



SUSTAINABILITY REPORT
2013-2014



Towards the
New New-Normal



MATERIALITY MATTERS



**Global
Reporting
Initiative™**

AT THE TIME OF PUBLICATION THE
G4-17 TO G4-27 DISCLOSURES WERE
CORRECTLY LOCATED IN THIS G4
CONTENT INDEX AND FINAL REPORT.





Towards the 'New New- Normal'

The 2008 financial crisis saw the banking sector realign robust strategies to predict and prevent the shocks that caused vulnerability into the system which was a state of "new-normal". This new-normal meant putting together comprehensive mechanisms and measures that would reduce irresponsible risk, rectify lapses, tighten internal compliances, thus adding value to the economy. However, emerging climate change crisis, food, energy and water insecurity and rising regional and national inequalities demand a surge forward, towards the "new new-normal" transcending from a reactive to a proactive mode towards overall growth and development.

To get a strategic advantage in this "new new-normal" scenario, YES BANK has adopted a holistic approach to measure its qualitative and quantitative impact on its stakeholders. The Bank's progress, where growth and sustainability are indivisible, entails creating shared value and ensconcing the triple-bottom-line. Equipped with a proactive approach and a conscientious risk-appetite, YES BANK is treading the path to contribute to inclusive growth and national parity, towards the "new new-normal".

In order to link sustainable development with stakeholder value creation, YES BANK has been creating innovative business solutions and services and weaving sustainability services into its core business strategy and processes through Responsible Banking. The Bank believes that this approach has enabled it deliver positive socio-environmental impact and enhance its equity in the sustainability space.

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GRI G4 Content Index

 First Indian banking signatory to the UN Global Compact	 First Indian banking signatory to the UNEP Finance Initiative	 First Indian bank to win at the Karlsruhe Sustainable Finance Awards, Germany
 First Indian bank to release GRI A Level checked Sustainability Report, for FY 2012-13	 Winner of the IMC Ramakrishna Bajaj Quality Award for Business Excellence	 First Indian bank to be on the Carbon Disclosure Leadership Index for three consecutive years – 2011, 2012, 2013
 Launched Sustainability Series, first corporate platform for environmental and social risk training	 MoUs with TERI BCSD and IICA for CSR and sustainable development	 Profit after tax stood at ₹1,617.8 crore, up by 24.4%

Highlights

 First Indian bank to achieve the ISO 14001:2004 certification	 First Indian signatory to the Natural Capital Declaration	 8,798 employees, up by 25%
 Over 39,000 credit-linked SHGs under YES LEAP	 560 branches across 375 locations, added 120 branches over the previous fiscal	 Engaged with over 2 lakh youth through YES! i am the CHANGE filmmaking project
 Over ₹3,100 crore remitted through YES MONEY	 Over 3.4 lakh lives touched through YES COMMUNITY	 Net NPA among the lowest in the industry at 0.05%

From the Managing Director and CEO's Desk



Rana Kapoor, Managing Director & CEO

Dear Stakeholders,

I am pleased to share with you YES BANK's Sustainability Report for FY 2013-14, titled "Catalyzing a Shared Sustainable Future – Towards the "New New-Normal". Taking YES BANK to the highest level of transparency and accountability, this report is based on the GRI G4 guidelines and is externally assured, thus making the Bank the first and only financial institution in the country to achieve this significant milestone.

A recent article that I penned in 'Climate Change – The New Economy', that was released at the G7 Summit in Brussels highlighted the need for Banking sector to evolve with a holistic approach towards sustainable development. It surpassed traditional Banking ethos to incorporate the post 21st century banking that has a fabric of inclusivity and focuses on financial as well as environment and social impact.

In ancient India, land of Chanakya's 'Arthashastra', banking was based on mutual trust. With increased coupling of the global financial system, Indian banking moved to models primarily driven by bottom-line performance, shedding the socio-economic genesis and furthering financial exclusion in India. However, with inclusion becoming a necessity for growth and development, the Banking sector has been engineering robust sustainable strategies to include reducing irresponsible risk, rectifying lapses, tightening internal compliances. The 'new-normal' emerged with Environmental, Social and Governance (ESG) risk considerations and proactive green lending targets becoming a part of the recuperation agenda by progressive banks globally.

While, these strategies have restored trust in the BFSI sector, the current climate change crisis, rising food, energy, water (FEW) insecurities and disparate communities, call for a surge forward, towards the 'new new-normal', where banks transcend from a reactive to a proactive mode. Few global Banks and YES BANK in India have leaped ahead to develop this comprehensive approach only to be a torchbearer of sustainable development; constantly adopting a 'new new-normal' approach.

YES BANK, in its tenth year of existence is fully committed to ensuring long term business success, inclusive of economic & social development, a healthy environment and a stable society. Leveraging our Responsible Banking philosophy, we have integrated Sustainability and Corporate Social Responsibility as key drivers of growth, producing tangible results for the wider community through "first-to-many" initiatives in the banking sector.

We are committed to our vision of establishing the 'Best Quality Bank of the World in India' by 2020, as reflected in our continued focus on business excellence and quality. We continued to deliver strong results and value for our stakeholders in a challenging environment. The Bank's Net Interest Income increased by 22.4% to ₹2,716.3 Crore with the total Balance Sheet size increasing by 10% to ₹109,015.8

Crore. CASA (Current Account Saving Account) grew from 18.9% to 22% this fiscal. Our strong performance even in a depressed economy underscores the business case for sustainable development.

YES COMMUNITY, our unique flagship social program, enabled us deliver significant environmental and social impact to 3.48 lakh citizens through 4,157 community engagements in Tier I and Tier II cities in all 28 states and 7 Union Territories. YES BANK brought the community together to address challenges of active aging, workplace health and safety, energy efficiency, education and environmental conservation among others.

While in this report, many YES Community programs are detailed, an important initiative launched in Assam, was 'YES to Save our Pride – The One Horned Rhino' campaign in partnership with Government of Assam. The campaign continues to raise awareness on the vulnerable One-horned Rhino across North-East region through a variety of initiatives over the next two years. I am happy that YES COMMUNITY has gone to scale during the year thus creating accelerated impact.

YES BANK has always proactively innovated on business products and services that serve the bottom of the pyramid. Through these unique product offerings, we persist to penetrate deeper into urban, semi-urban and rural markets, marked by excellence in service delivery, giving the Bank a competitive edge to ensure long term sustainable growth.

With substantial focus on India's unbanked and underbanked population, YES LEAP, has provided credit, saving and insurance facilities to 67,711 Self Help Groups this fiscal. YES MONEY, the domestic remittance platform, was used by over 12.8 lakh users during the year, performing over 77.5 lakh transactions with a total value of over ₹3,186 crores. During the year, we launched YES Kisan Dairy Plus, a unique product offering for India's dairy sector.

To proactively invest in sectors that directly impact climate

change mitigation, YES BANK provided debt and advisory to key projects and companies in renewable, waste and clean energy sectors. The Bank entered into an agreement with ECT, an Australian company, for bringing Coldry technology into India, which converts poor quality coal into high quality coal with lower emissions when burned. YES BANK was the first to sanction facilities to India's largest solar PV project at Neemuch in Madhya Pradesh.

This approach has enabled the Bank to not only be economically profitable but also mainstream sustainability.

During FY 2013-14, YES BANK became the first Indian bank to release its sustainability report for FY 2012-13 with an A Level Check from the GRI for the G3.1 reporting guidelines, thus strengthening its Triple Bottom Line accounting. YES BANK is the first Indian financial institution to be on CDP's Carbon Disclosure Leadership Index (CDLI) for India for three consecutive years. This year, the Bank scored highest amongst reporting Indian Banks.

In its quest to evangelize and influence sustainable development, the Bank signed MoUs with Indian Institute of Corporate Affairs (IICA) and TERI Business Council for Sustainable Development (TERI-BCSD) to leverage knowledge and networks to create a multiplier effect and achieve significant traction with industry at large. Through extensive research that culminates into policy advocacy we engaged with Government, the financial sector and community. In partnership with TERI-BCSD, we have released four knowledge reports on green real estate, natural capital leaders in India, sustainability in value chain and low carbon industrial growth in India. These Reports highlighted action for Government, the relevant sector and innovative sustainable finance models.

In FY 14-15, the Bank proposes to sign another significant MoU with Tata Institute of Social Sciences (TISS) with an aim to bolster its efforts in mainstreaming CSR management within Indian companies and build financial and management efficiencies within Indian NGOs.

YES BANK, since 2006, has implemented an Environment and Social Policy which is a structured approach towards responsible lending. To enable other financial institutions integrate environmental and social (E&S) parameters into lending decisions, we successfully instituted 'Sustainability Series', a unique first-ever platform to train finance professionals on E&S risk analysis. The quarterly Series is jointly commissioned by UNEP FI, GIZ and RIRA and was inaugurated by Dr. K. C. Chakrabarty, the then Deputy Governor, RBI. The Series, over four workshops, trained over 200 industry professionals, 20 Financial Institutions, 30 media houses and 25 financial analysts and investors.

Environment conservation has been core to the Bank and to deepen our commitment, YES BANK signed the Natural Capital Declaration, making it the first and only Indian financial institution to commit to this finance led, CEO endorsed initiative.

To advance a public debate, we instituted the Natural Capital Initiative to bring together an eco-system to develop benchmarks, frameworks and mechanisms for Indian industry to account for natural capital. Through the Natural Capital Awards, India's first platform to recognize existing efforts and initiatives by individuals, groups and organizations towards natural capital, YES BANK brought together policy makers, industry leaders and academia. The first edition of the Awards was inaugurated by Dr. Shashi Tharoor, then Minister of State for HRD, Dr. R. K. Pachauri, Director General, TERI and Mr. Suresh Prabhu, Chairperson, CEEW, amidst senior representation from government, industry and environmentalists.

To leverage the momentum of the Natural Capital Initiative, YES BANK announced the first ever Natural Capital Olympiad with an objective to introduce and sensitize young minds on the evolving concept of Natural Capital and the urgent need to conserve earth's finite resources. The Olympiad would reach national education boards across private and government schools and involve state

education boards, providing an opportunity for students from marginalized communities.

To effectively manage its own resource consumption and to institutionalize management systems, YES BANK achieved ISO 14001:2004 certification for environmental management for its 12 key locations. Thus, becoming the first Indian bank to be ISO 14001:2004 certified. This considerably strengthens our measurement and reporting on relevant environmental parameters and rationalization of our carbon footprint. The Social Deposit Account, a unique philanthropy banking product launched in the previous fiscal, received a subdued response from target stakeholders, and is now being redesigned based on their feedback.

In an endeavor to build the 'Professionals' Bank of India, we continued to scale our focus on training and multi-skilling YES BANKers across business verticals, management levels and locations. During the year, 1,198 training programs were conducted for 8,322 employees. Employees of the Bank are our biggest strength and to enhance their well being, we introduced several new initiatives this year that heighten care, empathy, engagement and sensitivity. This year, we added 2,130 YES BANKers and 130 branches to cover all states and Union Territories of India.

YES BANK has been consistently recognized for its achievements in sustainability and CSR nationally and internationally. During the year, the Bank won the prestigious Karlsruhe Sustainable Finance Awards, Germany, the first Indian bank to win this award, the Commendation Certificate for Significant Achievement at the CII ITC Sustainability Awards for the fourth successive year, and the Golden Peacock Award for Corporate Social Responsibility.

YES FOUNDATION, our leading social development arm, successfully launched "YES! i am the CHANGE", first ever nationwide film making challenge facilitating a connect

between youth and social causes. Over 2,100 citizen filmmakers participated in the 101 hour film making challenge, with an expert Jury selecting best films that were felicitated by Mr. Amitabh Bachchan at a two day film festival. "YES! i am the CHANGE", this year, engaged with over 2 lakh citizens sensitizing on social change and conducted 80 workshops imparting film making training.

NGOs, being the most important link to deliver social transformation at grass root level, need efficiencies and effective financial management. To plug this gap, the FOUNDATION will launch YES SCALE UP to train NGOs to build systems and processes to enhance overall performance.

At YES BANK, our short to medium term sustainability linked objectives include a continued focus on positively impacting bottom of the pyramid with innovative solutions, scaling YES COMMUNITY, and managing our carbon footprint. In the longer run, integrated reporting and natural capital accounting could become significant parts of our strategy.

I am extremely proud that we have been able to visualize, strategize and actualize on our first-to-many sustainability initiatives over the year, moving from strength to strength to emerge as a sustainability leader within the Indian Banking space. As we complete 10 years of sustained institutional excellence, we remain committed to being "the Benchmark Financial Institution for Sustainability."

Thank you.

Sincerely,



Rana Kapoor

Managing Director and CEO

About This Report

YES BANK's Sustainability Report, "Catalyzing a Shared Sustainable Future – Towards The "New Normal" is for the period April 1, 2013 to March 31, 2014. The Report is as per the annual financial year reporting cycle adopted by YES BANK. The Bank previously released its Sustainability Report for Financial Year 2012-2013. This Report does not include any significant re-statement from the Bank's Sustainability Report for FY 2012-13. To ensure that the Report includes the most updated information on Corporate Governance, it includes details from the Board Meeting on April 24, 2014.

This Report follows the GRI G4 reporting guidelines and follows the process for defining reporting content. As per the process as defined in G4 Sustainability Reporting Guidelines, the Report applies the four Principles for Defining Report Content: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness. The Bank has chosen the level of adherence to the G4 guidelines as "In accordance – Core."

Sustainability reporting is a process of continual improvement and the Bank has made the best effort to address all the material issues and concerns that are identified by its internal and external stakeholders. The Report has made the best effort to adhere to the Principles for Defining Report Quality as per the G4 Reporting Guidelines.

This Report includes information pertaining to YES BANK Limited, with its registered office at 9th Floor, Discovery of India, Dr. A.B Road, Worli, Mumbai – 400018, Maharashtra India. The Bank has one subsidiary, YES Securities (India) Limited, incorporated in March 2013. The Subsidiary's CSR activities are conducted as part of YES BANK Limited. The Report includes information pertaining to YES FOUNDATION, which was formed in December 2012 as a separate legal entity to act as the Bank's social development

arm. All the entities included in the Bank's Annual Report form part of the Sustainability Report for FY 2013-14.

The Report has been prepared internally and includes information and data that has been provided by its Business units and validated by internal stakeholders, including members of the Bank's top management and Board. For the first time, the Bank has gone for an external assurance of its Sustainability Report, and has engaged KPMG in India as its external assurance provider.

The Bank welcomes feedback and suggestions on this Report which may be communicated to Ms. Namita Vikas, Senior President and Chief Sustainability Officer, YES BANK, at responsible.banking@yesbank.in. This Report can be accessed online at www.yesbank.in.

YES BANK is on Twitter at www.twitter.com/YESBANK and on Facebook at www.facebook.com/YESBANK.



The Report features entries from the Natural Capital Awards 2013. All copyrights are with the respective photographers.



About YES BANK

YES BANK, India's fourth largest private sector bank, is an outcome of the professional entrepreneurship that strives to establish a high quality, customer centric, service driven, private Indian bank catering to the 'future businesses of India.' YES BANK represents the true spirit of business excellence encompassing various facets of knowledge, human capital, trust & transparency, technology and responsibility.

YES BANK has steadily built a full-service commercial bank with Corporate, Retail and SME Banking platforms and with a comprehensive product suite encompassing Financial Markets, Investment Banking, Corporate Finance, Branch Banking, Business and Transaction Banking, and Wealth Management offerings.

YES BANK is a public limited company listed on the Bombay Stock Exchange and the National Stock Exchange of India. There has been no significant change in the Bank's shareholding pattern. Complete details of the Bank's shareholding pattern can be accessed at its Annual Report FY 2013-14, available online at www.yesbank.in.

YES BANK has 560 branches and 1,139 ATMs in 28 states and 7 union territories of India. The Bank has two National Operating Centres in Mumbai and Gurgaon to provide superior customer service and business continuity planning. As on March 31, 2014, the Bank does not have any overseas branch or office.

The Bank's employee strength as on March 31, 2014 was 8,798 employees, witnessing a rise of 25% from last year.



Vision

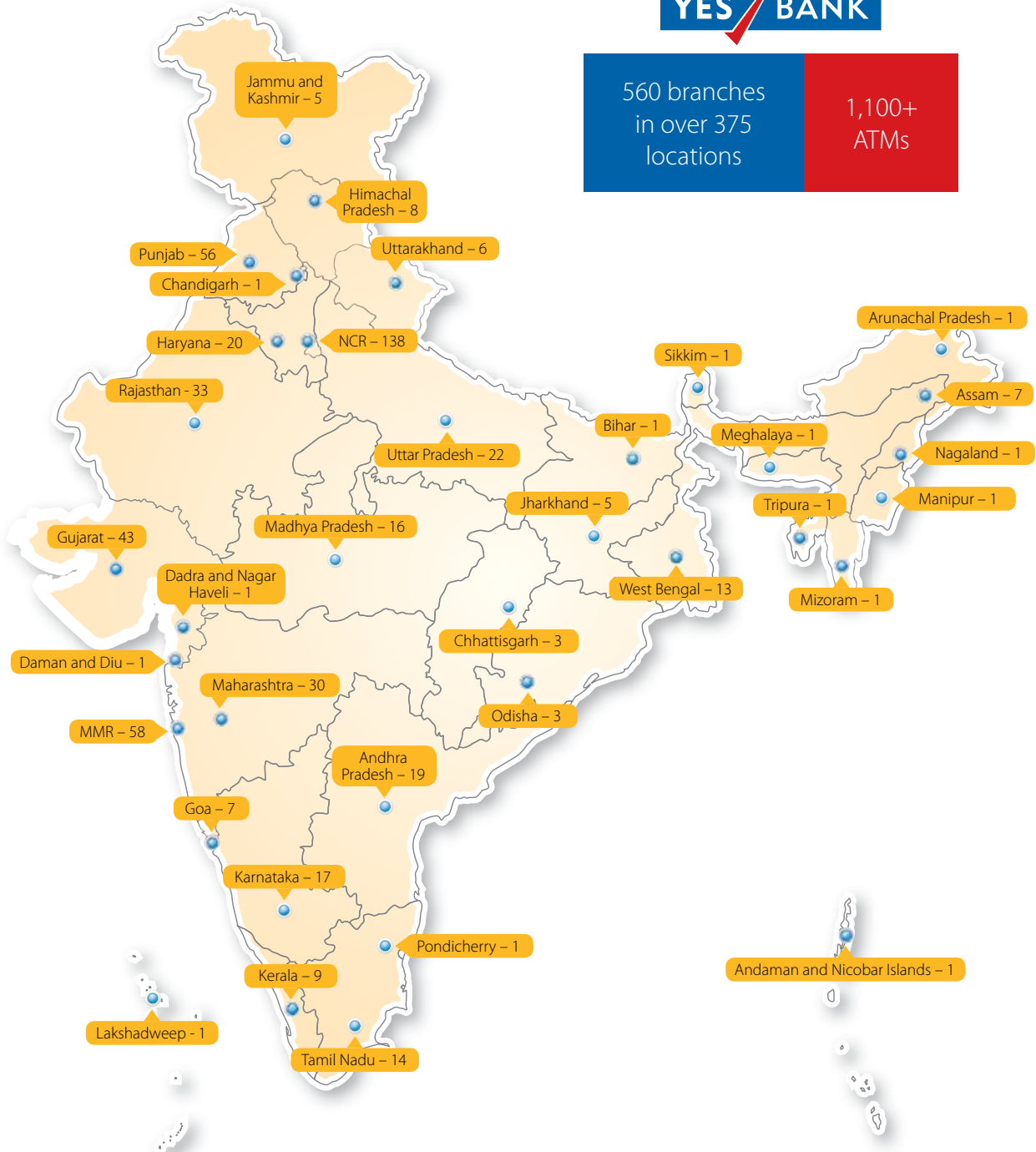
YES BANK has a vision to 'Build the Best Quality Bank of the World in India' by 2020 and to concurrently evolve its organizational character as the 'Professionals' Bank of India'.

YES BANK at a Glance



560 branches
in over 375
locations

1,100+
ATMs



YES BANK operates through a hub and spoke model ensuring faster maturity and greater efficiency of branches. During the year, the Bank continued its push into Tier-II and Tier-III cities. As on March 31, 2014, the Bank's retail operations were divided into 13 regions, 75 cluster hubs and 180 hubs.

