the vast digital ecosystem that we carefully weld together as our digital frontend. The full-service virtual front end includes the Loan in Seconds platform and automated service initiatives like YES Robot and the CRM platform - YES Genie, resulting in lower turnaround times and higher productivity. We are already witnessing the gains, and in FY 2021-22, 74% of our new CASA accounts were sourced digitally.

### PRODUCT AND SERVICE DIFFERENTIATION

A digitally advanced, feature-loaded frontend also requires a different perspective on products and services. We enable this through our indigenously developed single banking interface *Insights 2 Engage*. It uses business intelligence and analytics to generate personalized

customer experiences and service differentiation. The interface intuitively transforms to create a service experience and cross-sell opportunities that emanate from an intelligent and correlated understanding of customers' banking profiles, unique customer histories and demographics. Every customer is served with deep knowledge, in lesser time and with a higher conversion success. In this way, we are also transforming the sales and customer handling functions, making them more intimate, client-focused, and available on tap.

### CUSTOMER SEGMENTS OF INTEREST

The banking space in India is ripe for disruptions, big and small. One kind of disruption is to bring unbanked customers into the fold – either through first-time access or by making inroads through synergistic service lines. Rural and semi-urban India holds enormous promise for driving value growth and profitability. We have been deepening our branch presence in rural regions and strategically partnering with technology providers for co-origination and cross-sell retail and SME assets, insurance, securities, and wealth offerings. We are also working as an ecosystem co-creator and enabler. YES BANK's Agri Infinity programme aims to co-developing digital financial solutions for the food and agriculture ecosystem by mentoring entrepreneurial ventures in the field.

The MSME segment continues to remain attractive for us. The micro, small and medium businesses suffered the brunt of the COVID-19-related economic downturn. But there are some strong positives in their favour. They are also early and intensive users of tech-based banking. MSMEs have been able to pivot around quickly with a helping hand from the government. MSME business made up 24% of our advances base in FY 2021-22, and we see a huge potential for product volumes and customer size in this segment.

We are offering our entire product suite across all customer segments - HNIs, affluent, NRIs, mass, rural and inclusive banking, and retain the flexibility to roll out tailor-made solutions for specific customer groups. This is easier with our tech-enabled functionalities and a fully loaded digital frontend. Self-assist digital tools like the MSME App, Trade-On-Net, and FX Online illustrate the power of such customizability, helping internal



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business generation and a steady growth within the MSME segment.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

The Bank continues to reinforce its focus on ESG performance and leadership. During the year, the Bank constituted a Board level Corporate Social Responsibility and Environmental Social & Governance Committee to strengthen ESG governance and enhance the integration of environmental and social considerations into its business. To align with India's bold target of achieving net zero emissions by 2070, the Bank has pledged to reduce greenhouse gas emissions from its operations to net-zero by 2030. The Bank has also developed a carbon intensity target mix for its renewable and non-renewable energy generation portfolio to align with global 1.5-degree decarbonisation pathways. It also continues to build capacities toward climate risk measurement and mitigation. YES BANK believes that financial institutions have a significant role in building a climate-resilient, sustainable economy. The Bank continues to engage with stakeholders across the spectrum to create frameworks for mainstreaming sustainable finance and, in FY 2021-22, co-led the workstream 'Building Resilience in the Financial Sector' as part of the Task Force on Sustainable Finance, constituted by the Department of Economic Affairs, Ministry of Finance, Government of India.

### REIMAGINING THE BANK

In conclusion, I am happy to report that the Bank continues to make confident strides within the domestic banking industry while simultaneously charting a new course of reimagining banking for India – and Bharat. Our strategy is to touch the future through the building blocks that we lay now. The Bank's technologically solid architecture has made us light on our feet, prescient on trends and opportunities, and quicker to closure, which is bearing fruit. YES BANK has restored market confidence through its performance in recent years – a feat recognised by rating agencies with outlooks turning positive on our capabilities as we continue to build businesses for the future.

