



YES BANK

**LIFE
KO BANAO
RICH**

Integrated Annual Report

2022-23



Iconic brand identity elements



YES BANK

Soaring Tick

We have unlocked the tick from the box, and given it a new meaning. The tick is now in the shape of a soaring bird and represents our determination to soar to newer heights, to prosper and to flourish. The soaring tick is an independent element and a true mnemonic of our brand. A standalone soaring tick, anywhere, represents YES BANK.

Our Colour

We have continued with our Red and Blue colours, which symbolises our embrace of our past strengths, but have improved upon them to freshen them up, bring them in sync with today and make them more digital friendly.

Flourish

The flourish design represents that the brand is fluid and agile and this dynamism transcends into brand essence of thriving and flourishing everyday, and therefore, a true representative of our tagline of LIFE KO BANA O RICH!

Our Font

We have continued with the upper case look of the Bank name, but at the same time we have softened the rigid angular lines, and modernised the typography to make it softer and fluid in nature.

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KEY HIGHLIGHTS FY 2022-23

₹ 11,844 cr

Total Net Income

₹ 3,183 cr

Operating Profit

₹ 717 cr

Net Profit

₹ 100,000 cr

New Sanctions /
Disbursements

0.8%

Net NPA

17.9%

Capital Adequacy
Ratio

30.8%

CASA Ratio

59%

Share of Retail and
SME in Total Advances



Scan the above
QR code to read the
report on your
handheld device

Brand Identity



LIFE KO BANAO RICH

Our Life. Let's think of it as the single-most important account we have. Holding all the wealth of our experiences. The memories we treasure, the friendships we've earned, and the happiness we've accrued along the way.

Imagine the returns we would get if only we would put away some joy in it everyday. A moment here, an indulgence there.

If only we were as concerned about making memories, as we are about making money. If following our interests mattered as much to us as interest rates do.

Life. It's the one account that matters the most. The only account you should concern yourself with. As for the rest? Our banking solutions, have it covered.



**SAVINGS
ACCOUNTS**



**CREDIT AND
DEBIT CARDS**



**RETAIL AND
BUSINESS LOANS**



**CORPORATE
BANKING**



**FIXED
DEPOSITS**



**WEALTH
MANAGEMENT**



**CURRENT
ACCOUNTS**



**SME
BANKING**

[yesbank.in](https://www.yesbank.in)

About this Report

YES BANK is pleased to present its first Integrated Annual Report (IR) that delineates the Bank's financial and non-financial performance, and its progress at integrating Environmental, Social and Governance (ESG) considerations, into its operations, portfolio and larger value chain, during the financial year 2022-23.

Scope and Boundary

The Report is limited to information pertaining to the facilities and operations of YES BANK Limited (YES BANK), unless specified otherwise. Facilities covered within the boundary of this Report include:

- The Bank's nine Corporate Offices in India (including the Bank's Registered Office, YES BANK House in Santacruz - East, Mumbai)
- Its 1,192 Branches and 1,301 ATMs across 28 States and three Union Territories of India
- Its two international facilities viz. a representative office in Abu Dhabi and an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT)
- The Bank has one subsidiary namely Yes Securities (India) Limited (YES SECURITIES) which is outside the purview of this report (unless specified otherwise)

Reporting Standards and Principles

This report provides detailed financial and non-financial disclosures aligned to several statutory and voluntary disclosure standards and frameworks.

The Bank's financial disclosures are aligned to the following reporting standards and frameworks:

- The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949

- The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines and clarifications issued by the Reserve Bank of India (RBI) from time to time, the accounting standards notified under section 133 of the Companies Act 2013 read together with Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India
- The Bank follows the accrual method of accounting and the historical cost convention, unless otherwise stated by the RBI guidelines

The Bank's statutory disclosures are aligned to the following reporting standards and frameworks:

- Companies Act, 2013 (including the rules made thereunder)
- The Securities and Exchange Board of India (SEBI) Regulations, 2015 and other SEBI circulars (Listing Obligations and Disclosure Requirements)
- The Banking Regulation Act, 1949 and other relevant RBI regulations
- The Secretarial Standards issued by The Institute of Company Secretaries of India

The Bank's non-financial disclosures are aligned to the following reporting standards and frameworks:

- The Bank's Integrated Annual Report has been prepared in accordance with the guiding principles of the International Integrated Reporting Framework
- YES BANK has reported in accordance with the GRI Standards for the period April 1, 2022 to March 31, 2023 (FY 2022-23). The Bank's sustainability disclosures are published on an annual basis