* Map not drawn to scale

YES BANK's Awards and Accolades

Award	Awarding Organization	Category/Details
Responsible Banking		
CII ITC Sustainability Awards 2013	CII ITC Centre of Excellence for Sustainable Development, India	Commendation Certificate for Significant Achievement, Category A
Golden Peacock Award for Corporate Social Responsibility 2013	Institute of Directors, India	Banking (Private)
Karlsruhe Sustainable Finance Awards 2013	Global Sustainable Finance Network, Germany	
Institutional and Business Excellence		
Business Today – KPMG Best Bank Awards 2013	Business Today Magazine/ KPMG, India	Best Mid-size Bank in India
The Asian Banker Strongest Bank Balance Sheets 2013	The Asian Banker Magazine, Singapore	The Strongest Bank Balance Sheet in India
The Asian Banker CEO Leadership Achievement Awards 2013	The Asian Banker Magazine, Singapore	Individual award to Rana Kapoor for period 2011-13
The Asian Banker CEO Leadership Achievement Awards 2013	The Asian Banker Magazine, Singapore	Best Managed Bank in India for 2011-13
4th CMO Asia Awards for Branding and Marketing 2013	CMO Asia, India	Award for Brand Excellence (BFSI), Marketing Campaign of the Year, Award for Best Use of Social Media, Rana Kapoor – Brand Builder of the Year
The Sunday Standard Best Bankers' Awards 2013	The New Indian Express Group of Publications, India	(Mid-sized Banks category) - Awarded to Rana Kapoor – Best Indian Private Sector Award Safest Banker, Best Banker in All-round Expansion, Best Banker in Efficiency and Profitability
Efficient Payments Solutions & Technology/ Service Excellence		
NASSCOM Social Innovation Honours 2014	NASSCOM Foundation, India	ICT Led Social Innovation by a Corporate (CSR or Responsible Business) – YES MONEY
Golden Peacock Global Business Excellence Award 2013	Institute of Directors, India	Financial Services – Banking category
Ramkrishna Bajaj National Quality Awards 2013	Indian Merchants Chamber, India	Winner in Service Category
QIMPRO BestPrax Benchmark Award 2013	QIMPRO Best Prax Club, India	Awarded for three best practices

Milestones During The Year

G4-23

2013

Jan	Feb	Mar	Apr
May	Jun	Jul	Aug
Sep	Oct	Nov	Dec

YES BANK's Board unanimously approves the resolution to raise USD 500 million of Capital at the 9th AGM

2013

Jan	Feb	Mar	Apr
May	Jun	Jul	Aug
Sep	Oct	Nov	Dec

YES BANK elevates 3 top management leaders to the position of Executive Directors on the Board of Directors, to be effective from the date of approval by RBI and investors

2013

Jan	Feb	Mar	Apr
May	Jun	Jul	Aug
Sep	Oct	Nov	Dec

RETAIL BANKING footprint expands to 500 branches covering all 28 states and 7 UTs across India

2013

Jan	Feb	Mar	Apr
May	Jun	Jul	Aug
Sep	Oct	Nov	Dec

YES BANK successfully closes USD 255 million Dual Currency, Multi-tenor Syndicated Foreign Currency Loan Facility

2013

Jan	Feb	Mar	Apr
May	Jun	Jul	Aug
Sep	Oct	Nov	Dec

YES BANK signs an MoU with Indian Institute of Corporate Affairs (IICA) to collaborate on CSR and sustainable development

2013

Jan	Feb	Mar	Apr
May	Jun	Jul	Aug
Sep	Oct	Nov	Dec

YES BANK raises USD 150 million Long Term Loan from International Finance Corporation to scale up its small and medium enterprise loan portfolio

2014

Jan	Feb	Mar	Apr
May	Jun	Jul	Aug
Sep	Oct	Nov	Dec

YES BANK signs an MoU with TERI BCSD to accelerate activities towards sustainable development, environmental management and research

2014

Jan	Feb	Mar	Apr
May	Jun	Jul	Aug
Sep	Oct	Nov	Dec

YES BANK launches YES INVEST, the online trading platform of YES Securities, YES BANK's brokerage arm

2014

Jan	Feb	Mar	Apr
May	Jun	Jul	Aug
Sep	Oct	Nov	Dec

YES BANK partners with ECT Australia to promote clean coal technology in India

2014

Jan	Feb	Mar	Apr
May	Jun	Jul	Aug
Sep	Oct	Nov	Dec

YES BANK becomes the first commercial Bank in India to receive the ISO 14001:2004 Environmental Management System certification

Driving Thought Leadership

YES BANK is a signatory to:

CDP (Formerly the Carbon Disclosure Project)	www.cdp.net
Clinton Global Initiative	www.clintonglobalinitiative.org
Natural Capital Declaration	www.naturalcapitaldeclaration.org/
UNEP FI	www.unepfi.org
UNGC	www.unglobalcompact.org

YES BANK is formally associated with the following agencies, associations and initiatives and is active on these platforms:

ASSOCHAM	www.assocham.org
Bombay Chamber of Commerce and Industry	www.bombaychamber.com/
CII	www.cii.in
FICCI	www.ficci.com
GIZ	www.giz.de/en/
India GHG Program	www.indiaghgp.org/
Indian Bank's Association	www.iba.org.in
Indian Institute of Corporate Affairs	www.iica.in/
PHDCCI	www.phdcci.in/
Responsible Investment Research Association	www.ri-research.org
TERI BCSD	http://bcsd.teri.res.in/
The Banking Codes and Standards Board of India	www.bcsbi.org.in

YES BANK actively participates on the following national and global platforms:

Asian Venture Philanthropy Network	www.avpn.asia/
Association for Sustainable and Responsible Investment in Asia	www.asria.org/
Banking Environment Initiative	www.cisl.cam.ac.uk/Business-Platforms/Banking-Environment-Initiative.aspx
Global Reporting Initiative	www.globalreporting.org
The Climate Group	www.theclimategroup.org/
US India Business Council	www.usibc.com
World Business Council for Sustainable Development	www.wbcsd.org
World Economic Forum	www.weforum.org

Leveraging Knowledge

YES BANK, through its various partnerships, has played an active role in bringing together the industry, the academia, the community and the governments on a common platform to discuss the relevant issues of the day.

YES BANK partnered the following initiatives:

Event	Organizer	Theme
6th Agri-Business Summit - Infrastructure, Value Chain, & Partnerships. New Delhi	ASSOCHAM	Key issues, challenges, opportunities as well as the way forward for the development of the agri-infrastructure sector
National Conference on Sports & Sports Infrastructure	ASSOCHAM	Theme - 'Sports as a Way of Life'
National Education Summit & ASSOCHAM Excellence Awards 2014, New Delhi	ASSOCHAM	Recognising best practices in delivering quality education in India
6th Affordable Housing Summit & Excellence Awards, New Delhi	ASSOCHAM	Key aspects and investment opportunities in the affordable housing sector
ASSOCHAM's 92nd Annual Function, New Delhi	ASSOCHAM	Theme: 'Securing Sustainable Growth for India'
3rd Annual Summit on Financial Sector Legislative Reforms: Time to Address Gaps & Overlaps, New Delhi	ASSOCHAM	The recommendations of the Financial Sector Legislative Reforms Commission (FSLRC) for a wider understanding and also to seek overall feedback
National Summit - Building an Efficient Road Transport and Logistics: Issues and Challenges, New Delhi	ASSOCHAM	Discussing various policy and regulatory issues and dynamic developments in the road transportation and logistics sector in India
3rd International Conference - Modernization of Indian Railways, Challenges and Opportunities, New Delhi	ASSOCHAM	Discuss key issues related to the modernization of the Indian Railways
6th ASSOCHAM International Conference INDIAN CIVIL AVIATION & TOURISM, New Delhi	ASSOCHAM	Theme: 'A Force Multiplier for India's Trade & Economy'
3rd International Summit - Infrastructure Finance – Key To Sustainable Growth, New Delhi	ASSOCHAM	Theme: 'Ensuring infrastructure Finance for Ensuring Robust Economic Growth'

YES BANK partnered the following initiatives:

Event	Organizer	Theme
ASSOCHAM 9th Annual Banking Summit cum Social Banking Excellence Awards 2013, New Delhi	ASSOCHAM	Theme: 'Growth with Equity'
ASSOCHAM National Summit on IT & Mobile	ASSOCHAM	Theme: 'Revolutionizing Indian Banking' and 'Enabling Financial Inclusion'
National Conference - Medical And Wellness Tourism In India, New Delhi	PHDCCI	Organise the large and unorganized, medical and wellness tourism sector, and create a framework for better marketing efficiency
National Conference on Companies Bill – 2012, Highlights & Insights, New Delhi	ASSOCHAM	Highlights and insights into emerging issues and key developments
The India 2013 Tourism and Hospitality Event, Ahmedabad	ASSOCHAM	Theme: 'Emerging New Dimensions, Issues, Challenges & Opportunity'
India Smart Grid Summit - Towards Sustainable Energy Solution, New Delhi	ASSOCHAM	Theme: 'Towards Sustainable Energy Solution'
6th Global CSR Summit cum Excellence Awards, New Delhi	ASSOCHAM	Theme – 'Creating Social Value & Impact Though Innovation'
ThinkEdu Conclave 2014, Chennai	The New Indian Express Group	Theme: 'Schooling India for Tomorrow'
3rd Annual LegalEra Conclave and Awards 2013-14, Mumbai	Legal Era Media Group	Theme: 'Emerging Trends in Business and Law'
SPJIMR Business Academia Conclave 2014, Mumbai	SP Jain Institute of Management and Research	Theme: 'Engage. Inspire. Elevate.'
Forum for Investment Opportunities – HARYANA: Kal, Aaj aur Kal, New Delhi	ASSOCHAM	Highlight the development in Haryana in the past decade and to attract the further domestic and foreign investments
BIHAR - Kal, Aaj Aur Kal, New Delhi	ASSOCHAM	Theme: 'Governance At The Grassroots: A Model For India'
ASSOCHAM BIO-AGRI 2013	ASSOCHAM	Theme: 'Towards Productive Efficiencies & Farmers Growth'



YES BANK's Sustainability Approach

Defining the Report Content

G4-18 Being more responsible and responsive to all its stakeholders, including customers, employees, investors and the community has allowed YES BANK to remain sustainable even in challenging times.

G4-24 By carefully mapping its stakeholders, identifying challenges and innovating solutions, the Bank has created a positive impact that goes beyond its business performance.

G4-25 In the previous reporting cycle, YES BANK had conducted a detailed materiality and stakeholder analysis with its key internal stakeholders, comprising the Bank's top management. The material issues were arrived at by conducting in depth secondary research, mapping the Bank's global peers and through detailed discussions with the key internal stakeholders.

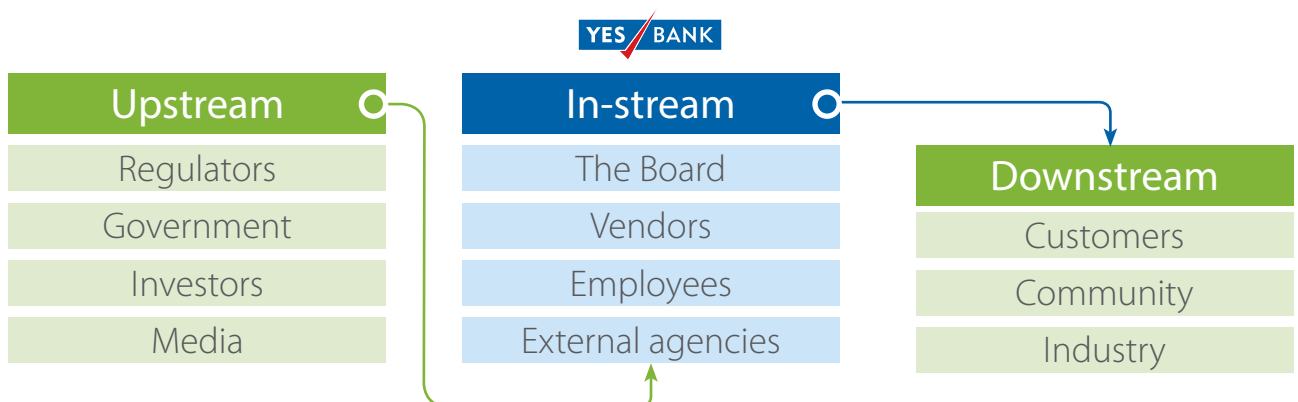
G4-26 On a rating scale of 1 to 5 (with 1 being the 'most important' and 5 being the 'least important'), the top management of the Bank rated the material issues and stakeholders through a survey. The survey takers rated each of these issues on their perception of how significant and relevant they considered the issues to be for YES BANK, and their

influence on the Bank's decisions and actions. The outcome was reported in the Bank's Sustainability Report FY 2012-13.

Taking forward the process of materiality, stakeholder identification and prioritization, for the current reporting cycle, the Bank met with key internal stakeholders comprising top management to revisit the key material issues and stakeholders identified and prioritized last year. In the period between the two meetings with key internal stakeholders, there was no change in the comprehensive list of issues and stakeholders, while the rankings, based on the average means of all the responses, changed.

Based on the stakeholder prioritization exercise conducted internally this year, the Bank has identified its stakeholders in three categories:

- a) **Upstream** – the stakeholders who influence or impact the way that the Bank does its business,
- b) **In-stream** – the stakeholders who are the pillars, on which the business stands,
- c) **Downstream** – the stakeholders who are impacted by the Bank's actions



Augmenting the Bank's materiality identification process this year, it conducted materiality ranking surveys and interviews among three of its key stakeholders as identified in the prioritization exercise – customers, media, and vendors.

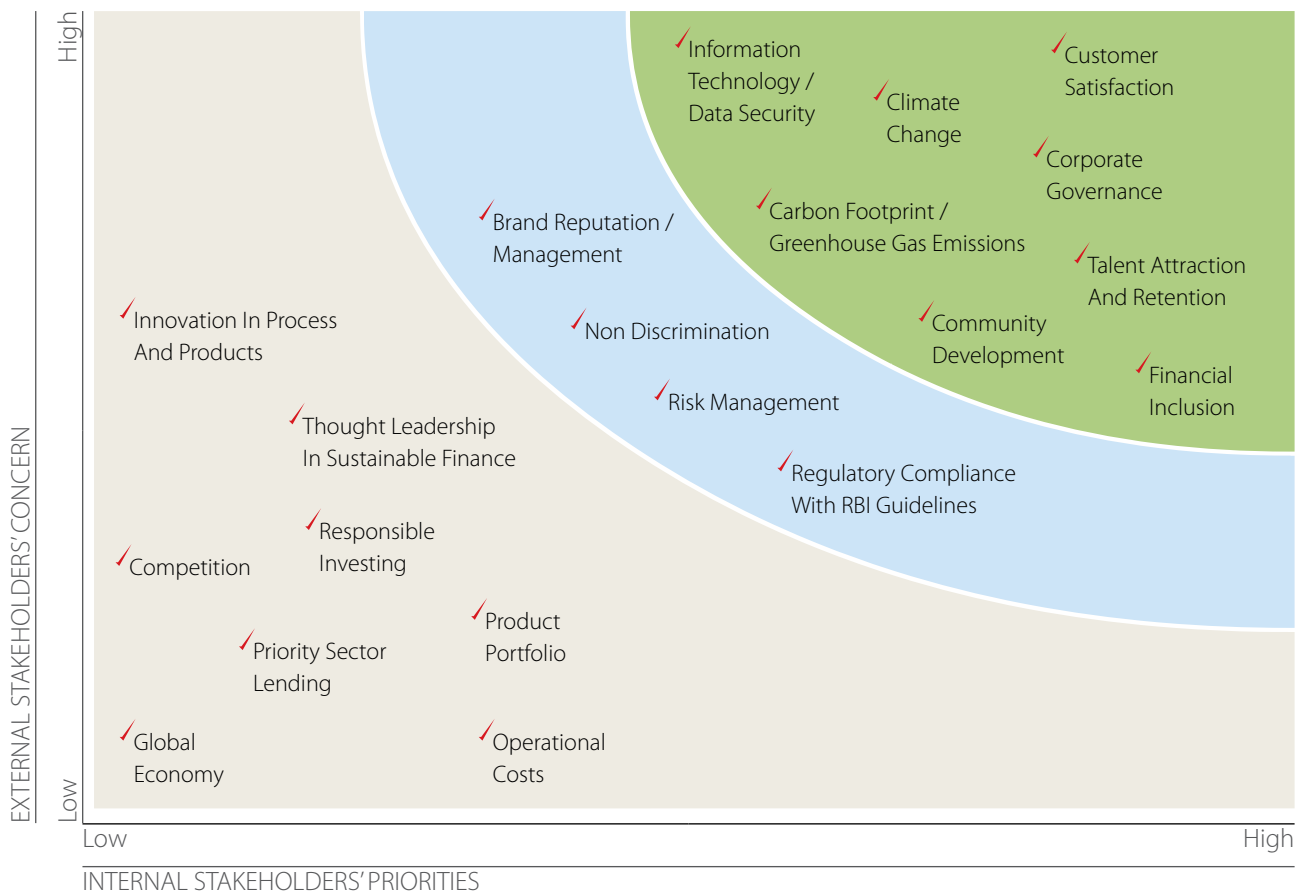
The Bank reached its customers through the YES COMMUNITY channel. Before the customers participated in the materiality prioritization exercise, they were given a briefing on the entire process and commentary on each of the material issues. The Bank's key vendors, mainly working with its Technology and Infrastructure units, participated in the exercise. Similarly, the Bank reached out to its stakeholders in the media during the Sustainability

Series training workshop held in Mumbai in the fourth quarter of the reporting cycle. The responses of all external stakeholders were collated and ranked based on average mean.

The responses from external and internal stakeholders have been plotted in the Materiality Matrix, which maps the concerns of the external stakeholders with the priorities of the internal stakeholders.

For comprehensive details on the Bank's engagements with its stakeholders, please refer to pages 14-15 of its Sustainability Report for FY 2012-13 at <http://www.yesbank.in/investor-relations/sustainability-report.html>.

Materiality Matrix



Boundary Setting

Material issue	Linkage with GRI G4 Aspects	Indicators covered in the Report	Significant Impact
Climate change	Emissions	EN15 - EN19	Within YES BANK
Community development	Local community	SO1 - SO2	Within YES BANK
Corporate Governance	Standard disclosure		Within YES BANK
Customer satisfaction	Product and service labelling	PR3 – PR5	Within YES BANK
Financial inclusion	Indirect economic impacts	EC7 – EC8	Impact within YES BANK and external impact on Business Correspondents
Information Technology/ data security	Customer privacy	PR8	Within YES BANK
Talent attraction and retention	Employment	LA1 – LA3	Within YES BANK



Climate Change



YES BANK believes that climate change is an opportunity to spur development and adoption of clean and renewable sources of energy. By integrating climate change into its business strategy, the Bank has knit climate change mitigation imperatives into its operations, lending portfolio, risk management frameworks, and reporting and disclosures.

With increased public awareness on climate change and sustainable development, GHG emissions from economic activity is firmly in focus.

Climate change can potentially impact the Bank's lending decisions within sectors like agriculture and resource extraction significantly. At the same time, proactive investments into sectors like clean and renewable energy, water and sanitation can potentially accelerate growth.

As a business organization, YES BANK is cognizant of its impact on climate change and is taking necessary steps to mitigate it. The internal boundary for reporting on the Bank's climate change actions includes the branches and office locations where the Bank implements its environmental management system. The impact of the Bank's actions include rationalization of its resource consumption and reduction in its specific emissions intensity.

The Bank has taken a lead in creating and participating in platforms where the global climate change agenda is discussed. Increasing concerns over natural resource depletion, soil and water pollution, and the impact of climate change on vital sectors such as agriculture have necessitated organizations to respond to these concerns. As the Bank lends to businesses that could be significantly affected by climate change, it represents a substantial risk

for the Bank as well. Through its lending practices, the Bank ensures that climate change mitigation imperatives are adopted by its customers as well. The external boundary for this material issue includes the organizations that the Bank lends to under its Environmental and Social Policy considerations, and the organizations it is lending to as part of its renewable energy portfolio. These are the stakeholders that are impacted by the Bank's actions.

Community Development

- G4-18** YES BANK believes that businesses can no longer operate in a vacuum and must be responsive to the needs and imperatives of the communities within which they operate.
- G4-20**
- G4-21** Since inception, YES BANK has striven to play a greater role in India's development and has gone beyond its regulatory mandate to positively impact the lives of communities
- G4-27**

within and beyond its branch service areas. Through YES COMMUNITY, the unique flagship initiative of the Bank, it conducts monthly engagements on pertinent social and environmental issues at its branches across India. This enables the Bank to engage positively and influence the community on positive social, environmental and economic impact.

YES BANK has products and services that cater to the base of the pyramid in rural and urban India, creating a multiplier effect on the overall grassroots economy. Driven by its Inclusive and Social Banking (ISB) vertical, the positive impact of its products and services includes enhanced financial inclusion and driving economic development among the unbanked and underbanked populations. The communities impacted by YES COMMUNITY and the



Senior citizens celebrating World Population Day at the Karnal Branch

G4-18 customers of ISB products and services have been included in the report.

G4-20 The Bank has instituted a Board level CSR Committee to formulate its CSR policy, implementation strategy and monitor its overall impact.

G4-21

G4-27

Corporate Governance

Corporate Governance is accorded the highest priority at YES BANK. As a member of the BSE 100, BSE Bankex and BANK Nifty on the national bourses, and operating in a highly regulated sector, the Bank has benchmarked itself with the best global corporate governance practices. The gamut of the Bank's operations and activities fall under the purview of the internal boundary for reporting on Corporate Governance.

The Bank views Corporate Governance as more than fulfilling regulatory requirements and there exists a fundamental link between business, corporate responsibility and stakeholder wealth creation. Transparency and accountability are at the centre of sound corporate governance practices, with the Board responsible for driving these principles from the top to the bottom of the organization. Apart from ensuring compliance, the Bank has focused on creating the systems to ensure openness, accessibility and integrity.

Good corporate governance practices at the Bank are steered by the Board and its top management to ensure creating stakeholder value, as the Bank believes that good governance has a direct impact on its financial performance affecting its employees, investors, clients and other stakeholders.