### OUR GRATITUDE

With lessons of the past now well integrated, we have emerged as a more innovative and more robust organization that is keenly aware of what is next and how to get there. I remain grateful for the confidence you have shown both in the new leadership and in the Bank's capabilities, and in your willingness to evaluate us on the strength of our achievements. As we go on to discover newer ways of creating value and consolidating our collective successes, I acknowledge and express gratitude for the trust placed on us by our esteemed customers, shareholders, regulators and all other stakeholders. That has helped guide us on our extraordinary journey in rejuvenating your Bank over the last two years. All of this would not have been possible without the exemplary commitment and conviction displayed by 24,346 YES BANKers, the enormous support of the regulators and my esteemed Board colleagues.

On behalf of YES BANK, I thank you for the opportunity to serve you and wish you continued success.

Best Regards,

**SUNIL MEHTA**  
Chairman



## MESSAGE FROM MANAGING DIRECTOR & CEO

### Positive rebound, confident growth



**Dear Shareholders,**

I am happy to report to you that the Bank has returned to full-year profitability – a first since FY 2018-19 with a net profit of ₹1,066 crore. Reflecting back, I would like to thank all the 24,346 YES BANKers, our shareholders, our customers, and other stakeholders who have supported us in this transformational journey.

The first quarter of FY 2021-22 coincided with the second wave of COVID-19 in India, which was more severe than the first wave. Having said that, the relative downside to the economy was lower than during the first wave as the government did not go in for a blanket lockdown of the economy. Restrictions to economic activity were more localised and selective. Economic momentum was seen to improve over the various quarters of FY 2021-22, and real GDP growth stands at 8.7% after a contraction of 6.6% in the previous financial year. Both the government and the monetary authorities continued their efforts to stabilise the economy. RBI kept the policy rates unchanged throughout the year and ensured the availability of adequate liquidity to meet credit requirements for different sectors. The government also encouraged credit flows to the MSME sector through its ECLGS scheme. The Union Budget announced in February 2022 signalled a fiscal correction for FY 2022-23 but kept the government's capital expenditure push intact.

In these uncertain times, the Bank was able to post one of its strongest annual and quarterly results. Maintaining that early momentum across



**Maximising market share growth in the digital payments space has been our concerted strategy in line with Digital India. In fact, the Bank processes nearly every third digital transaction undertaken in the country.**



all leading indicators, YES BANK has closed the year with a first Full Year profit of ₹1,066 crore and continued its efforts to build businesses across all areas of banking. This positive performance has resulted from unwavering teamwork and a culmination of the YES family's dedicated efforts towards achieving service excellence. Every YES BANKer has gone above and beyond in persevering to ensure that all vital business opportunities get realized to enhance value for our stakeholders.

The Bank's new leadership has been successful in implementing positive changes and has delivered on the priorities set out in the last fiscal. During this time, the work of reconstructing the Bank's corporate governance, accountability, monitoring and oversight and risk management structures was also put in place. Business priorities have gained precedence on the foundation of this robust and transparent governance framework. During the year, sustained growth was recorded across many key parameters, indicating the strengthening fundamentals, and firming up public confidence.

#### **GROWTH IN DEPOSITS, ADVANCES, AND RETAIL ASSETS**

At the end of the year, deposits stood at ₹197,192 crore, marking a growth of 21% over last year. Advances too demonstrated a significant upward trend closing at ₹181,052 crore for the year, an 8% increase over last year's figures. A strong run-rate has been maintained in the numbers of accounts acquired, with a total of

10 Lakh CASA accounts opened and 11 Lakh retail FD accounts opened during the year. This uptick has been achieved despite prevailing low-interest rates offered by the banking sector.

Retail assets continue to form a mixed portfolio spread across secured business loans, auto loans, commercial vehicle loans, personal loans, construction equipment loans, and credit cards. The Bank reported nearly ₹33,000 crore in new sanctions/disbursements in retail assets in FY 2021-22.

#### **LEADERSHIP IN DIGITAL PAYMENT ECOSYSTEM**

Maximising market share growth in the digital payments space has been our concerted strategy in line with Digital India, the Government's flagship programme with a vision to transform India into a digitally empowered society and knowledge economy. We are in a leadership position in UPI and AePS, with a market share of 43% and 18% in FY2021-22, respectively. In fact, the Bank processes nearly every third digital transaction undertaken in India. We also have a reasonable market share while processing payouts through NEFT (14% market share), IMPS (12% market share) and Micro ATMs (3rd largest player with 10% market share). In pursuit of exploring newer areas, the Bank shall focus on digitising toll and transit areas. Annuity incomes continue to show strong growth from trade and cash management on the back of high API-led banking volumes. The Bank holds a leadership position in API banking, with 6,815 set-ups done for customers.