About this Report

- The Report also contains enhanced climate disclosures aligned to the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations
- The Bank has published its Business Responsibility & Sustainability Report (as part of its Annual Integrated Report) in alignment with the National Guidelines on Responsible Business Conduct (NGRBC)

Approach and Preparation

In line with the Principles of the International <IR> framework, YES BANK's Annual Integrated Report seeks to provide its stakeholders with a comprehensive insight into the Bank's integrated approach to value creation. The Bank has identified key material topics that represent its most significant impacts on the economy, environment, and the society (detailed on page 76 of this report). The Report highlights the interactions between the Bank's material topics, its strategy, its approach to risk management and governance, in the context of its operating environment, and describes how its business model has impacted its financial, manufactured, intellectual, human, social and relationship, and natural capitals. The Report has been prepared by a cross-functional, integrated reporting team, led by the Chief Financial Officer and the Company Secretary, with inputs from business units, control and support functions from across the Bank, and with review and oversight provided by senior and top management. The report contains two restatements from the previous year.

Responsibility Statement

The Bank acknowledges the integrity of the information provided in this Annual Integrated Report and believes that the Report is a fair representation of its financial and non-financial performance for FY 2022-23. The Board is apprised of the Report's alignment with the IR framework and acknowledges that the information provided in the Report has been reviewed and approved by respective business unit heads, and the top management.

Assurance

The financial statements in this report have been independently assured by M/s. M.P. Chitale & Co., Chartered Accountants (FRN 101851W) ('MPC') and Chokshi & Chokshi LLP, Chartered Accountants (FRN 101872W/W100045) ('C&C'). The selected non-financial disclosures as per GRI 2021 mentioned in the Assurance Statement of this Report have been independently assured by KPMG Assurance and Consulting Services LLP.

Feedback

YES BANK welcomes feedback and suggestions on this report, which may be communicated to shareholders@yesbank.in or responsible.banking@yesbank.in

At a Glance

A high-quality, customer-centric, service-driven Bank

We are a full-service commercial bank providing a diversified range of products, services and technology driven digital offerings, with a pan-India presence, empowering customers to achieve their full potential and catering to India's future businesses.

With a service-focussed and tech-driven approach, we are proud to offer a robust digital service that extends the reach and ease of banking across our Corporate, Mid Corporate, SME and Retail (including Rural)

customers with privileges that make banking a pleasure. We also offer financial solutions to sunrise sectors and under-served communities.

Through our wholly-owned subsidiary YES SECURITIES, we operate Investment Banking, Merchant Banking and Brokerage Businesses. We also operate an IFSC Banking Unit in GIFT City at Gandhinagar, Gujarat and a representative office in Abu Dhabi.

New-Age Private Sector Bank

7.5 million

Happy Customers

₹ 354,786 crore

Total Assets

₹ 203,269 crore

Total Advances

Share in Advances[#]

59%

Retail and SME

14%

Mid Corporate

27%

Corporate

Market Leader in Payments

#1 in UPI P2M

transactions with
38.3%* share

#1 in

NEFT Outward
Debit Transactions

22.8% AEPS*

Market Share in
Transaction Volumes

Young and Dynamic Workforce

27,517

Employees

9

Average years of service in the
Bank for Top Management

#2

Among large-sized banks in the
Best Places to Work in India 2022

Pan-India Presence

1,192

Branches

150

BC Banking Outlets

700+

Cities

1,301

ATMs/BNAs/CRMs

ESG-focussed Franchise

68/100

Highest ESG Score
amongst Indian Banks
in S&P Global CSA

'A-'

(Leadership Band)

Highest CDP rating among Indian
Banks for climate disclosures

7.6 lakh

Active women customers in
rural India

* (for Q4 FY 2022-23)

Basis Internal Business Segmentation

Message from Chairman



Dear Shareholders,

I write to you as the Chairman of the Board of Directors at YES BANK Limited, a position I took charge of with a deep sense of humility and gratitude. Both, in my earlier association as an Additional Director appointed by the Reserve Bank of India (RBI) (between May 14, 2019 and March 5, 2020 and March 26, 2020 till July 20, 2022) under the Banking Regulations Act, and subsequently as the Chairman of the Board of Directors, I have had an opportunity to be part of a resolute turnaround journey of YES BANK.