Customer satisfaction

As an institution of public trust, YES BANK's success is directly dependent on its ability to achieve the highest levels of customer satisfaction, which fuels growth and adds to the Bank's reputation. The Bank's front-end operations, such as retail banking and corporate banking, and the rules, policies and guidelines that drive its customer centric operations

are a part of the boundary for this material issue.

Higher customer satisfaction directly impacts the Bank's bottomline, as satisfied customers would tend to bring more business to the Bank and are likely to refer potential customers. Poor customer satisfaction, on the contrary, adversely affects the Bank's economic well being, thus impacting the economic well being of the stakeholders dependent on its performance.

YES BANK is one of the youngest banks within India's competitive banking sector and a relatively small player with a smaller share of the market than its peers in public and private sectors but with a consistent focus on process and quality excellence and ensuring consistent and superior customer service, the Bank has outperformed its peers on many benchmarks. The Bank is the first Indian bank to receive the ISO 10002:2004 certification for its complaints management system.

The Bank adheres to the guidelines and best practices in customer service as set by various Government Committees and industry associations.

Financial Inclusion

With millions of unbanked and underbanked Indians unable to integrate wholly into the economy due to lack of banking avenues, financial inclusion has been a national priority, with the RBI's thrust on taking banking to the grassroots of the country.

For YES BANK, financial inclusion is not just a social and regulatory obligation but a sound business opportunity. Through its dedicated business vertical, Inclusive and Social Banking, the Bank has developed innovative business models to take banking well beyond its branch service areas. Innovation and technology adoption has played a critical role in allowing the Bank to offer services such as inter-bank domestic remittance, SHG lending, rural micro-ATM banking and payment gateway for the dairy sector. The boundary for this material issue includes the Bank's employees and operations that are delivering these



Financial inclusion is a key material issue for YES BANK

G4-18 products and services on the ground, and the rural and urban, unbanked and underbanked population of India.

G4-20 The impact of the Bank's activities goes beyond the immediate beneficiaries as the Bank facilitates the flow of capital into India's hinterland. The Bank's SHG lending

G4-21 provides economic opportunities to the members of the various SHG groups and their families that are dependent on that income.

Information Technology/Data Security

Technology has been a key driver for business excellence at YES BANK. The Bank has embraced innovative technologies to offer superior products and services to its customers, build a stronger connect with customers and external stakeholders, achieve operational excellence and manage risks.

As a bank born in the new millennium, technology has been a key driver of growth at YES BANK since inception. The Bank has built strategic partnerships with global IT majors for innovative features that enhance efficiencies and provide sector specific banking solutions.

Enhanced adoption of technology is one of the key risk mitigating factors for the Bank, which allow it to set robust risk filters in place and take proactive actions. As a custodian of money, ensuring that fool proof systems, checks and balances are in place to secure the entire banking system is a key priority for the Bank. The Bank's gamut of technology dependent processes and systems are within the boundary of the Report. With banking operations becoming increasingly technology-driven and globally connected, the positive impact of adopting highest standards of data security across the Bank's operations is felt across the financial chain.



The 2014 batch of Y-PEP, YES BANK's talent acquisition programme

G4-18 The Bank has adopted technology to achieve its stated objective of financial inclusion, bringing basic banking services and products to the unbanked and underbanked population in India.

G4-20 **G4-21** **G4-22** The use of technology has also significantly contributed to reducing the Bank's carbon footprint and its overall operational costs. Adoption of innovative technologies in business operations has allowed the Bank to rationalize its consumption of resources such as paper and electricity, and reduce its waste output.

Talent Attraction and Retention

YES BANK's focus on evolving as the 'The Professionals' Bank of India' has led to the creation of a consistent 'YES BANK' culture across the length and breadth of the organization. The Bank believes business excellence stems from its ability to engage and energize YES BANKers, and invest in their personal and professional growth. The Bank's employees, systems and processes that are in place to manage its

human capital, and policies that guide its actions are included in the boundary of the report.

YES BANK's strong performance can be directly attributed to its human capital, built from its efforts towards being an 'employer of choice' in a crowded and competitive banking space. During the year, the Bank continued to invest in training and skill building of its employees across locations and business functions. The Bank kept up its rapid hiring pace across locations and functions to match its growth, adding 2,130 employees in the last one year.

To strengthen employee retention, the Bank introduced new or modified several existing employee initiatives that emphasized the creation of a nurturing environment to lead to higher employee satisfaction. The Bank's focus on talent attraction and retention positively impacts the personal and professional development of employees, and its customer service levels, culminating into high levels of customer service and operational efficiency.



Corporate Governance

YES BANK believes that there is a need to view Corporate Governance as more than just compliance to regulatory requirements, as there exists a fundamental link with the organization of business, corporate responsibility and shareholder wealth maximization. Therefore, the Bank articulates a multi-stakeholder model of accountability that manages the symbolic relationship between various stakeholders. This approach is central to the day-to-day functioning of the Bank and in the implementation of its business strategy.

The Board functions either as a full Board or through various committees constituted to oversee specific areas. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board. The committees have oversight of operational issues assigned to them by the Board, which include the Bank's environmental and social initiatives and programmes.

YES BANK is a public trust organization operating in a highly regulated sector, and accords the highest priority to setting the highest standards of Corporate Governance and complying with all statutory and regulatory requirements. The Bank's Corporate Governance agenda is set at the highest level by the Board of Directors through various codes and committees. The Bank's Report on Corporate Governance is available as part of the Annual Report FY 2013-14.

The key policies guiding Corporate Governance at the highest level at the Bank include:

- Code of Ethics for the Board of Directors and Senior Management

- Code of Conduct for Prevention of Insider Trading
- Whistleblower Policy
- Policy on Prevention & Prohibition of Sexual Harassment at Workplace

YES BANK has a broad-based Board of Directors, constituted in compliance with the Banking Regulations Act, 1949, Companies Act, 1956 and the Companies Act, 2013 as applicable, the Listing Agreement with the Stock Exchange(s) and in accordance with best practices in Corporate Governance.

The Bank held its Annual General Meeting on June 8, 2013 in Mumbai where stakeholders could voice their opinions on various issues.

The Bank's Chief Sustainability Officer meets the Board at regular intervals to formulate the Bank's strategy and apprise them of the Bank's sustainability activities and achievements. The meetings also serve as a platform to share with the Board the latest trends and developments in various sustainability linked issues.

Name of Director & Committees

Independent Director(s)

(as on April 23, 2014)

Ms. Radha Singh <ul style="list-style-type: none"> Audit Committee Risk Monitoring Committee Nominations & Governance Committee Fraud Monitoring Committee Corporate Social Responsibility Committee (Chair) 	Mr. Ajay Vohra <ul style="list-style-type: none"> Audit Committee (Chair) Risk Monitoring Committee Fraud Monitoring Committee 	Lt. Gen. (Retd.) Mukesh Sabharwal <ul style="list-style-type: none"> Audit Committee Risk Monitoring Committee Board Remuneration & Human Capital Management Committee Nominations & Governance Committee Stakeholders Relationship Committee Fraud Monitoring Committee Service Excellence Committee 	Mr. Diwan Arun Nanda <ul style="list-style-type: none"> Board Remuneration & Human Capital Management Committee (Chair) Service Excellence Committee (Chair) Capital Raising Committee Corporate Social Responsibility Committee Stakeholders Relationship Committee (Chair) 	Mr. Brahm Dutt <ul style="list-style-type: none"> Corporate Social Responsibility Committee Mr. Saurabh Srivastava <ul style="list-style-type: none"> IT Strategy Committee (Chair) Service Excellence Committee Stakeholders Relationship Committee Mr. Vasant V. Gujarathi <ul style="list-style-type: none"> Audit Committee IT Strategy Committee
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Whole-time Director(s)

Mr. Rana Kapoor (Promoter, MD & CEO) <ul style="list-style-type: none"> Risk Monitoring Committee Board Remuneration & Human Capital Management Committee Nominations & Governance Committee (Chair) Fraud Monitoring Committee (Chair) Capital Raising Committee (Chair)
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Non-Executive Non-Independent Director(s)

Mr. Ravish Chopra <ul style="list-style-type: none"> Fraud Monitoring Committee Service Excellence Committee Corporate Social Responsibility Committee IT Strategy Committee 	Mr. M. R. Srinivasan <ul style="list-style-type: none"> Audit Committee Risk Monitoring Committee (Chair)
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Note:

- None of the Directors are related to any other Director or are members of an extended family.
- None of the Directors have any business relationship with the Bank.
- None of the Directors have received any loans and advances from the Bank during the year.

The Board of Directors of the Bank at its meeting held on April 23, 2014, to further augment the Bank's growth strategy, accompanied by the best Board and Management governance practices adopted by the Bank over a period of time, has inducted Mr. Saurabh Srivastava and Mr. Vasant V. Gujarathi on the Board of the Bank as Independent Directors. They bring along with them vast experience in the fields of Audit, Financial Systems and Information Technology Strategy / Information Technology.

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Bank. These Committees will monitor the activities falling within their terms of reference. Some of the Committees of the Board were reconstituted, renamed and terms of reference were revised to align these with the provisions of the Companies Act, 2013.

Corporate Social Responsibility Committee

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board at its meeting held on April 23, 2014 has constituted a Corporate Social Responsibility Committee consisting of majority of Independent Directors.

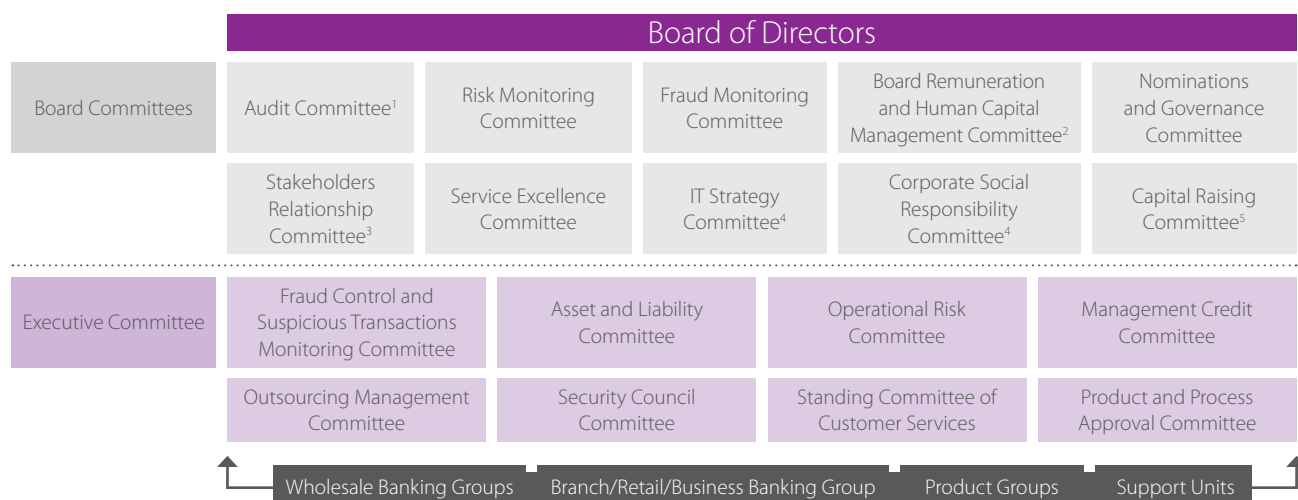
The terms of reference of the Committee includes formulation and recommendation to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Bank as specified under Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR policy; monitor the CSR Policy of the Bank from time to time; institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Bank; and perform any other function as stipulated by the Companies Act, the RBI, the SEBI, the Stock Exchanges or any other regulatory authority or under any applicable laws, as may be prescribed from time to time. As part of the Bank's CSR plan and guided by its CSR Policy, the Bank plans to conduct impact assessments of its CSR projects.

IT Strategy Committee

YES BANK is a highly technology driven bank and has received many awards in this regard. To derive further benefits from technological innovations, it was considered appropriate to form an IT Strategy Committee.

The key terms of reference of the Committee include performing oversight functions over the performance of

Organization Structure



¹ Earlier Audit & Compliance Committee, ² Earlier Board Remuneration Committee, ³ Earlier Investor Relations Committee,

⁴ New committees constituted on April 23, 2014, ⁵ Special Purpose Committee

the IT Steering Committee (at a senior managerial level), approve IT strategy and policy documents, ensure that the management has put an effective strategic process in place; ratify the IT strategy in alignment with the business strategy; ensure that the IT organizational structure complements the overall business model and its direction, ensure that IT investments represent a balance of risks and

benefits and that budgets are acceptable; issue high-level policy guidance (e.g. related to risk, funding, or sourcing tasks), confirm whether IT or business architecture is to be designed, so as to derive the maximum business value from IT, oversee the aggregate funding of IT at the Bank-level, and review IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value).

Risk Management

As an institution of public trust, YES BANK realizes that it has the responsibility to manage risks for its clients, investors, and other stakeholders.

The Board has the ultimate responsibility to manage risks and the Bank's risk management approach is both top-down and bottom-up. The Board's responsibilities include risk governance and oversight structure, and maintaining an appropriate internal control framework. Through the Risk Monitoring Committee, the Board reviews and approves the thresholds of risk to be taken in line with the

Bank's strategic objectives. The Board oversees the Bank's risk management team which oversees these thresholds.

YES BANK's risk culture involves proactive risk identification, appraisal and initiatives to mitigate risks and it has set robust systems in place to detect red flags and take proactive actions. The Bank has adopted technological innovations that address risks and secure its operational environment. YES BANK follows a Three Lines of Defence approach which operates directly under the Executive Committees for risk management.



Audit and Compliance

YES BANK's Internal Audit department performs independent and objective assessments monitoring adequacy, effectiveness and adherence to controls, processes and procedures instituted by the Board and management. The function has adopted a Risk Based approach of Internal Audit (RBIA). The Internal Audit department is ISO 9001:2008 certified for Quality Management System.

The Bank's Compliance department ensures regulatory compliance across all businesses and operations.

The Board's Audit Committee has the overall responsibility of overseeing the two functions.

The Management Discussion & Analysis in the Bank's Annual Report for FY 2013-14 comprehensively covers its risk management and structure. The Annual Report can be accessed at <http://www.yesbank.in/investor-relations/annual-reports.html>.

Managing Information Technology Risks and Opportunities

The risks related to the technology landscapes deployed have increased manifold over the years and protection of critical information has become more difficult but simultaneously more important than ever. As a Bank, it is essential that information and the infrastructure that supports it are secure from destruction, corruption, unauthorized access and breach of confidentiality, whether accidental or deliberate.

Through its Information Security policy, the Bank ensures that all employees have a role to play in securing the Bank's informational assets. The Bank has made it mandatory for all employees to be well-versed with the Policy, which, in addition to covering all aspects of managing the Bank's backend technology infrastructure, covers rules and regulations that all employees must adhere to.

The rising complexities in banking have brought a sharp focus on Operational Risk Management (ORM). Apart from the complexities arising out of change in business activities, induction of complex technologies and innovations and increased automation, ORM is also driven by regulatory requirements such as those of Basel II and Basel III. Strengthening of systems, controls, processes and procedures is one of the seven strategic objectives of YES BANK, thus making effective execution of ORM critical to the Bank's success. An improvement in its systems and processes eventually gets reflected in positive customer feedback and enhanced stakeholder value.

The Bank is in full compliance of the regulations and guidelines of the Reserve Bank of India on information security, electronic banking, technology risk management and cyber frauds. The Bank has created a Board-level Committee – the IT Strategy Committee, for guidance at the highest level.

Managing the Supply Chain

YES BANK has taken significant steps in integrating its sustainability agenda with its procurement practices and policies. The Bank aims to make its procurement practices more sustainable by focusing on building and maintaining long-term associations with its vendors, achieve economies of scale, modify its policies to include pertinent clauses related to environmental and human rights, and procure more responsibly sourced materials.

YES BANK's procurement activities are centrally driven. The Bank's Central Procurement unit is responsible for achieving the Bank's procurement goals, which include:

- Achieving cost optimisation
- Formulating and implementing the Bank's Procurement policy
- Formulate and provide common procurement standards and guidelines for the Bank
- Effective vendor management and regular vendor review

The Bank has a top management-led Central Procurement Committee which oversees the functioning of the unit and provides direction on key issues.

The Bank has entered into long-term partnerships with key technology providers who provide the Bank with the critical platforms on which it runs. Most of the Bank's products and services are procured centrally through the Central Procurement Unit. In addition, the Bank's business units can empanel vendors to provide products, services and/or support to that specific unit. As the Bank is geographically spread across India, it engages with small local vendors at its locations, primarily for services such as food and beverages, stationery, and fuel. The Bank is in the process of tracking and monitoring the payments to its gamut of suppliers centrally, and would report its estimated payments to the suppliers in the next reporting cycle.



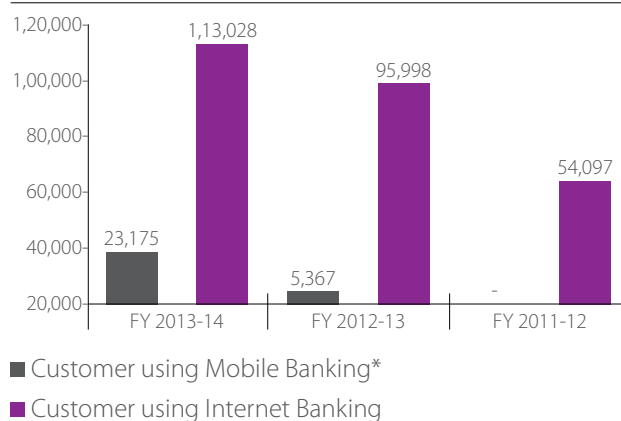
YES BANK has a three-pronged structure to enhance customer service

Customer Satisfaction

YES BANK's relationship with its clients, partners, vendors, investors and other stakeholders that have a direct stake in its economic well being is central to its vision and strategy. To reinforce the important management philosophy of 'Know Your Customer', the Bank's highly focused relationship teams directly engage with the customers at various levels, without involving any external agencies.

YES BANK is the only bank to have offered online banking services to its customers since its inception, and is the first bank to be certified with ISO 10002:2004 for complaints management system. The Bank has a three-pronged structure to enhance customer service by focusing on customer experience, innovation and quality assurance.

Growth in internet banking and mobile banking users



■ Customer using Mobile Banking*

■ Customer using Internet Banking

* The Bank launched mobile banking in FY 2012-13

At the end of the year, over 300,000 YES BANK customers were receiving e-statements.

The Bank has systems in place to measure customer satisfaction and its responsiveness to customer needs. It measures external and internal service delivery using dashboards, Voice of the Customer (VOC), branch service committee meetings, sigma scorecards and customer satisfaction surveys.

The Yes Service Programme - an internal service proposition - was disseminated through a defined and ongoing service marketing programme and measured through mystery shopping, on-job monitoring and Branch Executive Leadership Team (BELT) programmes held periodically across key branches.

The Bank conducts monthly customer satisfaction surveys across various transactional items on a sample based methodology. Taking an average of the monthly surveys conducted during the reporting period, the following information was derived:

Towards Accounts Opening Experience - 41% of the survey takers reported an 'Excellent' experience, a further 28% reported a 'Good' experience with the rest reporting a 'Satisfactory' experience or below.

Towards Overall Customer Satisfaction - 90% of the survey takers reported a 'Wow' experience, 7% reported a 'Good' experience with the rest reporting a 'Satisfactory' experience.

Technology has played a key role in enriching user experience for YES BANK customers and the Bank has partnered with some of the most innovative technology providers for its front-end, mid-end and back-end functional requirements. During the year, the Bank added services such as instant payment solutions for the dairy sector, value-added services such as mobile and DTH recharge, facilitated stop-cheque and cheque status enquiry in ATMs; empowered bunch note acceptors to accept cash deposits from customers and extended services in retail

net banking. The Bank also launched several innovative initiatives such as video-phone banking and sales team tools (tablets).

The Bank has successfully leveraged social media to create a connect with its customers and other stakeholders, and actively uses social media platforms such as Twitter and Facebook to reach out to its customers for campaigns, new developments and achievements, among others. The platforms are also an avenue for its stakeholders to provide feedback and reach out to the Bank directly.

The Bank is fully compliant with the laws of the land for marketing and promotions. The Bank adheres to the guidelines of the Banking Codes and Standards Board of India (BCSBI), Goiporia Committee recommendations, Damodaran Committee recommendations and the Committee on Procedures and Performance Audit of Public Services (CPPAPS) guidelines.

During the year, the Bank received 6,116 customer complaints and had two complaints pending at the beginning of the year. 5,997 complaints were resolved by the end of the year. Majority of the complaints pertained to cash dispensing at ATM's, followed by customer service, transaction-related complaints, net banking-related complaints and account management. No awards were passed by the Banking Ombudsman during the year. The Bank has not identified any substantiated complaint on customer privacy in FY 2013-14.

Strengthening the YES Brand

In 2012-13, YES BANK entered into a five year partnership with the Pepsi Indian Premier League (IPL), the foremost cricketing event in India, and one of the most watched sports events in the world, as the League's Official Central Partner (Financial Services Category).

This landmark sporting event promotes the 'Spirit of cricket' across the world and recognizes talent from within India and beyond its boundaries.