Our early adoption of cloud-based services and AI-led analytics has created this advantage, with the early leadership position enhancing our chances of growing revenues as platforms become ubiquitous. YES BANK is deepening its presence and raising its service standards on such platforms while extending its reach at very low operating costs as part of the Government's Digital India and Cashless India initiatives. Such a strategy also aligns with our growth strategy around rural banking, inclusive banking, small and micro enterprises.



## Message from Managing Director & CEO

### GRANULAR APPROACH IN WHOLESALE BANKING AND EMERGING GROWTH AREAS

A segmental approach with respect to the wholesale banking clients delivered good results. Bifurcating the



India's MSMEs contribute to nearly one-third of the country's GDP through their domestic and international commerce, and a large portion of them are onboarding onto digital modes of operation. The Bank reported nearly ₹18,000 crore in new sanctions/disbursement to the SME segment in FY 2021-22.



local corporates, and financial market players have enabled the bank to address the specific needs of each segment and provide tailor-made solutions with the active engagement of a dedicated relationship manager.

### STRATEGIC PUSH TOWARDS EMERGING RURAL MARKETS AND MSMEs

We foresee high growth potential within emerging rural markets and MSMEs. Currently, India's MSMEs contribute to nearly one-third of the country's GDP through their domestic and international commerce, and a large portion of them are onboarding onto digital modes of operation. Industry data shows that Indian MSMEs are rapidly adopting digital payments over cash, with 72% of payments done through the digital mode compared to 28% of cash transactions. Within the Bank, both these segments continue to perform well on key indicators. The Bank has seen steady growth in disbursements and an enhancement in cross-sell metrics. The Bank reported nearly ₹2,500 crore new sanctions/disbursements in rural and ₹18,000 crore new sanctions/disbursement to the SME segment in FY 2021-22. YES BANK has taken a direct approach to these emerging growth areas with dedicated, high-quality front-end interactions, geographic spread and a diversified customer base with wide-ranging business and individual profiles.

In the rural segment, our portfolio is spread across ~225 districts in 14 states, and the total book size is ₹4,100 crore. The Bank's exposure to rural lenders is well distributed across the value chain, with the largest share of loanes under joint liability group (48% share) and farmer financing (35% share). NPA at <2% is one of the healthiest across the Bank's entire loan portfolio.

A similar strategy has been adopted for our MSME clients, where digital and analytics form the fulcrum of both new acquisitions and seamless customer service. Analytics is being used to drive prospective client identification, while the AI-powered Early Warning Signals framework helps to flag off incipient sickness and support frontline remedial management.

### UNWAVERING FOCUS ON RECOVERIES

The Stressed Asset Management team of the Bank has been instrumental in achieving cash recoveries and upgrades amounting to ₹7,290 crore in FY 2021-22, which is on the back of ₹5,782 crore in FY2020-21. This has been a focus area of the Bank over the past two years, and the team has more than achieved its guidance. The strong push towards business generation has in no way taken away our focus on improving our loan book quality, with the GNPA ratio improving to 13.9% and PCR, including technical write-offs, at 81.5%.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

The Bank continues to deliver on its commitment to build a responsible franchise focused on sustainable growth. This year, the Bank announced a target to achieve net-zero emissions from its operations by 2030. As a first step, it switched to sourcing renewable energy to power its headquarters in Mumbai. Ensuring that its branches and offices adhere to the highest environmental performance standards, the Bank continued to monitor and enhance its Environmental Management System, with 732 of its facilities maintaining their ISO 14001:2015 certification for the ninth year in a row. Committed to building a diverse and inclusive workplace, the Bank is targeting to increase the participation of women to 30% of its workforce in the next five years and is in the process of recruiting differently abled persons at select centres.