DURING FY23, THE BANKING SECTOR WITNESSED DECADEAL HIGH CREDIT GROWTH AND BEST ASSET QUALITY LEVELS SEEN IN SEVERAL YEARS



For the Bank, the past three years have been a testament of its resilience, adaptability, and collective effort of all its stakeholders. Our ability to navigate through these turbulent times was a testimony to the commitment and dedication of our employees, the loyalty of our customers, and the unwavering support of our shareholders and the regulator.

Macro-economic scenario

In FY23, as the world grappled with rising geopolitical tensions, supply chain disruptions and rise in commodity prices, the global economy faced significant headwinds and underwent through its weakest medium-term growth with increased financial stability risks. Resultant inflationary pressures caused central banks to raise interest rates which further impacted growth. However, despite global macroeconomic challenges,

the Indian economy, continued to exhibit resilience, and emerged as the fastest growing major economy in the world and clocked GDP growth at 7.2% in FY23 supported by continued economic reforms, tailwinds from pent-up domestic demand and consumption, revival in contact-intensive services sector, and a significant step-up in public and private capital expenditure, etc.

During the year, while there were some concerning developments in select banks globally, however, owing to the prompt regulatory interventions, it did not have any major impact on the depositors. On the other hand, India's banking sector, being well regulated and well capitalised, continued to perform well in the previous fiscal. In FY23, despite globally induced volatility hiccups and supply chain disruptions, the banking sector credit growth was 15.6% Y-O-Y,

compared to a Y-O-Y growth of 11.0% in FY22. This growth was broad-based and across all population groups viz. rural, semi-urban, urban, and metropolitan. Aggregate deposits within the banking sector saw some moderation and grew at 10.2% vs. 10.4% a year ago. Asset quality improved to the best in several years, with the banking industry's GNPA ratio at a 7-year low, and NNPA ratio being at a decadal low.

Like its global counterparts, India too, witnessed elevated levels of inflation in FY23. However, several measures undertaken by the RBI, including hiking the benchmark repo rate cumulatively by 250 basis points (since May 2022) helped in cooling it down in the second half of FY23, causing the RBI to take a 'tactical pause' on rate hikes in the recent MPC meetings of April and June 2023.

Chairman's Message

THE BANK RECORDED SECOND STRAIGHT YEAR OF PROFITABILITY IN FY23 WITH 9.2% Y-O-Y GROWTH IN OPERATING PROFITS



FY23 for YES BANK in brief

FY23 was a milestone year for YES BANK, characterised by its continued transformation journey. As part of which, the Bank fortified its balance sheet by completing the assignment of a legacy stress assets portfolio to an ARC, raising growth capital from funds affiliated with two global marquee private equity investors.

With sufficient capital and a very strong liability franchise, a fortified and granular balance sheet, YES BANK is extremely well prepared to focus on growth as well as profitability, while continuing to adapt the best-in-class Risk and Governance practices.

I take pride in sharing with you, that this is also the second straight year of profitability recorded post the Reconstruction of the Bank, with operating profits having grown 9.2% Y-O-Y. The balance sheet continued to grow at a healthy pace with further enhancement in granularity in both Assets and Liabilities.

In yet another key achievement, the Bank received credit rating upgrades during the year from several prominent independent rating agencies, including Moody's, CRISIL, CARE and India Ratings. The long-term rating of the Bank by domestic agencies has improved to A- from D in March 2020, while the short-term rating is at the highest possible level of A1+.

During the previous year, pursuant to the Reconstruction Scheme, the Bank constituted an alternate Board on July 15, 2022, which was further expanded during the year with new nominee Directors joining the Board. Currently, the Board consists of 13 eminent Directors, comprising 7 independent Directors and 3 women Directors, who are domain specialists with extensive strategic, operational and leadership experience. Moreover, ensuring stability in both Governance and Management, the RBI also approved the appointment of our MD & CEO effective October 2022, for a period of three years.

ESG-focussed banking

Given its outsized role in achieving India's Sustainable Development Goals (SDGs) and climate objectives, the financial sector continues to see major regulatory actions and developments on the ESG front. The RBI's 'Discussion Paper on Climate Risk and Sustainable Finance', published this year, sought to highlight the risks posed by climate change to the banking sector and called on banks to take preparatory actions. With a view to foster the development of a green finance ecosystem in the country and augment the flow of finance towards green activities, the RBI also introduced a framework for acceptance of Green Deposits. The Central Bank is further expected to issue a disclosure framework for climate-related financial risks and guide banks on protecting their portfolios through climate scenario analysis and stress testing. The market regulator on the other hand has undertaken a slew of measures to strengthen and standardise