The association with IPL provides the Bank a platform to strengthen its brand name and highlight its products and services. Sixes are the biggest excitement in the shortest format of the game, and sixes hit in the IPL are referred to as 'YES BANK MAXIMUMS', complementing the Bank's value proposition of offering the highest returns on Savings Accounts. In addition to this core integration, YES BANK enjoys significant branding across all stadia in which the IPL matches take place along with amplification on the broadcast channels.

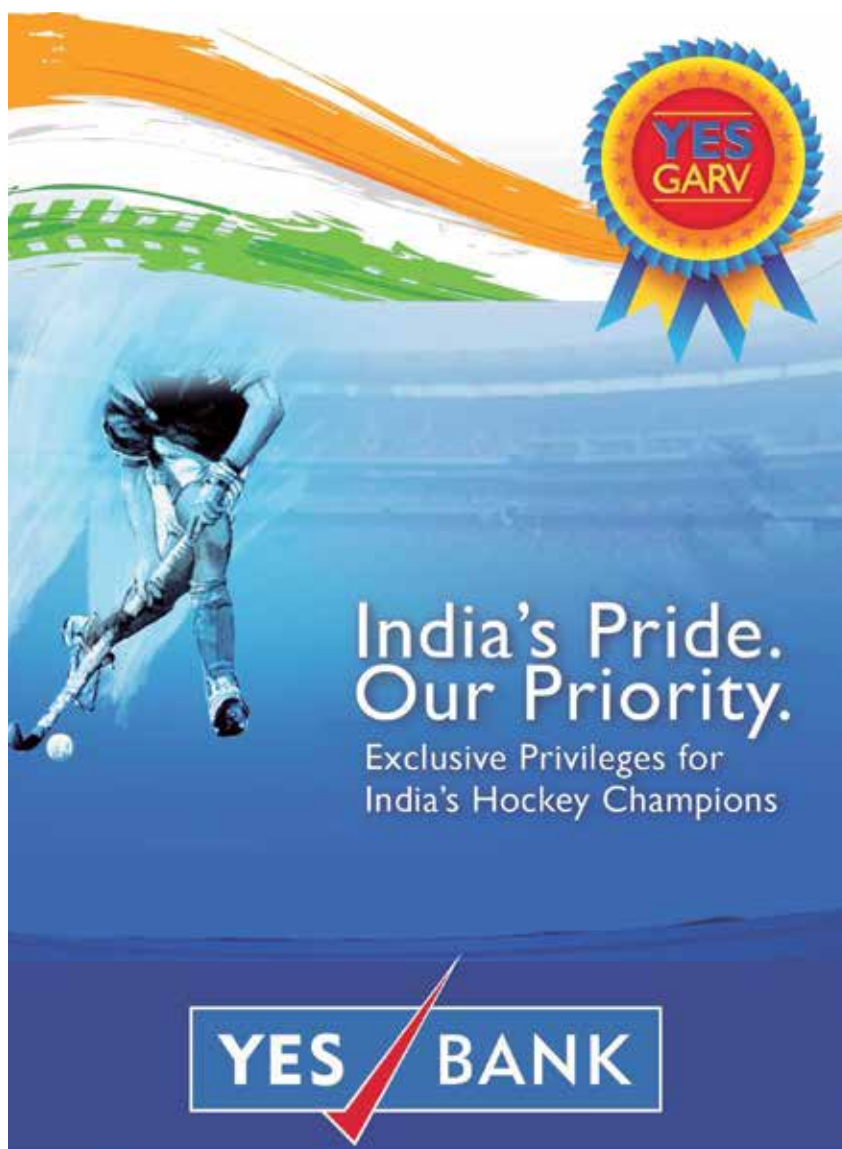
The Bank has created engaging social media campaigns and on-the-ground campaigns at its branches and in various markets that have helped create a strong connect between the Bank and cricket fans across India.

YES BANK signed on as a Central Associate Sponsor of the Hero Hockey India League (HIL), the world's newest and most innovative hockey league. Hockey is the national sport of India but remains far behind cricket in terms of funding and viewership. The HIL, which was launched in 2012-13, featured 70 top domestic and 50 international players, playing for five franchise teams. Of the 120 players, 60

were Olympians for their respective nations, including seven of the top-10 FIH-rated players.

The HIL is an excellent platform for the budding hockey players in the country and provides a strong impetus to strengthening the infrastructure for

the sport in the country. Through YES GARV, the Bank's dedicated Sports Banking proposition, it is in a position to provide financial infrastructure to support Indian sports through customized solutions for the associations, teams and players.





Ms. Namita Vikas (Senior President & Chief Sustainability Officer, YES BANK), Mr. P. Vijay Bhaskar (Executive Director, RBI) and Dr. Aditi Halder (Director, GRI India) releasing YES BANK's Sustainability Report in Mumbai

Leadership in Sustainability Disclosures

YES BANK became the first Indian Bank to release its Sustainability Report, "Catalyzing a Shared Sustainable Future" with an A Level Check Certificate from the Global Reporting Initiative (GRI) for FY 2012-13.

The Report adheres to the GRI G3.1 Reporting Guidelines and is a comprehensive review of the Bank's broad sustainability objectives and priorities. The Report was

formally released by Shri. P. Vijay Bhaskar, Executive Director, Reserve Bank of India, and Dr. Aditi Halder, Director, GRI Focal Point India in Mumbai amidst members of the banking fraternity, academia, and media.

For its annual 'Communication on Progress' to the UN Global Compact, YES BANK moved from the GC Active platform to the GC Advanced platform, demonstrating leadership in implementing the UNGC's Ten Principles in its strategy and operations.

Economic Value Created

During the year, YES BANK continued its focus on diversity and granularity with continued investments in increasing its branches and adding more employees. The Bank witnessed a stable growth in advances, which grew by 18.4% from last year. Corporate Banking (large corporate) accounted for 63.3% of the Advances portfolio, Commercial Banking (Mid-sized Corporates) accounted for 15.5% and Branch Banking (including MSME) accounted for 21.2%.

The Bank's Current and Savings Account (CASA) deposits grew by 28.8% y-o-y to ₹16,344.7 crore taking the CASA ratio to 22.0% as at March 31, 2014. The Bank continues to demonstrate strong traction in CASA on the back of an increase in branch network, enhanced Savings product offerings and steady improvements in productivity.

The Bank's operating profit for the financial year increased by 25.5% to ₹2,688.0 crore and net profit increased by 24.4% to ₹1,617.8 crore.

The Bank's total Balance Sheet size increased by 10.0% from ₹99,104.1 crore as of March 31, 2013 to ₹109,015.8 crore as of March 31, 2014, due to an increase in the size of the Bank's advances owing to the overall growth of the

business. The breakdown of Liabilities is as: Shareholder funds - ₹7,121.7 crore and debt - ₹101,894.1 crore.

The Bank's total CSR spend for the year was approximately ₹12.4 crore, comprising the Bank's contribution to the YES FOUNDATION, expenditure on YES COMMUNITY – its unique community engagement initiative, promotion of sports, arts and culture at a local and national level, contribution to its Employee Payroll Giving programme and support to not for profit and non-profit institutions and organizations.

YES BANK's business operations may add indirect value to the economy and improve the lives of the people it touches. The training programmes that the Bank supports within and outside enhance the overall skills of those trained. The platforms that the Bank supports and the properties it creates on various issues linked to sustainable development add value to the public discourse on those issues.

The economic ripple effect of the Bank's products and services catering to the unbanked and underbanked population of India is significant, as the Bank helps money trickle down to the grassroots.



During the year, YES BANK continued its focus on diversity and granularity

Direct Value Added

Direct Economic Value Generated	FY 2013-14 ₹ in '000	FY 2012-13 ₹ in '000	Remarks
Revenues	117,029,295	95,514,317	P&L Account, Annual Report 2013-14

Economic Value Distributed

Operating costs	9,654,728	6,789,932	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2013-14
Employee wages and benefits	7,843,991	6,555,435	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2013-14
Payments to providers of capital	75,535,987	62,903,826	Annexure A
Payments to Government	7,575,332	6,599,575	Annexure B
Community Investments	123,580	67,968	Annual Business Responsibility Report
Economic Value Retained	16,295,677	12,597,581	

ANNEXURE A

Interest on deposits	56,186,397	45,636,130	Schedule 15 – Interest Expended, P&L Account, Annual Report 2013-14
Interest on RBI/Inter-bank borrowings/Tier I & Tier II debt instruments	15,824,830	14,935,490	Schedule 15 – Interest Expended, P&L Account, Annual Report 2013-14
Others	639,691	180,472	Schedule 15 – Interest Expended, P&L Account, Annual Report 2013-14
Proposed Dividend	2,885,069	2,151,734	P&L Account, Annual Report 2013-14

ANNEXURE B

Provisions made for Income Tax during the year	7,085,015	6,250,510	Schedules forming part of the Accounts, 18.6.1 – Income Taxes
Tax (including surcharge and education cess) on Dividend	490,317	349,065	P&L Account, Annual Report 2013-14



Social Transformation Through Empowerment



Working towards financial inclusion: Inclusive and Social Banking

Despite a formidable physical outreach and rural footprint of banks, 64% Indians lack access to savings accounts, 87% Indians lack access to ATMs and 73% of the farming community lacks access to institutional credit. Over the 10 years of its existence, YES BANK has consistently focused on the 'inclusive' growth of 'emerging India'

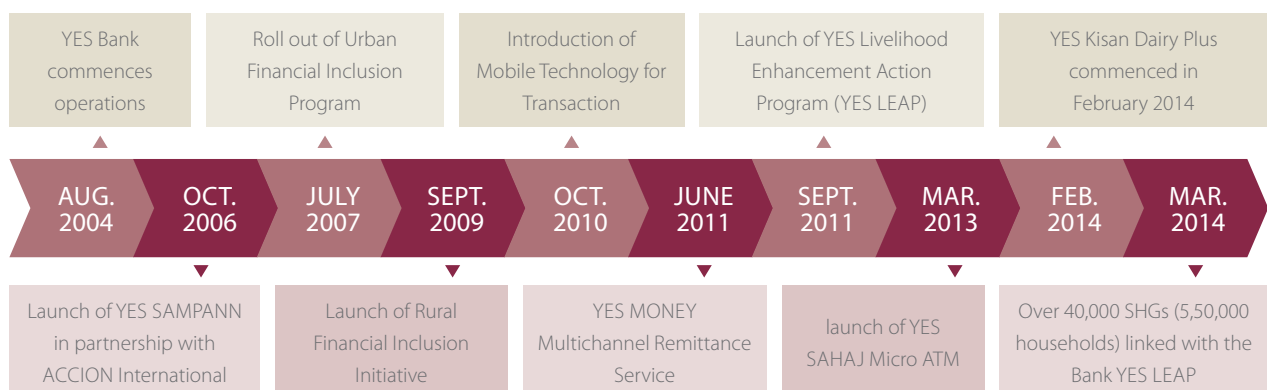
Financial inclusion is not just an ethical imperative but a sound business decision that helps the Bank mitigate risks and identify new business opportunities that catalyze

social development. Through products and services specifically catering to the 'base of the pyramid', the Bank enabled India's unbanked and under-banked population clusters to improve their economic well-being.

Cognisant of the immense business potential and unique banking needs of 'the next billion' customers, the Bank's Inclusive and Social Banking (ISB) division exclusively focused on 'financial inclusion'. The Bank provided access through suitable financial products and services to unbanked low-income communities across urban and rural India.

Through ISB, the Bank has not only supported self-help groups but also facilitated and inspired community members to turn into entrepreneurs. In FY 2013-14 with innovative products like YES Kisan Dairy Plus, YES LEAP and YES SAHAJ the Bank impacted 5.3 lakh families across India.

ISB – Spearheading Financial Inclusion





Development through innovative business models: YES Kisan Dairy Plus

India is the world's largest milk producer, accounting for around 17% of the global milk production with an estimated production of 132.4 million tonnes during 2012-13, making the dairy sector the largest contributor to the country's agricultural GDP. It is estimated that the dairy sector generated revenues worth over ₹4.63 thousand crore in FY2012-13, assuming an average consumer price of ₹35 per litre.

Given the dairy sector's importance in rural employment and revenue generation, YES BANK extended a complete range of financial products to dairy farmers under the aegis of YES Kisan Dairy Plus.

YES Kisan Dairy Plus is a comprehensive suite of financial products, tailor-made for dairy farmers. The Bank could immediately credit the milk payment in the farmer's account, (wherever a dairy processor has installed

advanced automated milk testing machinery), based on data provided.

Through YES Kisan Dairy Plus, farmers experienced the services of a formal financial institution firsthand, a first-of-its-kind experience for many. This generated curiosity to know more, leading to enhanced financial literacy. With the Bank becoming aware of the farmer's transactional history, a seasonal overdraft facility was offered, which ensured that they didn't have to borrow from informal sources like friends, relatives and moneylenders and end up permanently in a debt trap.

The single most important contribution of this product was in providing instant credit to a dairy farmer for milk produce, which otherwise would have taken an entire day.

YES Kisan Dairy Plus product propositions comprised:

- ❑ Instant milk payment (as applicable, in association with the respective dairy)
- ❑ Basic Savings Account (BSA) with 6% interest and ATM-cum-Debit Card
- ❑ Free unlimited withdrawals from any bank's ATM
- ❑ Lean Season Overdraft (LSOD) facility



An instant payment being made to a dairy farmer



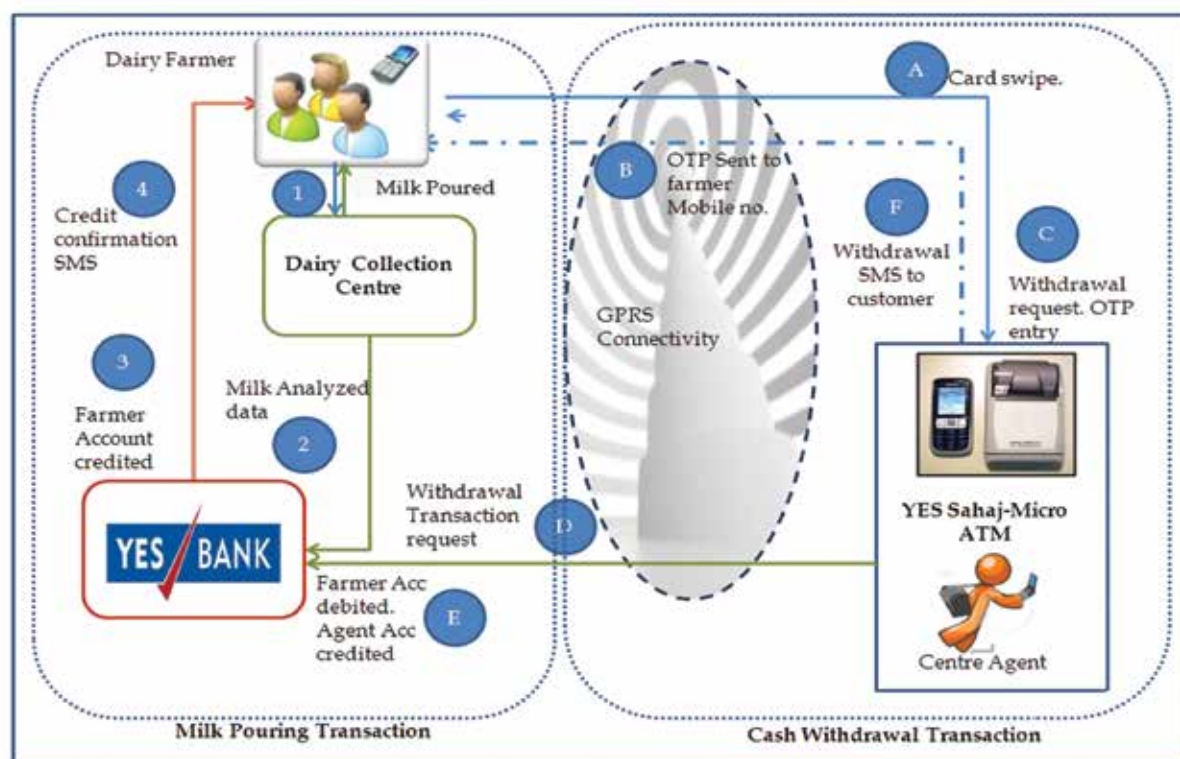
Milk being collected at a milk procurement centre

- Unlimited deposit/withdrawals via YES BANK's specially deployed YES SAHAJ handheld device
- Domestic inward/outward remittance service
- Annual Group Life Insurance for member and spouse
- Flexible Recurring Deposit facility linked to BSA

YES Kisan Dairy Plus was implemented as a pilot project in

collaboration with one of the largest dairies in South India, based in the Villupuram district of Tamil Nadu. As crop and livestock farming are quintessential characteristics of the Indian agricultural system, a much needed intervention in the form of YES Kisan Dairy Plus enabled the Bank to reach out to farmer households that were conventionally unbanked or under-banked by offering them zero or low-cost financial products and services.

YES Kisan Dairy Plus – Process Flow for Credit and Withdrawal



YES BANK Payment Intervention in Paayas

YES BANK started a pilot with Paayas Producer Company (PPC) promoted by the National Dairy Development Board to provide payments to farmers along two milk procurement routes in Renwal and Sri Madhopur Milk Chilling Center in Rajasthan.

Farmers are happy to receive direct credit in their accounts and majority of them are comfortable with withdrawing

money from other banks' ATMs during their routine visits to cities/bigger villages. Farmers also used the YES SAHAJ Micro ATM BC facility that YES BANK provided which helped them manage their cash flows as per convenience.

This model represented an immense opportunity for scale-up given that 60% of farmers supplying to PPC already prefer the use of regular ATM network.



I am a farmer with three acres of land. I own three cows and have been supplying milk to the Dairy for more than two years. I supply more than 20 litres of milk every day and earn about ₹400 for a day's produce. Prior to the YES BANK tie up I couldn't plan my savings; I received cash only the following day and on most occasions, the amount got used immediately. I faced liquidity issues even though my earnings were sizeable. Now, I am able to plan my savings and expenses better because of YES BANK.' – **Muthukrishnan**, *Tamil Nadu*.



YES MONEY

YES MONEY, the innovative, technology-based remittance model has helped save close to 5 crore productive wage earning person-hours of over 18 lakh customers, since inception. With over 1 crore transactions, YES MONEY has revolutionized India's domestic remittance model.

The model facilitates safe remittance for any individual in India: to deposit cash at any of the over 15,000 YES BANK's authorized Business Correspondent Agent (BCA) outlets across India within four seconds, at any time of the day. YES MONEY has catalysed payment systems by utilizing a meaningful mobile payment technology that was otherwise untapped.

YES MONEY has brought transaction touch points closer to the customer (the base of the pyramid labourer) conveniently and securely. YES MONEY's usage patterns show that 48% of all transactions take place between

6 am and 10 am and between 4 pm and midnight which are non-banking hours, clearly highlighting the convenience provided by the service.

YES BANK shares a major portion of the income generated with the Business Correspondents, holding onto only 20% of user fees, thus generating extra income for Business Correspondents.

For transaction confirmation, YES MONEY obviated the use of paper receipts by sending confirmations via text message. Assuming a confirmation slip uses half of an A4 sheet per transaction, YES BANK has saved approximately a million A4 paper sheets. The remittance technology also discourages a user to travel to a bank branch. Thus, ensuring less fuel usage, lower GHG emissions and reduced transportation costs.

The Bank has received appreciation from its peers on this model, which, with the help of National Payments Corporation of India (NPCI), is now being replicated by many major banks for benefit of the larger population. This will also cater to the needs of a wider customer base, beyond the user segment which has access to mobile phones.

YES MONEY	FY 2013-14	FY 2012-13	FY 2011-12
Number of Business Correspondents	15	11	4
Number of transactions done (in lakh)	77.56	21.34	4.7
Total value of transactions (₹ in crore)	3,186.54	822.54	256.39
Number of unique senders (in lakh)	12.81	3.85	1.63



YES LEAP

YES Livelihood Enhancement Action Program (YES LEAP) provides banking services to the underserved rural, semi-urban and urban population by following the SHG (Self Help Group) Bank Linkage Programme and partnering with Self Help Promoting Institutions (SHPI) engaged in capacity building for the financially disadvantaged.

Through YES LEAP, the Bank has disbursed almost ₹857 crore to about 40,000 SHGs in little over two years of being in operation. For the agriculture and allied sectors, an increase in the bank loan by ₹1 positively influenced the income of the member by ₹3.01 (U. Jerinabi's, 'Micro Credit

Management by Women's Self-help Groups'). Extrapolating this multiplier effect; YES LEAP's cumulative disbursement has scaled to reach ₹2,583 crore in the economies where it is operating which amounts to approximately ₹49,688 per SHG member.

The Bank reached over 5.3 lakh households in rural India, which was significantly higher than the reach of branch-based lending to households. One of the highlights of YES LEAP is that all the SHGs linked with YES BANK were women-based SHGs, strengthening social empowerment, rural development and financial security of women.

YES LEAP proved to be a credible cost-effective alternative to local money lenders who lend at usurious rates that could lead to perpetual indebtedness. At present, YES LEAP is functioning in 15 states, and the Bank will offer the product in more states in the next financial year.