The Bank has also instituted important policies to enhance employee work-life balance and emphasize its commitment to respect human rights within

the organization and across its value chain. On the portfolio front, the Bank continues to strengthen the implementation of its Environment and Social Risk Management System through specialized training modules and is proactively taking steps toward climate risk measurement and mitigation in its endeavour to align with the recommendations of the Task Force on Climate-Related Financial Disclosures. YES BANK continues to be the only Indian Bank to measure and report its financed emissions, targeting to align its electricity generation sector exposure to the global 1.5-degree decarbonization pathways. During the year, the Bank was recognized for its ESG and climate-related disclosures and performance with its inclusion as a constituent in Morgan Stanley Capital International's (MSCI) ACWI ESG Universal Index and ACWI Low Carbon Leaders Index, among others. The Bank was also the only Indian Bank to be selected among the 100 Best Emerging Market Performers in ESG, as assessed by V.E, part of Moody's ESG Solutions.

As we consolidate on the growth momentum, organization-wide initiatives are being taken up to strengthen our long-term capabilities by ensuring critical skills in a diverse talent pool. Across the people hierarchy, we are aligning our people capabilities to deliver on the strategic growth pillars identified by the organization. We continue with our light-at-the-top disaggregated approach, with close to 21,000 of our 24,346 strong workforce belonging to the junior management level. We have instituted a dedicated capability building function called the YES School of Banking for this very large group to provide specific role and skill-focused training and certifications. Simultaneously, we continue to stress the importance of making YES BANK a nurturing workplace for our employees, with policies that provide creative and supportive solutions for various employee needs. Our hybrid and flexible working model are one such example; skill or goal-based employee training module is another. Our efforts to create a wholesome work environment have been recognized -- we have been ranked second among the large-sized banks in the Best Places to Work in India 2021 awards, conducted by AmbitionBox.com.

Our constant endeavour is to deliver the best value to our stakeholders and to honour the trust they have placed in us. To strengthen our commitment to all our stakeholders, we have shared our strategic objectives for FY 2022-23, which include CASA ratio at 35%, Retail & MSME Advances Mix to further improve by > 400 bps from the current 60:40, Advances YoY growth > 15% with



YES BANK continues to be the only Indian Bank to measure and report its financed emissions, targeting to align its electricity generation sector exposure to the global 1.5-degree decarbonization pathways. During the year, the Bank was recognized for its ESG and climate-related disclosures with its inclusion as a constituent in Morgan Stanley Capital International's (MSCI) ACWI ESG Universal Index.



corporate advances growth at 10% and Retail, SME and Medium Enterprises advances growth > 25%, Sustain CD ratio < 100%, Recoveries and Upgrades > ₹5,000 crore and ROA > 0.75%.

The horizon of India's growth appears dynamic and replete with promise, and we are invested in leveraging this immense potential in ways that serve the country and our stakeholders. I thank each one of you who has been a part of the YES BANK family for your valued support and trust. I am confident that we will grow stronger together as we welcome a more prosperous tomorrow.

Sincerely,

**PRASHANT KUMAR**  
Managing Director & CEO  
YES BANK

KEY PERFORMANCE INDICATORS

NET PROFIT (₹ in crore)

1,066



DEPOSITS (₹ in crore)

197,192



NET INTEREST MARGIN (%)

2.3



COST OF DEPOSITS (%)

5.0



ADVANCES (₹ in crore)

181,052



TOTAL ASSETS (₹ in crore)

318,220



LIQUIDITY COVERAGE RATIO (%)

126.8



CD RATIO (%)

91.6



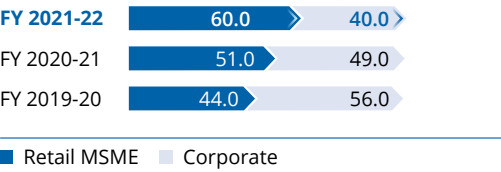
CASA RATIO (%)

31.1



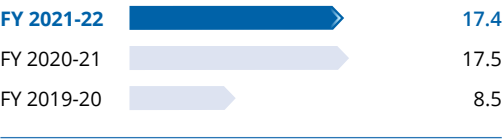
RETAIL MSME: CORPORATE MIX (%)

60.0 : 40.0



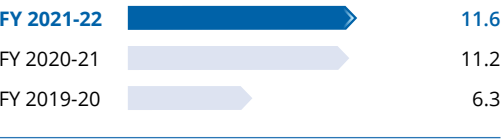
CAPITAL ADEQUACY RATIO (%)

17.4



CET1 RATIO (%)

11.6



GROSS NPA (%)

13.9



NET NPA (%)

4.5



RETURN ON EQUITY (%)

3.2



RETURN ON ASSETS (%)

0.4