A SHG meeting in progress in rural Pune, Maharashtra



SHG members interacting with the Bank representative

YES LEAP	FY 2013-14	FY 2012-13	FY 2011-12
Number of Business Correspondents*	35	26	8
Number of savings linked SHGs**	28677	4617	250
Total outstanding value in savings linked SHGs (₹ in crore)**	27.2	9.79	0.797
Number of credit linked SHGs*	39034	7900	192
Total loan outstanding in credit linked SHGs (₹ in crore)*	647.2	155.24	1.81

* Cumulative at end of financial year

** For financial year



With support from IASC*, we formed the Thendral (which means fragrant breeze in Tamil) SHG, which availed a loan of ₹306,000 from YES BANK. Most of us procured flowers on credit from the wholesale merchant, made garlands and sold them in the retail markets. We used to be overly dependent on the wholesaler, who cheated us by charging us more. After we took the loan, we started purchasing flowers in cash and obtained the best deal. Our profits have soared and our families are happy. YES BANK is a fragrant breeze in our lives!

Thendral SHG: A Fragrant Breeze, Kovilpalayam, Coimbatore

* YES BANK's Business Correspondent in Tamil Nadu



YES SAHAJ

Technology has played an important role in financial institutions, achieving last mile connectivity in rural India and facilitating financial inclusion. YES SAHAJ Micro ATM, an innovative, cost-effective and scalable mobile transaction

solution has successfully enabled and processed almost 4 lakh transactions with an aggregate value of over ₹300 crore till date. This has not only benefitted rural families and migrant workers but also generated income for the Business Correspondents agents. Launched in April 2011, YES SAHAJ Micro ATM also played a pivotal role in the collection and remittance efforts of YES LEAP and YES MONEY by allowing the Bank to do real-time tracking of payments.

YES SAHAJ	FY 2013-14	FY 2012-13	FY 2011-12
Total Service Officers/CSPs*	752	270	46
Total value of transactions (₹ in crore)**	295.57	21.24	5.92

* Cumulative at end of financial year

** For financial year



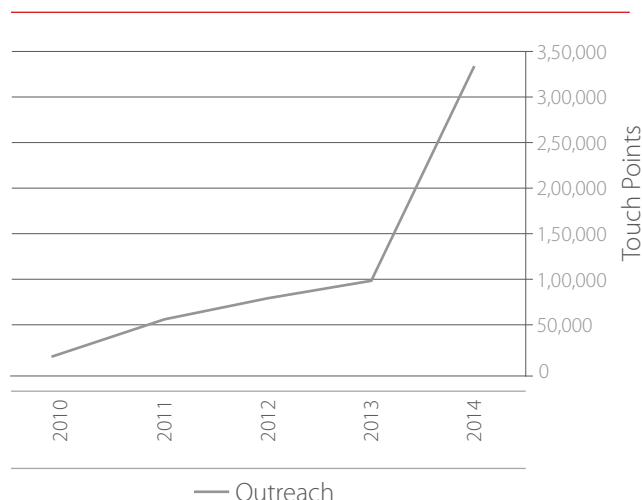
Engaging to create community impact: YES COMMUNITY

YES COMMUNITY - the unique community engagement initiative was started in 2006 with the belief that the Bank's branches can be effectively utilised as knowledge sharing centres or *choupals*. Over the years it has built strong relations and triggered local action on relevant social and environmental issues.

Common-minded people come together on the YES COMMUNITY platform which serves as a catchment opportunity for branch banking to go beyond something that is merely transactional, thus making YES COMMUNITY a case study in terms of CSR and sustainability-based initiatives. The objective of YES COMMUNITY is to catalyze positive action within the community, thus leveraging Responsible Banking to create stakeholder value.

YES COMMUNITY has grown both in size and reach. In 2009, it had reached out to around 20,000 people annually and in 2013, it has seen 3.48 lakh touch points. In the next financial year, the Bank will aim to touch over 5 lakh lives through YES COMMUNITY.

YES COMMUNITY Growth





School children celebrating Independence Day at a YES COMMUNITY event

On the basis of an annual calendar, World and National days of social and environmental importance are celebrated on a monthly basis. The events are organised by the respective branches in collaboration with an international, national or a regional NGO. These events are in line with the broader aspects of the YES COMMUNITY programme and help build YES BANK's on the ground presence. As a means to this end, a YES COMMUNITY calendar is formulated annually.



- Inbound is where the community is invited into the branch for the event

- The Bank takes feedback from the participants of its various YES COMMUNITY events to further improve the program.

Key highlights

In FY 2013-14, the World Population Day event focussed on senior citizens and received an overwhelming response. The Bank utilized the YES COMMUNITY platform to launch an exclusive product, YES RESPECT, that provides senior citizens with a host of add-ons, such as discounts on health services and insurance, extended branch banking timing, and better deposit rates. The programme was conducted across the country in collaboration with HelpAge India. The Bank also offered to the elderly HelpAge India's Advant-Age card which provides discounts and offers at over 1,800 healthcare, retail and hospitality partners across India.



Celebrating the World Population Day at Tezpur, Assam

North East India being an important focus area for the Bank, YES BANK launched two very important campaigns. In partnership with the Assam Government, YES BANK flagged off the Save the Rhino campaign at the Kaziranga National Park and reached out to villagers, schools and

businesses to raise awareness on protecting the 'Vulnerable' species (according to IUCN). Similarly, in Nagaland, the Bank participated in the famous Hornbill Festival where art competitions were organized for school children to sensitize them on ecological conservation.



Hosting the 'YES to Womens Safety' workshop in Mumbai

The YES COMMUNITY platform was used to accelerate YES FOUNDATION's first initiative, YES! i am the CHANGE, a nationwide filmmaking project aimed at achieving social transformation. Through schools the Bank has engaged with 41,400 students through this initiative.

In wake of rising concerns over women's safety in India, YES BANK in association with CARE India, launched a nationwide

campaign- 'Say YES to Women's Safety'. The Bank invited London-based self-defence expert, Debi Steven and her highly trained team from Action Breaks Silence to train over 500 participants in Mumbai and Delhi. The Bank also sent the ten best crowd-sourced ideas mediated towards strengthening women's safety to all Chief Ministers, Union Ministers, State Ministers and key bureaucrats across the nation.

YES COMMUNITY has not only deepened the Bank's existing relationships with customers but also enabled and facilitated 'New To Bank (NTB)' relations. In the last year, 4,157 YES COMMUNITY events have been conducted across India.



Celebrating Childrens Day at the Chhindwara, MP



An entry in the art competition organized at Jorhat branch on World Environment Day



Commemorating the World Water Day at the Kandivali East branch



Screening of the YES! i am the CHANGE movies during Children's Day

'Save The Rhino' campaign



YES BANK with its focus on environmental conservation recognizes the grave concerns over the survival of the Greater One Horned Rhinoceros. Keeping this in mind the Bank has been focusing its Save the Rhino initiative. As a responsible and sustainability-conscious corporate citizen, the Bank

partnered with the Government of Assam in launching the 'YES to Save Our Pride – the One-Horned Rhino' campaign under the aegis of the YES COMMUNITY initiative.

This campaign formed a crucial part of YES BANK's broader focus on sustainable development and conserving biodiversity, a commitment that it took by signing the Natural Capital Declaration.

The Kaziranga National Park is home to two-thirds of the world's One Horned Rhinos and the Assam Government has undertaken various measures to protect the Rhino and its habitat. To supplement this effort, YES BANK, through the 'YES to Save Our Pride – the One-Horned Rhino' campaign, conducted on-the-ground interactions with villagers, forest guards and forest officials to understand the man-animal conflict, and threats from poachers and smugglers.

Through YES COMMUNITY, the Bank organised 'Garh Basauk Abhiyans', which aimed at sensitizing people living near the National Park and help convert them into being protectors of the Rhino.

The Bank came up with an audio visual and signature radio tune drawn from the folk music of Assam as well as Karbi folk elements, which spoke of the Rhino's habitat in Kaziranga. The audio visual was directed and produced by award-winning filmmaker, Mr. Gautom Saikia. The moving AV, played across cinema halls in Assam, captures the heartbreaking tale of how poaching can impact the bond between the Rhino mother and her cub. It also highlighted key initiatives undertaken by the Assam Government for conserving the Rhino population.



Inaugurating the 'YES to Save Our Pride – the One-horned Rhino' Campaign

The Campaign was flagged off by the Hon'ble Chief Minister of Assam, Mr. Tarun Gogoi, with active support from the Department of Environment and Forests, Government of Assam, the State's Chief Wildlife Warden, Chief Conservator of Forests, Assam Forest Department and the Centre for Humanistic Development.



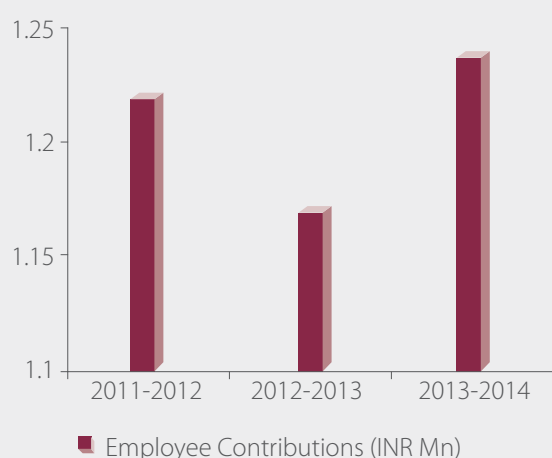
The Hon'ble Chief Minister of Assam and other dignitaries at the launch

The 'YES to Save Our Pride – the One-horned Rhino' campaign helped YES BANK leverage a multi-stakeholder model of engagement to ensure mainstream sustainable development both at the local and the global levels.

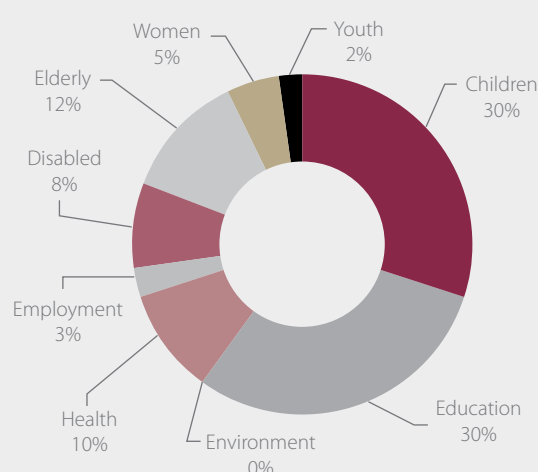
Employee Payroll Giving

YES BANK continues its partnership with Give India, an NGO aggregator connecting over 150 NGOs with Indian organizations, to offer employees a platform to contribute to the social and environmental development of India. The Bank has been running its Employee Payroll Giving Program since FY 2007-2008.

Employee Contributions (INR Mn)



CAUSES SERVED BY THE CONTRIBUTIONS:



Promoting lending to the SME Sector

To scale up its SME loan portfolio, YES BANK raised USD 150 million from IFC- a member of the World Bank Group, for a tenure of up to seven years. The highlight of this loan was that an amount of USD 20 million is specifically for financing women-owned SMEs. Of this, 75% of the

amount i.e. up to USD 15 million would be used for financing women-owned SMEs in Low Income States (LIS)/ North-Eastern States (NES). In addition, an amount of USD 30 million would be used to provide financing to eligible SMEs in LIS/NES.

YES BANK is the first institution globally to receive funding through IFC's Managed Co-lending Portfolio Programme and also the first Indian bank to raise loan under IFC's A/B loan facility. The IFC managed co-lending portfolio programme is a new syndications platform that offers institutional investors the ability to passively participate in IFC's future senior loan portfolio.



'The investment shows YES BANK's commitment to support under-served and unbanked women business owners who generate significant social and economic benefits' - **Serge Devieux**, IFC Director for South Asia.

MoU with Brickwork Ratings for promoting credit culture in the SME Sector

Credit evaluation and risk management in the SME sector needs a specialized approach as the challenges and risk environment faced by SMEs are different from other enterprises. With focused Knowledge Banking approach and keen sectoral expertise, YES BANK works closely with its SME clients to help them respond more effectively to the changing economic conditions.

To augment YES BANK's efforts towards growth and

creating knowledge standards in the MSME sector, the Bank entered into a Memorandum of Understanding (MoU) with Brickwork Ratings on 11th October 2013. With this association, YES BANK will help build a strong knowledge platform and facilitate adequate access to credit for SMEs. Brickwork Ratings and YES BANK will jointly work towards creating awareness on rating and funding avenues for SMEs by hosting joint seminars/workshops. YES BANK and Brickwork Ratings will also carry out focused studies in the SME segment.



Mr. Sanjay Agrawal, Senior President, Business Banking, YES BANK and Mr. D Ravishankar, Founder Director, Brickwork Ratings at the signing of the MoU



Creating Impact through Advisory and Research

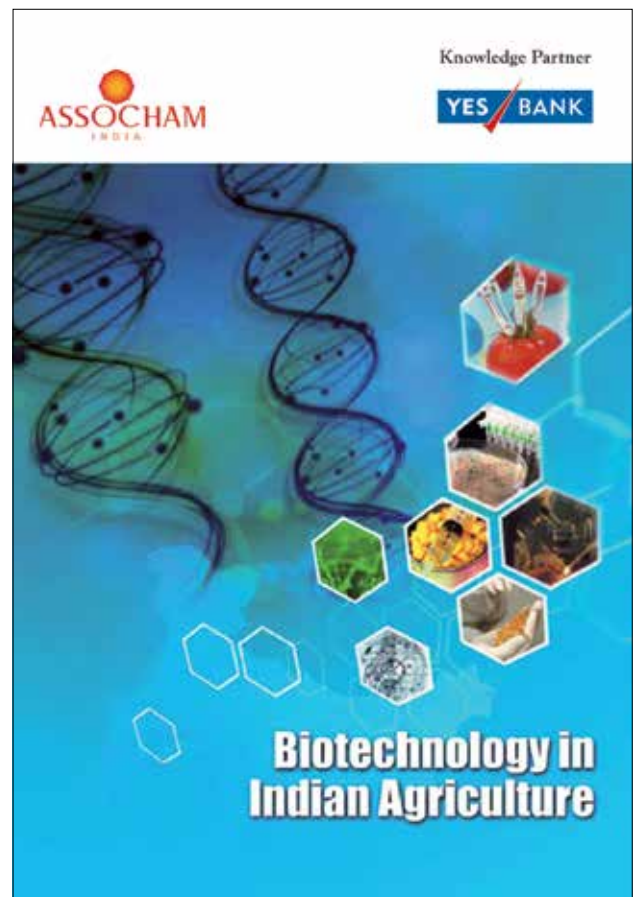
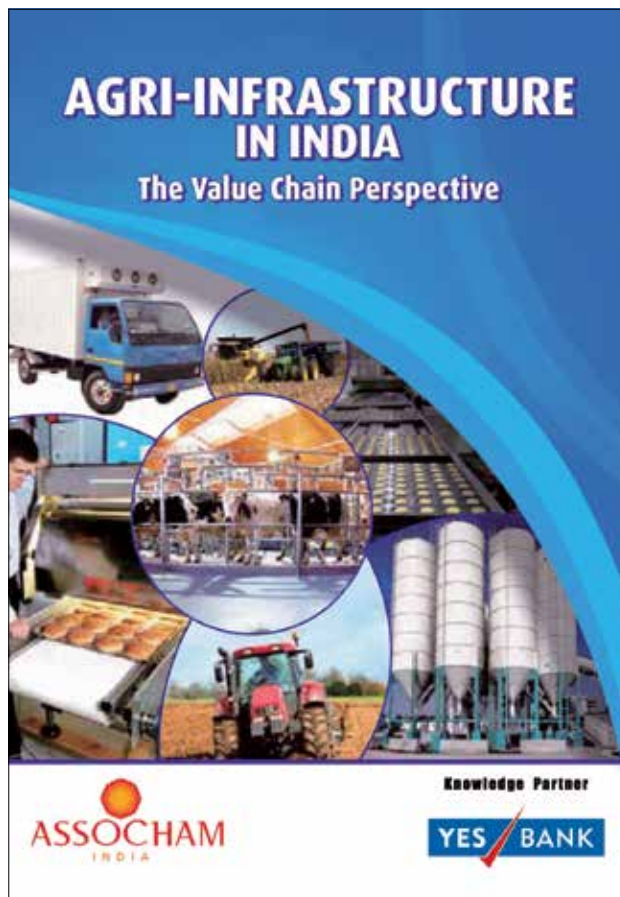
FOOD and AGRIBUSINESS STRATEGIC ADVISORY and RESEARCH (FASAR)

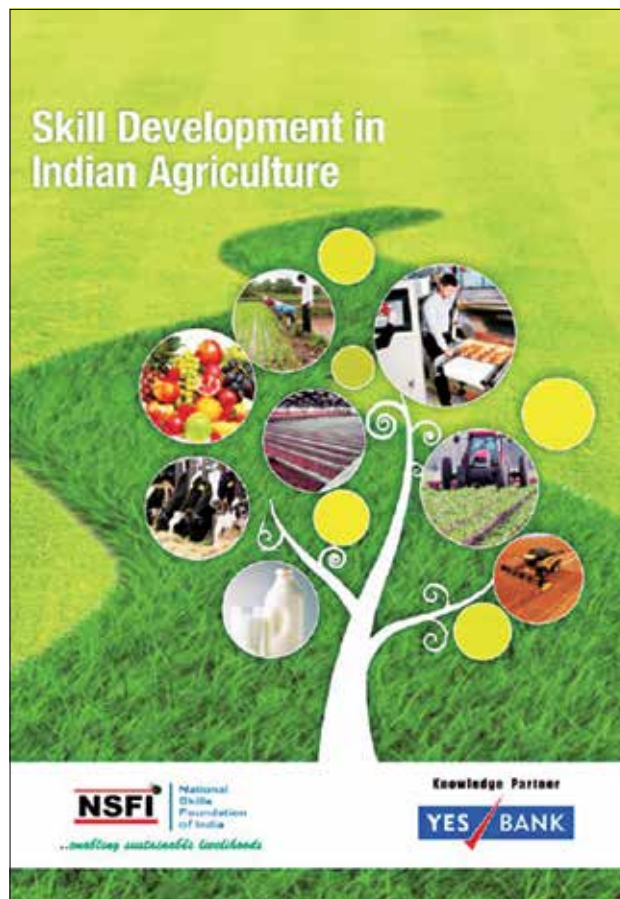
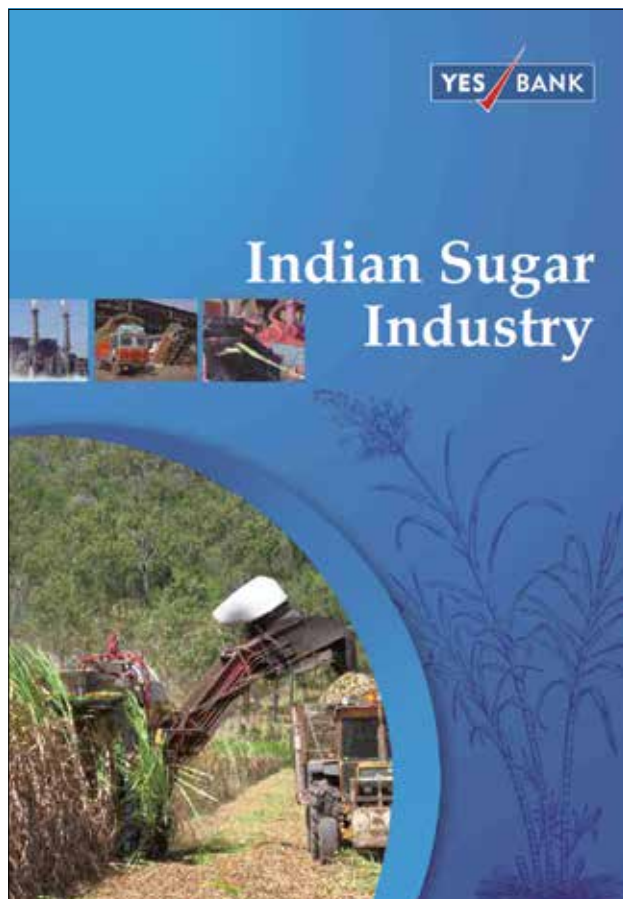
FASAR is a specialized group within the Food and Agribusiness Research Management (FARM) division of the Bank comprising industry specialists with immense sectoral knowledge and relevant experience and expertise in the conceptualization and implementation of food and agri initiatives. Over time, it has emerged as a premier and specialized food and agribusiness consultancy.

FASAR works with corporates, small and medium enterprises, multinationals, State Governments, Central Government (Ministry of Agriculture, Ministry of Commerce, Ministry of Food Processing Industries) and multilateral agencies in sectors like dairy farming, dairy processing, agri inputs, food processing and food services, agri SEZs, modern terminal markets, food parks, agri-infrastructure, commodities, plantations, logistics and agri supply chain, large scale farming, skill development and rural retail among others.

In FY 13-14, FASAR undertook 15 advisory mandates for private mandis, agri SEZs, cold chains, warehousing, steel silos, agri value chains, dairy farming and processing, food parks and quick service restaurants.

Additionally, FASAR conducts in-depth research on





various sub-sectors in the food and agri domain and releases knowledge reports and research papers apprising stakeholders on the latest issues, key trends and developments in the sector. In FY 13-14, it published four knowledge reports with partners such as ASSOCHAM and the National Skills Foundation of India, capturing

the latest industry trends and sectoral issues on agri infrastructure, biotechnology, the Indian sugar industry and skill development. Additionally, the Group spearheads the knowledge pool development for the publication of thought leadership articles in the print media.

Partnership with Australian Trade Commission (Austrade) on agri-business and food expertise

Agribusiness accounts for a 60% share of Australia's total exports. Of this, nearly 50% is exported to Asia. Given India's constant push to achieve food and nutrition security for its growing population and the similar challenges faced by Australia it is an ideal partner for agribusiness. Mutual cooperation and collaboration is needed in the dairy, animal husbandry and meat processing sectors, both in terms of services as well as technology.

In October 2013, YES BANK entered into an agreement with the Australian Trade Commission (Austrade) to collaborate and explore trade opportunities in the agri-business sector, including business development, syndicating, lending and trade financing in agri-business.

As part of the agreement, Austrade and YES BANK will jointly organise workshops across India to create awareness about Australian capabilities in the food and agri-business sectors and exchange information with Indian businesses looking at international expansion opportunities. Austrade and India's food processing and agricultural sectors will collaborate in the following areas:

- Share experiences from Australia, which has similar climatic conditions and logistical challenges and how Australia managed to meet these challenges to now export AUD 30.5 billion value of food each year (according to the Australian Food Statistics Report 2011-12) to some of the most demanding markets in the world like Japan and European Union.
- Introduce Australian expertise and technologies to increase the productivity of key agricultural sectors like grains, vegetables and dairy.
- Explore collaborations and joint ventures in the areas of food processing to add value to the quality of Indian agricultural produce.

- Exchange information on new consumer trends around the world that can offer new export opportunities for Indian and Australian agricultural companies.

STRATEGIC GOVERNMENT ADVISORY (SGA)

To attract private sector investments through Public Private Partnerships, YES BANK's dedicated Strategic Government Advisory division works with Union and State Governments, their agencies and other stakeholders through the 'projectisation' approach to ensure institutional reforms and streamlining of policy across identified sunrise sectors.

Highlights

- YES BANK, in its endeavor to strengthen government relations and its advisory services portfolio, has signed an MoU with the Technical Consultancy Services Organization of Karnataka (TECSOK), a Government of Karnataka organization, to carry out a joint business development in the government advisory space.
- YES BANK, in association with the Ministry of Tourism launched the 'Incredible India Tourism Card' for inbound tourists which has been successfully operationalized.
- The Bank was mandated by the Gujarat Government to prepare a 'Vision Document' on improving the tourism infrastructure for the state. The Bank has submitted a roadmap to the Tourism Corporation of Gujarat Limited (TCGL) on positioning Gujarat as the most favored tourist destination by identifying key themes for tourism development.
- YES BANK in its role as a country manager for India for a cooperative tourism development project has implemented two pilot initiatives in Bageshwar, Uttarakhand and Purulia, West Bengal. Efforts were ongoing for its successful replication in other states.



Addressing Environmental and Social Risk Gaps: Sustainability Series

YES BANK believes that it is imperative for the financial sector to stay ahead of the curve and check all boxes, i.e. meet short-term profitability expectations through traditional lending and investing and also nurture sustainable finance business verticals that will deliver triple bottom-line results in the long-term. In order to address this issue, YES BANK has partnered with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), United Nations Environment Programme Finance Initiative (UNEP FI) and Responsible Investment Research Association (RIRA) and

launched the 'Sustainability Series', to increase awareness on Environmental, Social and Governance (ESG) risks in debt, equity and insurance sectors.

The 'Sustainability Series' is the first initiative in India to create a knowledge platform that trains today's finance professionals on expanding their risk management skills to incorporate environmental and social risks.

The 'Sustainability Series' was inaugurated by Dr. K. C Chakrabarty, then Deputy Governor, Reserve Bank of India in April 2013, in the presence of senior officials from the UNEP FI, GIZ, RIRA and YES BANK along with 200 professionals from the finance sector, business, academia and media. In the extended one day workshop, over 40 risk professionals participated from SBI Capital, HDFC, ICICI, RBS, Axis Bank, IDBI, IFCI, IL & FS, Ratnakar Bank, FirstRand Bank and IIFCL among others.



Launching the Sustainability Series at Mumbai



Industry professionals attending the workshop

To sensitize and train professionals, the 'Sustainability Series' is designed to be held every quarter with Mr. Robert Tacon, a banker with over 40 years of experience in risk management, finance and relationship banking as the tutor for the Series.

The second training workshop in the 'Sustainability Series' was held in September 2013 and focused on media professionals from the print and television media who report on E&S issues. It also included professionals from finance, risk, human resources and marketing from specific sectors and industries.



The workshop in progress



Participants at the workshop

The next workshop is scheduled to be held in the first quarter of the next financial year.

'YES BANK is doing a lot of work in the responsible finance space and this new initiative in collaboration with UNEP-FI has set another benchmark. Really appreciate YES BANK for conceptualizing this for the benefit of the whole financial industry in India' – **Mr Anshul Dubey, KPMG**

'Well thought-out programme. I would like to participate in future events organized by YES BANK, GIZ and UNEP-FI.'

– **Mr Malla V. Ramanamurthy, RBS NV**

'Good Series. It should be continued.'

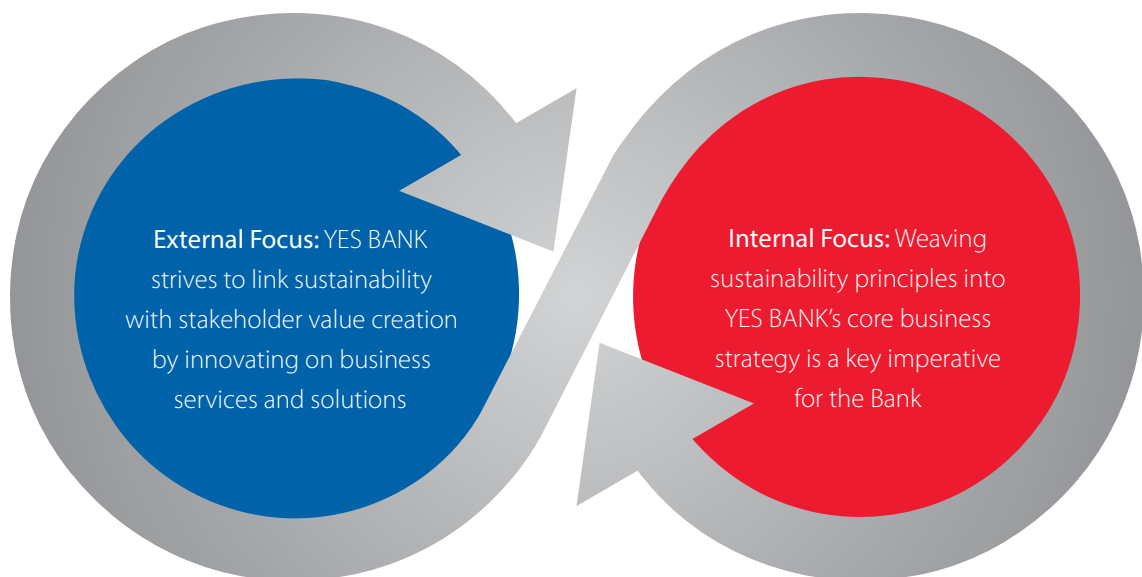
– **Mr Sarnambar Roy, Deutsche Bank**



Driving Environmental Sustainability

YES BANK has a two-pronged approach when it comes to driving environmental sustainability. Given its belief that banks play a central role in an economy as they infuse

capital, which can have positive or negative impact, the approach entails an external and internal focus.



This makes environmental sustainability one of the vital pillars of YES BANK's strategy and translates into mainstreaming sustainability within the Bank's operations, across its supply chain and among its customers.

YES BANK views climate change as an opportunity and believes that it can spur the development and adoption of cleaner and newer technologies into the mainstream market. The Bank has an active investment and advisory portfolio covering FEW (Food, energy and water) sectors besides transportation and waste management. The Bank has earmarked sunrise sectors such as life sciences, telecom, energy (Power, Oil & Gas and Clean technology,

Renewable energy), transport (roads, ports and shipping), urban infrastructure, food and agri. The Bank intends to proactively direct investments in these sectors through its dedicated Knowledge Banking units, which offer a complete range of financial products - from conceptualization to financial closure.

YES BANK is the first commercial bank in India to adopt and implement the Environmental and Social Policy (ESP), through which the Bank integrates environmental and social risks into its overall credit risk assessment framework. The Bank has voluntarily adopted the policy which is based on international frameworks such as the Equator Principles and IFC guidelines.



"A cherished UNEP FI member since 2006, in 2013 YES Bank not only continued to progress its own sustainability credentials, but has also been instrumental in promoting sustainable banking more broadly.

By supporting the first of its kind "Sustainability Series" in India, YES Bank has shown its commitment to one of the keys for mainstreaming sustainability in banking: information sharing and collaborative action with peers and stakeholders.

UNEP FI has been and will continue to be a proud supporter in this process."

– Charles Anderson, Director, UNEP Finance Initiative

Sustainable Investment Banking

Sustainable Investment Banking (SIB) is a knowledge-based advisory and investment banking practice in the areas of renewable energy, clean technology and social sustainability.

Working closely with the Wholesale Banking and Responsible Banking segments, SIB facilitated funding and advisory transactions in the realm of renewable energy.

As on March 31, 2014, YES BANK had a total portfolio of 381.85 MW of clean energy projects, including wind, solar and waste to energy. Moreover, the Bank provided non-fund facility to an Asian Development Bank funded project in Assam for drainage systems.

Some of the key transactions of the Bank were:

- Underwriter of term debt for Welspun Urja Gujarat Private Limited, a SPV of Welspun Group, for setting up a 15 MW solar power project in the state of Gujarat
- Underwriter and mandated lead arranger for senior debt requirement for Inox Renewables Limited for development and implementation of a 60 MW wind project in Maharashtra

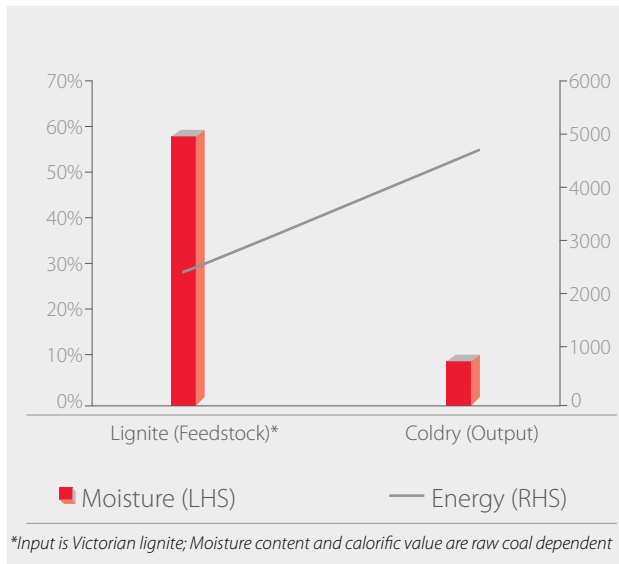
- Non-fund facility of ₹200 million to Isolux Corsan Engineering & Construction India Pvt Ltd (Indian EPC arm of Grupo Isolux, Spain) for providing guarantees for an Asian Development Bank-funded project in Assam for drainage system
- Underwriter for senior project debt of ₹451 million to Renew Wind Energy (AP) Pvt. Ltd towards setting up a 18 MW wind power project in Belgaum district, Karnataka

Commercialization and technology transfer of Australian clean coal technology in India

Developed by Environmental Clean Technologies (ECT), the patented clean coal process ('Coldry'), converts lignite/sub-bituminous coal into Black Coal Equivalent (BCE). The process produces a transportable, energy-rich thermal coal equivalent fuel that has ~80% less moisture content and ~280% higher calorific value resulting in substantially lower greenhouse gas emissions.

Given India's large demand-supply mismatch of thermal coal, the Coldry technology offers an efficient and cost-effective solution to utilize the 43 BT (est.) lignite reserves of India efficiently to bolster the energy security of the country while mitigating any adverse impact on the climate.

Coldry output



Coldry commercialization challenges

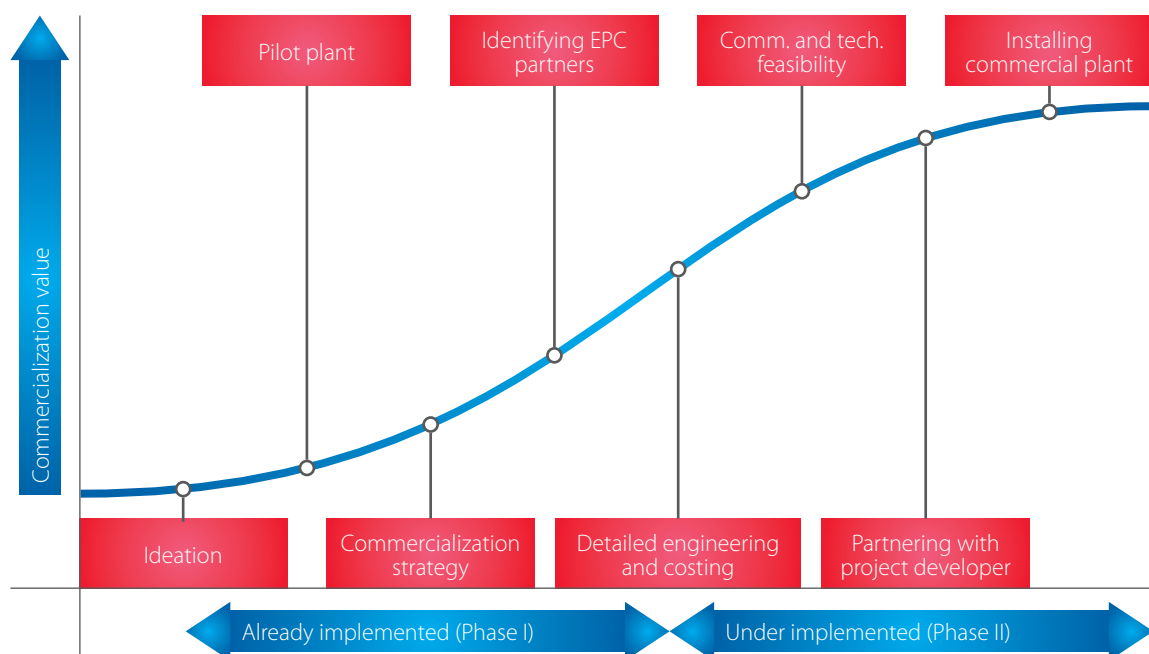
Based on the successful performance of the pilot plant, ECT has planned to set up its first commercial scale plant. YES BANK identified that the high capital costs incurred during the setting up of the Coldry process was the most critical hurdle to the commercialization of the technology. As per ECT's initial estimate, installing a 190,000 TPY plant would cost ~AUD 60 million. At this cost, the Coldry process became economically unviable despite the high value addition that the technology could offer.

Further, the technology had limited application in Australia, given the abundance of thermal coal and limited power capacity addition. YES BANK recommended commercializing the technology in India, given the extremely favourable macroeconomic scenario.

Role and outcome

YES BANK's Sustainable Investment Banking (SIB) division engaged with ECT and developed a paper encapsulating India's entry strategy and commercialization roadmap.

Roadmap for commercializing the Coldry process



YES BANK followed a systematic programme for the delivery of the commercial roadmap and achieved the following milestones in the process:

- Partnering with Indian EPC players for delivery of high-quality, economically-feasible Coldry plants in India and globally: Based on the indigenization and process re-engineering plans put in place with Indian EPC companies, YES BANK helped derive a 65% cost reduction versus the Australian benchmark, making

the Coldry process commercially attractive. Further, YES BANK successfully identified a reputed power engineering company in India as a long-term strategic partner for ECT, substantially enhancing ECT's capability to put in place the novel Coldry project in India.

- Setting up the first commercial demonstration plant in India: YES BANK is in advanced discussions with leading Indian private and public sector companies for setting up the first commercial demonstration plant in India.

Harnessing India's solar potential



Site visit to the project site in Madhya Pradesh

The Welspun Neemuch solar PV project in Madhya Pradesh has the distinction of being India's largest solar PV project at a capacity of 130 MW and by far the largest single location renewable energy project funded by YES BANK. The project will supply electricity to 624,000 households and offset 216,372 tonnes of carbon dioxide emissions annually, as estimated by the developer.

Madhya Pradesh will meet a significant percentage of its Renewable Purchase Obligation (RPO) and affect savings through Renewable Energy Certificates (RECs). The project will use solar PV technology for generation of electricity thereby displacing fossil fuels and contribute towards reducing GHG emissions. The villages that fall within one kilometre radius of the project boundary have been key external stakeholders for the Company, which has taken several initiatives in areas such as education, healthcare, environment and women's empowerment.

The project was one of the first commissioned by the state as part of its new solar power policy. The project has a tariff of ₹8.05 per unit, which is close to grid parity. YES BANK was the first bank to sanction facilities worth ₹200 crore to the project and disburse the facilities pending financial closure and consortium formation, so that project construction could be expedited.

In a global scenario marked by subdued investments, YES BANK has been an active funding source in the clean energy space, funding national projects in solar, wind and waste sectors. For the Bank, the renewable energy sector holds considerable promise, and it believes that it will be a major source of supply meeting the global demand for clean energy. Being a consortium member of one of India's largest solar PV projects allows the Bank to strengthen its portfolio, gain more experience in the space to enable single point lending for future projects.

The Natural Capital Initiative

The fast depleting stock of natural capital globally is making it imperative for industries to look into ways for reducing its resource consumption to mitigate this impending risk. It is equally important for the industries to look at resource consumption like air, water, land, biodiversity and other dependent services from a holistic perspective. YES BANK, by taking a proactive approach in the natural capital space, aims to address the most pertinent risks that industries and governments are facing today. The objective is to bring together an ecosystem that would help develop an appropriate regulatory framework, disclosure mechanisms and reporting measures to integrate, value and account for natural capital within the purview of the existing financial accounting standards.

Natural Capital Declaration

As a first step in this direction, YES BANK signed the Natural Capital Declaration (NCD), convened by the United Nations

Environment Programme Finance Initiative (UNEP FI) and the Global Canopy Programme.

This is a finance-led and CEO-endorsed initiative committing financial institutions towards integrating natural capital considerations in accounting and reporting of financial products and services. YES BANK is the first and thus far the only financial institution in India to commit itself to this cause.

To operationalize this commitment, YES BANK has volunteered to be a part of the Working Groups that would build an understanding of the impacts and the dependencies of natural capital relevant to its operations, risk profiles, customer portfolios, supply chains and business opportunities. The Bank would also seek to develop a methodological system that would account for the impacts, benefits and dependencies on natural capital at the Bank and at the portfolio-level in order to ultimately apply it to a financial institution's own balance sheet.



Mr. Rana Kapoor, Managing Director and CEO, YES BANK, and Ms. Yuki Yasui, Acting Head, UNEP Finance Initiative, signing the Natural Capital Declaration

Natural Capital Awards

Considering that natural capital as a topic is still nascent in India, the Bank took a proactive approach and launched the 'YES BANK Saevus Natural Capital Awards' in partnership with Saevus, a premier wildlife and natural history portal and magazine (announced in the previous reporting cycle).

The objective of these Awards is to showcase responsible practices on natural capital consumption, accounting mechanisms and conservation within the industry and civil society. It also aims to trigger and lead debates on natural capital in India and influence the government towards ushering in positive policy-related changes.

The awards programme is divided into three distinct categories:

- ❑ **Eco Corporate Award** - This honours organizations that are working for the environment, ecosystems and affected communities

- ❑ **Nature Trailblazers Award (Group)** – This award honours original content through India's best stories in the area of natural history and wildlife photography
- ❑ **Pixel Perfect Award (Individual)** – A selection of soul-stirring wildlife photographs and awe-inspiring natural phenomena

The first ever Natural Capital Awards were held in New Delhi in September, 2013, inaugurated by Dr. Shashi Tharoor, Minister of State for Human Resource Development, Government of India, and Dr. R.K Pachauri, Chairman of the Intergovernmental Panel on Climate Change (IPCC) and Director General, TERI. Among others present included Ms. Yuki Yasui, Officer-In-Charge, UNEP FI, Mr. Suresh Prabhu, Chairperson, CEEW and Mr. Vivek Menon, CEO, Wildlife Trust of India.



Dr. Shashi Tharoor, Minister of State for HRD, Government of India, giving the inaugural address at the ceremony



Co-winners of Eco Corporate Award, Tata Chemicals Ltd, with Mr. Rana Kapoor, MD & CEO, YES BANK Ltd, Dr. R.K Pachauri, Director General, TERI and Ms. Yuki Yasui, Acting Head, UNEP FI



The winners with the guests of honour

The jury for the awards consisted of heads of Indian and international organizations like the World Business Council for Sustainable (WBCSD), UN Global Compact Network India, GIZ, Trucost, KPMG and eminent personalities from the fields of photography and wildlife conservation.

It is heartening to see the wider support for the Natural Capital Declaration as the supporting organizations will bring with them a range of expertise and interests of stakeholders will get aligned towards ensuring environmentally sustainable growth'

– **Dr Shashi Tharoor**, Chief Guest, Hon'ble Minister of State for Human Resource Development

A complete list of the winners of the various categories is available on the Natural Capital Awards website at www.thenaturalcapitalawards.com.

Thought leadership and research

Through extensive research that culminates into policy advocacy, YES BANK engages with the government, the financial sector and the community. In partnership with national and international bodies like GIZ, UNEP FI and TERI BCSD, the Bank has released reports on India's energy deficit, green revolution, responsible businesses infrastructure, healthcare and life sciences, food and agri-business, environment and sustainability, education and social infrastructure taking into account innovative sustainable finance models that have fed into the government machinery for policy recommendations.

YES BANK – TERI BCSD Survey of Green Real Estate Sector 2014

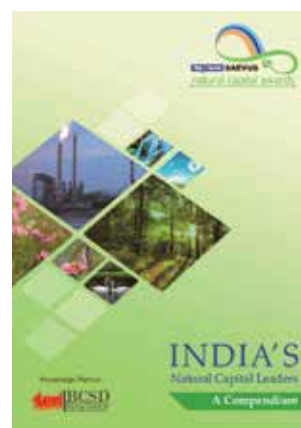
The survey provides a comprehensive multi-stakeholder perspective on challenges, gaps and key drivers for the growth of the sector in India.

The survey highlights the lack of awareness about the benefits of constructing green buildings and the unavailability of preferential lending rates as the biggest challenge in the real estate sector, while underscoring the urgent need for all stakeholders to work towards its growth.

India's Natural Capital Leaders – A Compendium

The compendium provides insights on climate change mitigation practices followed by Indian businesses and identifies water conservation and GHG emission reporting as key strategic practices.

The cases listed in the compendium span across business efficiency improvement measures to CSR initiatives and represent the best practices adopted by the companies to conserve natural capital and support livelihoods.



Launch of the knowledge reports *Survey of Green Real Estate Sector 2014* and *India's Natural Capital Leaders – A Compendium* at the Delhi Sustainable Development Summit

The knowledge reports *Survey of Green Real Estate Sector 2014* and *India's Natural Capital Leaders – A Compendium* was released by the Chief Guest for TERI's Delhi Sustainable Development Summit (DSDS) 2014, Dr. Shashi Tharoor, Minister of State for Human Resource Development, along with Dr. R. K. Pachauri, Director-General, TERI, Mr. John Bryson, former US Secretary of Commerce and Ms. Namita Vikas, Senior President and Chief Sustainability Officer, YES BANK

Operationalizing Sustainability in Value Chain

The report addresses the fundamentals of sustainable value chain management and discusses the benefits an organization can leverage through collaborative interaction with the key stakeholders present in the value chain.

For sustainability to mature into an integral part of organizational structure and culture, and for organizations to reap tangible long-term benefits, businesses need to operationalize sustainability across the value chain – upstream, in-stream, and downstream.

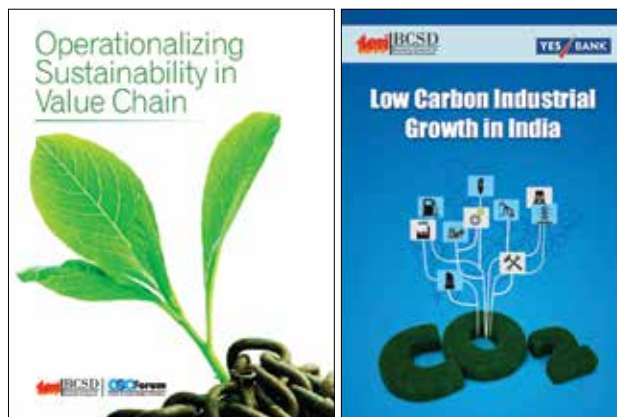
The report was developed with active engagement and support from Mahindra, CLP India and SAP India, and is a ready-reckoner for organizations to practice value chain management sustainability.

Low Carbon Industrial Growth in India

The report provides a useful roadmap for the industry in terms of reducing carbon intensity and also provides an analysis of three industry groups - iron and steel, electricity and power, and cement, which can contribute substantially to reduction in emissions.

For the Indian industry competitive advantage in terms of production lies in reducing its resource usage intensity. The strategic advantages emanating from lowering the carbon intensity are increasingly becoming more important. The report identifies several impediments for achieving a high-level of energy efficiency, and therefore lower carbon emissions intensity, in the three industry groups.

The report was launched by Dr R K Pachauri, Director-General, TERI along with Ms Namita Vikas, Senior President and Chief Sustainability Officer, YES BANK and Mr. Duncan Van Bergen, Global Head, Long Term Market Development, Shell Corporation.



Some of the key reports released by the Knowledge Banking team include:

- ❑ India 2013: Tourism & Hospitality - Unlocking the Growth Potential, released at THE INDIA 2013: Tourism & Hospitality Event, Ahmedabad
- ❑ Technology: Harbinger of the Evergreen Revolution, released at the ASSOCHAM - AGAIN GREEN REVOLUTION, Ahmedabad
- ❑ Securing Sustainable Growth for Haryana, released at ASSOCHAM - Haryana - Kal, Aaj aur Kal, New Delhi
- ❑ Skill Development in Indian Agriculture, released at the NSFI (National Skill Foundation of India) Global Agri Connect 2013, New Delhi
- ❑ Biotechnology in Indian Agriculture, released at the ASSOCHAM BIO-AGRI 2013 Conference, New Delhi
- ❑ The Indian Sugar Industry, released at 5th Kingsman Indian Sugar Conference, New Delhi
- ❑ Agri Infrastructure in India, released at the 6th Agri-Business Summit, New Delhi



The recently-released reports, which form a part of the fifth assessment report of the Intergovernmental Panel on Climate Change (IPCC), clearly show the importance of pursuing sustainable development across the globe for tackling the challenge of climate change. Business investments would have to address these objectives and there is no more effective an instrument for bringing about compliance in this area than for banks and financial institutions to embed sustainability principles in their normal operations. YES BANK has set a very high benchmark in this regard, which would enable it to simultaneously serve the interests of its shareholders as well as those of the society.

– Dr. R. K. Pachauri, *Director-General, TERI*

Weaving sustainability principles into core business strategy

Establishing a framework to recognize, evaluate, and to the highest degree possible, monitor and manage, the environmental and social facets in the day-to-day decision-making process has assumed critical importance. It is imperative for banks to consider the triple bottomline approach in making credit decisions. The Bank scrutinizes its business activities using the Environmental and Social Policy (ESP), a structured approach that draws from the Equator Principles, IFC guidelines and other internationally established best practices. The ESP is a crucial part of the Bank's credit risk appraisal process. It is aimed at achieving the highest standards in terms of Corporate Governance and business practices.

In line with its Responsible Banking strategy and practices, YES BANK takes a precautionary approach to environmental and social impacts of its lending activities.

Environmental stewardship in the financial sector – ISO 14001:2004 EMS certification for YES BANK

In line with its commitment to achieving internal natural resource consumption efficiencies and minimizing its carbon footprint, YES BANK has become the first commercial bank in India to achieve the ISO 14001:2004 certification, the world's leading Environment Management System, in 12 of its locations. The ISO 14001 certification is rare in the BFSI space, with only a few international banks achieving this certification.

The certification would enable the Bank to rigorously

measure, manage and report its carbon footprint and is a proactive step towards mitigating adverse impact on the environment. The 12 locations include its major branches and corporate offices and cover a significant percent of the Bank's employee base.



The certification is based on the Bank's Environmental Management Policy that was released by the MD & CEO in 2012 and firmly outlines the Bank's commitment to achieve a 5% reduction in its carbon emissions intensity through broad-level actions. The Bank follows a 'Plan-Do-Check-Act' (PDCA) process to facilitate continual improvements in terms of environmental performance and has put in place a firm management structure to achieve the objectives under the certification. The key aspects of internal resource

consumption and mitigation that are monitored through the processes and systems include electricity, diesel, paper, water and electronic waste.

To obtain the certification, the selected locations underwent a rigorous audit by Bureau Veritas, the third party assessor,



which assessed the Bank's conformity with the certification standards, its ability to implement all planned objectives and targets, and training of its employees. After a rigorous month-long audit, the assessors, in the audit report, stated that YES BANK has firmly embedded environmental considerations across all its operations towards efficiently managing its environmental and operational risks.

In the second phase of the certification process, the Bank would focus on covering its major cluster hubs across India, and expand its mandate to cover parameters like waste, business travel, and supply chain. The Bank aims to achieve the next phase of growth in achieving ISO 14001:2004 compliance in the coming financial year.

Environmental impact mitigation initiatives at YES BANK

Branch timing rationalization

YES BANK has undertaken branch timing rationalization at its branches across India. The initiative's objective is to rationalize branch timings, pan-Bank, by optimizing

operational activities so that the branches are operated at suitable levels while achieving business results without impacting customer service quality.

The initiative was carried out across all branches with teams from the relevant business units analyzing financial transactions for the months of July and August 2013.

The branches having transaction volumes of less than 20% post 15:30 were identified and shortlisted for rationalization. 104 such branches were identified for rationalization in the first phase.

The branch timings at these 104 branches were rationalized to cut operating expenses without affecting customer service. Appropriate customer communication was ensured through branch channels. The first phase of the initiative resulted in savings worth ₹1.5 crore in power costs for the year.

Record management at branches

Being a financial services institution, paper is a major resource consumed at the Bank. In an effort to reduce paper consumption, the Bank undertook an initiative to eliminate printing of uncritical reports and eliminating duplication of archives being maintained at the Bank.

The Bank identified locations maintaining dual archives, one at the location and one with the Bank's third party vendor entailing additional costs of archival. The Bank discontinued this duplication and stopped archival of uncritical documents. The project has yielded cost savings worth ₹10.78 lakh during the year.

E-waste management

YES BANK is classified as a 'Bulk Consumer' under the new E-Waste Rules 2011 laid down by the Government of India. The Bank is in complete compliance with its obligations under the Rules with all systems in place to handle e-waste.

The Bank has taken a proactive approach towards handling its electronic waste. It has empanelled Central Pollution

Control Board (CPCB)-authorized third party e-waste handlers for disposal of the e-waste from its locations across India.

In FY 13-14, the Bank responsibly disposed 2,380 kilograms of e-waste which included desktops, printers and laptop hardware, UPS, and server hardware. The Bank has partnered with Canon Inc. to handle waste printer cartridges. During the year, Canon responsibly disposed 375 empty toner cartridges.

Document digitization project

During the year the Bank kick-started an initiative to save paper that is used in account opening and verification forms following digitization of documentation and verification.

The project, done with the Bank's partner Newgen, saved over 955,000 A4 size sheets in the Bank's retail operations, based on the estimated number of sheets typically required for these forms.

YES COST SAVE initiative

YES COST SAVE is a pan-Bank initiative aimed at sensitizing all YES BANKers on eliminating waste in their everyday lives and at the Bank. The initiative engaged with employees to seek their ideas on issues such as waste elimination and cost optimization in electricity and water consumption, paper consumption, IT hardware, courier services, telecom and business travel among others.



The Bank received over 500 ideas from employees which were shared with the relevant internal stakeholders and are being evaluated for feasibility and implementation.

Apart from these initiatives, the Bank has several initiatives underway that target energy conservation and efficiency, including SEMS, the off-site ATM monitoring system,

password-based printing, LED signage, motion sensors at certain office locations, increased usage of video-conferencing to reduce employee travel and campaigns to increase employee awareness.

The Bank continued its partnership with Grow Trees and gifted 2,026 trees to its external stakeholders including customers and partners. These trees are planted at ecological hot spots around the country on their behalf, including Kanha National Park, Madhya Pradesh, Kumbhalgarh Sanctuary and Sariska Tiger Reserve, Rajasthan and Sundarbans National Park, West Bengal.

During the reporting period, the Bank spent over ₹18.9 lakh in capital expenditure on installing automatic branch signage closure systems and motion sensors at its IFC office.

Towards leadership in carbon disclosure

YES BANK became the only Indian bank to be featured in CDP's Carbon Disclosure Leadership Index for three consecutive years – 2011, 2012 and 2013. YES BANK considerably improved its disclosure score from 73 to 81 in 2013.



Performance of environmental parameters

Parameter	Units	FY 2013 - 14	FY 2012 - 13
Scope 1 [#]	tCO ₂ e	717.6	922
Scope 2 [@]	tCO ₂ e	24,681	24,527
Scope 3 [*]	tCO ₂ e	986.4	N.A
Total (scope 1 & 2)	tCO ₂ e	25,399	25,459
Diesel Consumption	Litres	265,549	348,616
Grid Electricity consumed	MWh	33,319 ^{**}	26,198
Scope 1 & 2 emission intensity per employee	tCO ₂ e/ FTE	2.88	3.62

* Scope 3 includes Business Air Travel

** Grid Electricity Consumed has been calculated from the electricity bills for all locations, hence a 10% reduction in the calculation has been considered to account for taxes and overheads

Scope 1 emissions include CO₂, N₂O and CH₄ emissions from YES BANK's diesel usage. The emission factors and GWP values have been taken from GHG protocol. The cost of diesel consumed pan bank is converted in quantities consumed by using state level diesel prices. Like 2012-13 (base year), we have used operational control approach for measuring and managing these emissions.

@ Scope 2 emissions include CO₂ emissions from electricity consumed by YES BANK. The emission factors have been taken from CEA's CO₂ database, version 9. The cost of electricity consumed pan bank is converted in quantities of electricity consumed by using state level tariffs. Like 2012-13 (base year), we have used operational control approach for measuring and managing these emissions.

Promotion of sustainable development in India

To a large degree, the Bank's success in ensuring sustainable development is accredited to the opportunities presented by various stakeholder engagements. These interactions have enabled the Bank to partner with stakeholders and multiply the impact of its sustainability initiatives.

TERI Business Council for Sustainable Development

YES BANK, and The Energy and Resources Institute Business Council for Sustainable Development (TERI-BCSD) signed a Memorandum of Understanding (MoU) to accelerate

activities towards sustainable development, environmental management, social responsibility and sustained economic performance, among Indian corporates.

This MoU acted as an enabler for YES BANK to work with the BFSI sector on responsible finance and financial inclusion focusing on the agri, MSME and tourism sectors. Both TERI-BCSD and YES BANK believe that research plays an important role in policy-making, evolving strategic approaches and innovating mechanisms to ensure economic growth. The MoU strategically includes this as a critical step towards overall development of India. The MoU also includes initiatives towards natural capital which India would be discussing at the 40th G8 summit in June 2014.



Mr. Dipankar Sanyal, CEO, TERI Business Council for Sustainable Development, and Ms. Namita Vikas, Senior President and Chief Sustainability Officer, YES BANK, at the signing of the MoU

Indian Institute of Corporate Affairs

To work collaboratively in the realms of Corporate Social Responsibility and Sustainable Development, YES BANK signed a MoU with Indian Institute of Corporate Affairs (IICA) in October, 2013 in the presence of Mr. Sachin Pilot, Minister of Corporate Affairs, Government of India.

As the first major step towards financial inclusion post the addition of the new clause on Corporate Social

Responsibility to the Companies Act, 2013, YES BANK along with IICA would work with the private sector, and boards of companies to create awareness and mitigate environmental, social and governance risks within the industry. The MoU is an affirmation of YES BANK's continued commitment towards India's growth story. YES BANK is the only Indian bank to enter into such an agreement with IICA, to further the CSR and developmental agenda of India.



Dr. Bhaskar Chatterjee, Director General and CEO, IICA and Ms. Namita Vikas, Senior President and Chief Sustainability Officer, YES BANK, in the presence of Shri Sachin Pilot, Minister of Corporate Affairs, at the signing of the MoU



Nurturing Human Capital

Human Capital is one of the six strategic growth pillars at YES BANK. In line with its vision of evolving as 'The Professionals' Bank of India', the Bank has focused on building world-class teams and establishing itself as a strong employer brand within the Indian banking industry. The Bank is able to attract, engage and retain high quality human capital, ensuring its long-term success.

The Bank has made concerted efforts towards creating learning and development solutions that continually enhance employee value in line with organizational objectives. In the past one year, the Bank emphasised on creating a nurturing environment for its employees to aid their personal and professional growth.

Employee engagement - New initiatives

Lead with Passion

YES BANK launched a series of leadership workshops



based on the 'Leadership Values' framework developed following an employee engagement survey in partnership with Great Place to Work Institute, India. This series, titled 'Lead With Passion', was targeted at senior executives across businesses. In FY 2013-14, the Bank trained 541 YES BANKers, and this exercise is expected to continue.

YES WE CARE

YES BANK launched the 'YES WE CARE' programme in December 2013 to enhance employee benefits. The Bank made several policy changes including:

- Paternity leave enhanced to four days from two days
- Introduction of one 'Special Day Leave' which may be availed by the executive on his/her birthday or marriage anniversary or birthdays of immediate family members

Women's special

YES BANK's women executives have played a pivotal role in the Bank's growth and success. To enable them to realize their potential, the Bank launched several initiatives during the year under review.

YES WE CARE initiative for women

The maternity leave policy, fully aligned with the Maternity Benefit Act, 1961, was enhanced to increase the total period of maternity leave from 90 days to 120 days with the objective to provide new mothers more time to care for their newborn.

To welcome new mothers back at work following their maternity leave, the Bank presents a gift voucher for their newborn.

Say YES to WOMEN'S SAFETY

YES BANK partnered with Ms. Debi Steven, a renowned self defense instructor and Founder of Action Breaks Silence to organize workshops on women's safety. The interactive workshops provided deeper insights and hands-on training to women in dealing with threats to their personal safety. 193 women executives across Mumbai and Delhi were trained over four sessions.

Celebrating International Women's Day

YES BANK celebrated the International Women's Day across the Bank around the theme 'YES, She will WIN – Empowered Women of YES BANK, You are the BEST!'

To acknowledge the contributions of women executives to the growth story of YES BANK, special YES CONNECTs, centering on the theme 'YES, She will WIN', were conducted across the Bank's branches in a town hall format where senior business leaders addressed the audience. The Bank also launched an online photography competition with the

theme 'Women Empowerment' for its women employees. The competition saw active participation from women executives across locations.

The Bank, through its Relationship Managers, reached out to wish women customers on International Women's Day.

Say YES to G.R.A.C.E.

In line with the newly drafted 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013', the Bank revised its policy for the prevention of sexual harassment.

To create a robust system for dissemination of this policy, the Bank launched, 'Say YES to G.R.A.C.E.' (Gender Respect And Commitment to Equality). This initiative will enhance awareness among employees and ensure periodic policy reiteration. This initiative also links with the Bank's objective to emerge as the 'Best Quality Bank of the World in India'.

The Y-Factor- Season 2

As part of the second season of the Y-Factor, a talent recognition platform for employees, the Bank launched a photography competition for its executives around the theme – 'YES Proudly Indian.'

The competition, open to all employees across the country, asked employees to capture images that showcased India's vast cultural heritage and unity in diversity. The event evoked strong participation from 350 employees. The best photographs were rewarded and showcased.



The Y-Factor – Season 2 winning entry from Tushar Arora, Mumbai

The Buddy Programme

To integrate new employees into the YES BANK culture, the Bank launched the Buddy Programme in November 2013. New employees were assigned a buddy for 10 days, who familiarized the new executives with the working environment and guided them on the Bank's professional environment, policies and procedures.

The programme is expected to be rolled out pan-India in FY 2014-15.

Health and wellness

YES STEPATHLON— A race around a virtual world

As part of its YES PERSONALITY initiatives, YES BANK launched an innovative wellness initiative called YES STEPATHLON, to boost executive health. YES STEPATHLON, a unique pedometer-based event, was designed to help employees become more physically active through a fun, team-oriented and relevant format. The initiative launched in September, 2013 attracted participation from 734 executives irrespective of age, gender, and physical ability and fitness levels.

Preventive Healthcare

YES BANK launched a health centre at its corporate headquarters in Mumbai, offering essential medical facilities to all executives. The Bank endeavoured to enhance employee benefits and roll out health check-up packages in coordination with healthcare partners, (Metropolis and Thyrocare), offering executives with discounted rates across diverse services.

In order to encourage a healthy lifestyle, the Bank rolled out Health Times, a bulletin that provided health and safety tips.

Group Mediclaim Policy

YES BANK strengthened its group mediclaim policy for employees and their families to provide enhanced benefits like Group Personal Accident (GPA) cover along with the Group Term Life Insurance Policy.

Employee Performance Management

The Bank's Y-TOP (YES Talent Optimization Programme) manages the performance of executives ensuring timely, unbiased and transparent appraisal for all executives. The Bank follows an annual review cycle, with every executive undergoing a multi-level performance evaluation. The Bank assesses performance purely on the basis of merit. The ratio of basic salary for men and women at the Bank is 1:1.

Employee Satisfaction Barometer

YES BANK partnered with the Great Place to Work Institute, India, to measure employee satisfaction and assess the efficacy of its workplace practices.

The Bank participated in the Institute's 'India's Best Companies to Work for – 2013 Study' by inviting randomly-selected YES BANK executives to respond anonymously to the survey. The survey aimed to measure the Bank's 'Trust Index', which included parameters like management credibility, respect, fairness, pride and camaraderie.

The results were analyzed to identify key issues for relevant management actions. The broad findings including strengths were identified through this study.

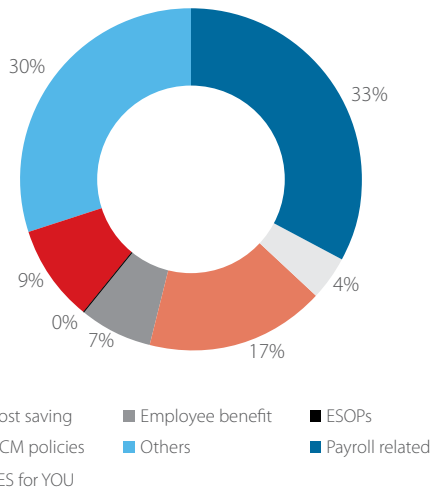
The areas of improvement as identified in the study are being addressed through a comprehensive plan. Various new initiatives were undertaken as part of an 'action plan' to make YES BANK a 'Great Place to Work for'.

My Voice

In line with the Bank's objective to provide a consistent and superior service experience for its employees, the Bank's employee grievance redressal portal called My Voice has been operational since 2009. My Voice aimed at providing executives with a simple, easy-to-use platform to post inquiries/grievances with in-built tracking and escalation mechanisms for effective monitoring and follow-up. My Voice acts as an Empowerment tool for executives as queries also reach the Head of Human Capital Management.

The Bank's HCM team analyzed queries to identify areas of concern and shared analysis reports with the Head of the HCM team. Subsequently, corrective actions were undertaken. No cases of discrimination were reported by employees during the year.

My Voice Analysis
by category FY 2013-14



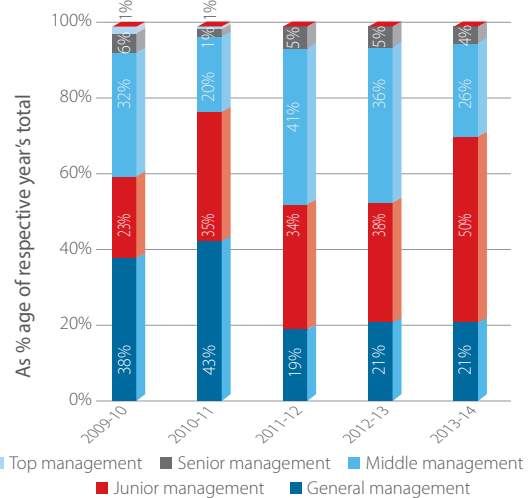
* 'Others' mainly include queries on infrastructure, suggestions on business processes, updation of outlook details among others

My Voice Analysis
by type



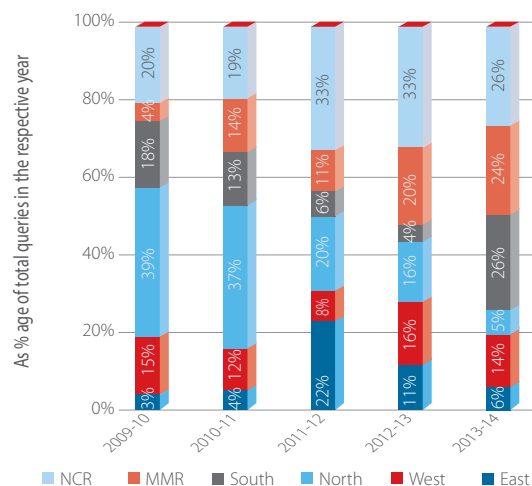
There was a decline in the share of payroll-related queries for FY 2013-14 compared to the previous reporting cycle. The percentage of grievances declined steeply, indicating an improved resolution of employee issues. The Bank also witnessed a rise in the number of suggestions provided by employees, a result of the Bank's open door employee policy.

My Voice distribution
by management level



My Voice is aimed at providing direct access to Bank's HCM team. The charts below depict the extensive use of the tool across all regions.

My Voice distribution
by branch banking - region-wise



YES School of Banking

YES BANK aims to become an 'employer of choice' for the brightest and most efficient human capital. Its knowledge-driven approach to focus on capability development represents the cornerstone of its objective to become the 'Professionals' Bank of India'.

YES BANK drives its key human capital/organizational development and learning objectives through the YES SCHOOL OF BANKING (YSB). YSB was formed in 2007 with

a vision to create a Centre of Excellence for employee learning and development.

In addition to institutionalizing learning and development initiatives, the YES SCHOOL OF BANKING augmented the University and School Relationship Management programme (USRM), which played a pivotal role in building the YES BANK brand as an 'employer-of-choice' among the best educational institutions in India as well as overseas.



YES Udaan

YES BANK partnered with the Ministry of Home Affairs, Government of India, and the National Skill Development Corporation (NSDC), for Project Udaan, a unique government initiative to train and employ youth from Jammu & Kashmir.

The Bank launched the second edition of YES Udaan in March 2014, receiving nearly 700 applications from Kashmiri youth who were screened through an online aptitude test and interview. Forty five students were selected for the second stage who will go through a rigorous three month-long customised "Certification in Banking Fundamentals" program managed by YSB.



Launch of the second edition of YES Udaan



The students with YES BANK executives in Jammu & Kashmir

YES–Professional Entrepreneurs Programme (Y-PEP)

Y-PEP is YES BANK's most innovative and institutionalized talent acquisition programme led by the YES SCHOOL OF BANKING, aimed at hiring the best management professionals from premier business schools and universities in India and abroad.

Following its rollout in 2004, YES BANK inducted close to 900 management professionals through this programme. The qualified talent pool has contributed in augmenting and supporting the Bank's knowledge-based, state-of-the-art and technology-driven services across key banking relationships, products, knowledge advisory groups, and critical support functions. The success of this innovative programme has showcased YES BANK as an 'Employer of Choice' across premium business school campuses.

YESsentials

YESsentials is the Bank's induction programme for its new employees across business units and regions. Through 199 YESsentials induction programmes conducted in FY 2013-14, the Bank inducted 4,225 executives.

The programme addressed the key aspects, policies and guidelines of the Bank which every new executive must know and adhere to. These include the YES BANK story, the Bank's strategic differentiators, the YES brand, business units and human capital management policies.

The programme focused on key banking regulatory and compliance topics including Know Your Customer and Anti-Money Laundering Guidelines, Direct Banking, Responsible Banking, Products and processes, and Information Security.

Employee training programmes

	FY 2013-14	FY 2012-13	FY 2011-12
Total training programmes conducted	1,198	1,008	1,054
Total executives trained in above programmes	8,322	5,846	4,548

Employees trained by gender

	FY 2013-14
Male	6,969
Female	1,353
Total	8,322

Employees trained by management category

	FY 2013-14	FY 2012-13	FY 2011-12
Senior management	350	87	103
Middle management	1,755	1,450	856
Junior management	2,302	1,650	1,339
General management	3,915	2,659	2,250
Total	8,322	5,846	4,548

Training programmes by category

	FY 2013-14	FY 2012-13	FY 2011-12
Behavioural and leadership skills	77	70	47
Employee induction	199	124	98
Mandatory policies and compliance	133	101	147
Process training	53	188	180
Product training	736	525	582
Total	1,198	1,008	1,054

Training programmes by duration

	FY 2013-14	FY 2012-13	FY 2011-12
Participant man-days	32,814	25,400	24,402
Participant man-days per executive	3.7	3.8	4.5

Training plans for next year

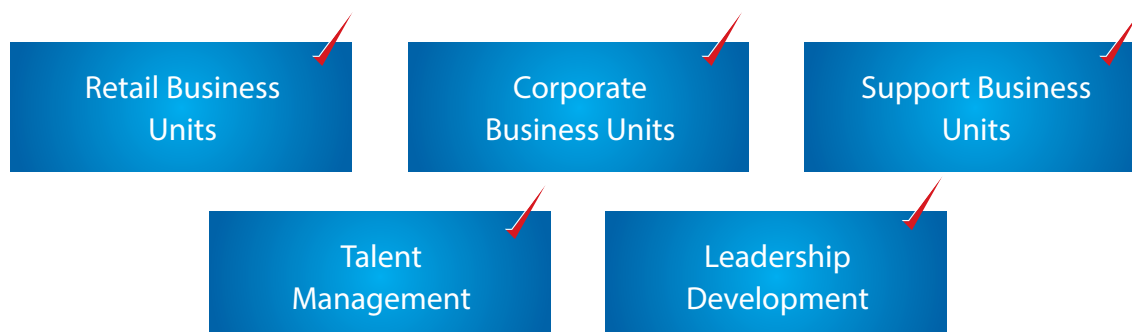
The Bank's YSB team will focus on the following learning and development areas in FY 2014-15:

- Strengthening the culture of compliance (systems, controls and processes)
- Improving productivity
- Enhancing quality
- Strengthening orientation/attitude

- Increasing speed and agility for execution
- Providing scaled-up and value-added training
- Environmental and social risk assessment

The Bank is planning to provide environmental and social risk assessment training for its top and senior management by an external faculty. It is in the process of developing an e-module to impart such training online to ensure 100% coverage across the Bank.

The YSB team has developed specialized units to enable learning and development for different segments:



Each learning and development activity is based on the following:

- Inputs from business unit heads
- Job requirement (as per role and vintage)
- Inputs from Annual Performance Review
- Regulatory requirements

HCM Risk Containment Unit

The Bank remained committed to the implementation of the highest standards of Corporate Governance and compliance extending beyond regulatory requirements.

In line with this objective, the HCM - Risk Containment Unit (HCM RCU) was set up within the Human Capital Management unit to monitor transactions in staff accounts in line with regulatory and/or internal guidelines to promote financial discipline and prevent fraud.

The HCM RCU conducts sample surveillance of external communications to strengthen data security and detect unauthorized usage, check the background of candidates prior to hiring and review the HCM policies and processes. The HCM RCU also undertakes Bank-wide coordination activities for pandemic planning.

Employee Strength

	under-30		30-50		above-50		
	Male	Female	Male	Female	Male	Female	
	FY 2013 - 14						Total
Top management	0	0	73	4	4	1	82
Senior management	0	0	289	34	0	0	323
Middle management	224	49	1,551	201	1	2	2,028
Junior management	899	263	1,302	210	0	0	2,674
General management	2,053	588	934	116	0	0	3,691
Total	3176	900	4,149	565	5	3	8,798
	FY 2012 - 13						Total
Top management	0	0	50	3	4	1	58
Senior management	0	0	210	31	0	0	241
Middle management	229	50	1,184	128	1	1	1,593
Junior management	712	207	880	146	0	1	1,946
General management	1,631	451	668	80	0	0	2,830
Total	2,572	708	2,992	388	5	3	6,668
	FY 2011 - 12						Total
Top management	0	0	37	3	5	2	47
Senior management	1	0	174	17	2	1	195
Middle management	215	54	885	102	0	1	1,257
Junior management	729	214	542	99	0	0	1,584
General management	1,328	400	483	81	0	0	2,292
Total	2,273	668	2,121	302	7	4	5,375

Total attrition during the year

	under-30		30-50		above-50		Attrition rate
	Male	Female	Male	Female	Male	Female	
	FY 2013 - 14						
Top management	0	0	8	0	0	0	9.76%
Senior management	0	0	23	3	0	0	8%
Middle management	31	6	174	25	0	0	11.64%
Junior management	134	54	186	28	0	0	15.03%
General management	598	164	216	36	0	0	27.47%
Total	763	224	607	92	0	0	19.16%
Attrition rate	24.02%	24.89%	14.63%	16.28%	0.00%	0.00%	
	FY 2012 - 13						
Top management	0	0	5	1	2	1	15.50%
Senior management	0	0	21	1	1	1	10%
Middle management	22	10	177	38	0	0	15.50%
Junior management	192	86	205	41	0	0	26.90%
General management	714	184	250	39	0	0	41.90%
Total	928	280	658	120	3	2	29.86%
Attrition rate	36.10%	39.60%	22%	30.90%	60%	66.70%	
	FY 2011 - 12						
Top management	0	0	5	0	1	0	12.80%
Senior management	0	0	22	1	1	0	12.30%
Middle management	37	8	125	23	0	0	15.40%
Junior management	176	59	127	32	0	0	24.90%
General management	504	152	182	21	0	0	37.50%
Total	717	219	461	77	2	0	27.50%
Attrition rate	31.50%	32.80%	21.70%	25.50%	28.60%	0.00%	

The entire sales and operations force of YES Bank is on its payrolls. Some industry participants have separate entities that employ the direct sales force.

Total hires during the year

	under-30		30-50		above-50		Hiring rate
	Male	Female	Male	Female	Male	Female	
	FY 2013 - 14						
Top management	0	0	6	0	0	0	7.32%
Senior management	0	0	33	2	0	0	10.84%
Middle management	67	12	419	59	0	0	27.47%
Junior management	496	128	469	51	0	0	42.78%
General management	1,181	311	329	36	0	0	50.31%
Total	1,744	451	1,256	148	0	0	40.91%
Hiring rate	54.91%	50.11%	30.27%	26.20%	0.00%	0.00%	

Total hires during the year

	under-30		30-50		above-50		Hiring rate
	Male	Female	Male	Female	Male	Female	
FY 2012 - 13							
Top management	0	0	6	1	0	0	12.10%
Senior management	0	0	17	6	0	0	9.50%
Middle management	59	13	298	33	0	0	25.30%
Junior management	326	96	311	35	0	0	39.50%
General management	901	221	220	22	0	0	48.20%
Total	1,286	330	852	97	0	0	38.50%
Hiring rate	50%	46.60%	28.50%	25%	0.00%	0.00%	
FY 2011 - 12							
Top management	0	0	2	2	2	0	12.80%
Senior management	0	0	24	1	0	0	12.80%
Middle management	79	14	338	28	0	0	36.50%
Junior management	404	114	212	34	0	0	48.20%
General management	854	207	195	30	0	0	56.10%
Total	1,337	335	771	95	2	0	47.30%
Hiring rate	58.80%	50.10%	36.40%	31.50%	28.60%	0.00%	

Return to work after parental leave

FY 2013-14	Maternal	Paternal
Employees taking parental leave	67	690
Employees resuming work	60	690
Return to work rate	89.55%	100%

FY 2012-2013	Maternal	Paternal
Employees taking parental leave	50	470
Employees resuming work	45	470
Return to work rate	90%	100%
Employees retained 12 months after resuming work	32	344
Retention Rate*	64%	73.19%

* The percentage of employees retained 12 months after returning to work following a period of parental leave

HCM data does not include employees of YES FOUNDATION and YES Securities Limited.



YES FOUNDATION

– Building an Empowered and Equitable India



To further YES BANK's commitment to social development in India, it launched the YES FOUNDATION in December 2012 as a separate legal entity. The objective of the Foundation is to focus on stimulating entrepreneurship, and innovatively use media to bring about social transformation, to

enable inclusive growth and development in India. YES FOUNDATION is guided by an eminent Governing Council, led by its Chief Mentor, Mr. Rana Kapoor, Managing Director and CEO, YES BANK.



YES! i am the CHANGE

YES! i am the CHANGE is a nationwide movement to inspire, engage and empower youth to participate in India's social transformation through impactful medium of films. Through YES! i am the CHANGE, the Foundation serves as a platform to facilitate connection and interaction between the youth and social causes to connect their untapped energy to vocalize voices less heard.

Launched in the reporting period, YES! i am the CHANGE was a huge success with over two lakh youth joining

the cause, 2,300 citizen filmmakers participating in a filmmaking challenge and making films based on the United Nation's Millennium Development Goals.

The YES! i am the CHANGE film project was mentored by stalwarts of Indian cinema and the development sector like Amitabh Bachchan, the late Farooq Sheikh, Nagesh Kukunoor, Kailash Surendranath, Pritish Nandy, Shaheen Mistry, Prof. Anil Gupta, Bhaskar Das among others.



YES FOUNDATION's Chief Mentor, Mr. Rana Kapoor, addressing the audience



Young filmmakers in action

- 80 filmmaking workshops and screenings were conducted across 19 Indian states, which included Inspirational workshops and film-making challenges conducted at premier educational institutes including all 13 Indian Institutes of Management (IIM), Institute of Rural Management, Anand (IRMA) among others
- 2,300 youth from 64 cities across India participated in the filmmaking challenge
- 184 short films were made
- Mr. Amitabh Bachchan felicitated the winners
- The best films were screened across schools in India on Children's Day and were viewed by 41,400 children
- Till date, over two lakh youth were successfully mobilised across India

YES SCALE UP

YES SCALE UP is a capacity building programme designed to address the gap in business design and management training and to aid not for profit organizations in achieving the impact they intend to. The Foundation acknowledges the pivotal role that not for profit organizations play in the development of any nation and believes that it can cause maximum value generation in this sector by building capacity across such organizations.

The programme focuses on issues related to finance, marketing, HR, and project management to aid efficient reporting, investing, and fundraising and help them go to scale.

ACRONYMS

BC	Business Correspondent
BCA	Business Correspondent Agent
BCSD	Business Council for Sustainable Development
BELT	Branch Executive Leadership Team
BFSI	Banking, Financial Services, Insurance
BSA	Branch Service Area
CASA	Current Account Savings Account
E&S	Environmental and Social
EMP	Environmental Management Policy
EMS	Environmental Management System
ESG	Environmental, Social and Governance
ESP	Environmental and Social Policy
FARM	Food and Agribusiness, Research Management
FASAR	Food & Agribusiness Strategic Advisory and Research
FEW	Food, Energy, Water
FTE	Full Time Equivalent
GHG	Green House Gas
HCM	Human Capital Management
IFC	International Finance Corporation
IICA	Indian Institute of Corporate Affairs
ISB	Inclusive and Social Banking

IUCN	International Union for Conservation of Nature
LEAP	Livelihood Enhancement Action Program
NCD	Natural Capital Declaration
NGO	Non Governmental Organization
NPCI	National Payments Corporation of India
NSDC	National Skill Development Corporation
ORM	Operational Risk Management
PDCA	Plan-Do-Check-Act
RCU	Risk Containment Unit
RIRA	Responsible Investment Research Association
SEZ	Special Economic Zone
SGA	Strategic Government Advisory
SHG	Self Help Group
SHPI	Self Help Group Promoting Institution
SIB	Sustainable Investment Banking
SME	Small and Medium Enterprise
tCO ₂ e	Tonnes of Carbon Dioxide Equivalent
USRM	University & School Relationship Management
VOC	Voice Of the Customer
Y-PEP	YES Professional Entrepreneurship Programme
YSB	YES School of Banking

Independent Assurance Statement



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Independent Assurance Statement

To the Management of YES BANK Limited

KPMG India was engaged by YES BANK Limited to provide assurance on the information provided in their Sustainability Report (the report) FY 2013-14. Our responsibility is to issue an assurance statement based on the engagement outlined below.

Scope

Our assurance engagement was intended to provide limited assurance on whether the Sustainability information is presented fairly, in all material respects, in accordance with the reporting criteria. Our scope of assurance included verification of selected data and information on material aspects and performance thereof provided for the period 01 April 2013 to 31 March 2014 based on Global Reporting Initiative's (GRI) G4 Guidelines and Financial Sector Disclosure The General and Specific Standard Disclosures subject to assurance were as follows;

General Standard Disclosures:	Specific Standard Disclosures
<ul style="list-style-type: none"> • Strategy and Analysis (G4 – 1) • Organizational Profile (G4 - 3 – G4 - 16) • Identified material Aspects and Boundaries (G4 - 17 – G4 - 23) • Stakeholder Engagement (G4 - 24 – G4 - 27) • Report Profile (G4 - 28 – G4 - 33) • Governance (G4 – 34) • Ethics & Integrity (G4 – 56) 	<ul style="list-style-type: none"> • Economic – Indirect Economic Impact (G4 – EC 8) • Environment – Emissions (G4 – EN15 and G4 – EN16) • Social – Employment (G4 - LA1) • Society – Local Community (G4 – SO1) • Product Responsibility- Product and Service labeling (G4 - PR5), Customer Privacy (G4 - PR8)

Reporting criteria and assurance standard

YES BANK Limited has prepared the report 'in accordance' with the Sustainability Reporting Guidelines (G4 - Core Option) of the Global Reporting Initiative. We conducted our engagement in line with the International Standard for Assurance Engagement (ISAE 3000) to provide limited assurance to the performance data presented in the report. We conducted our work in compliance with requirements of IFAC code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client,



including not being involved in writing the report. The code also includes detailed requirements of the practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with code and to prevent conflict regarding independence.

Work Performed

Our work included the following procedures involving a range of evidence-gathering activities as explained below:

- Review of materiality and stakeholder engagement framework deployed at YES BANK Limited
- Assessment of the systems used for data collection and reporting of the General Standard Disclosures and Specific Standard Disclosures of material aspects as listed in the assurance scope above
- Conducting interviews with senior management to gain an understanding of YES BANK Limited's targets for sustainability as part of the business strategy and operations.
- Testing on a sample basis, the evidence supporting the data and information
- Review compliance to reporting policies, and the verification of data presented in the report from the corporate office
- Assessing that the report is prepared in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI G4 – in accordance core criteria)
- Review of the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings.

Limitations

Our assurance process was subject to the following limitations and exclusions:

- Verification of data or information other than that covered in Scope of assurance
- Verification of data or information related to YES BANK's financial performance, sourced from its audited annual report for the financial year 2013-14
- Verification of data and information outside the reporting period as mentioned in the Scope
- Verification of any statement indicating intention, opinion, belief and / or aspiration by YES BANK Limited.
- All data was verified from the corporate office and no other site visits were undertaken.

Conclusion

Based on the procedures performed, nothing has come to our notice that causes us to believe that the Sustainability Report of YES BANK Limited for the financial year ended 31 March, 2014 is not presented fairly, in all material respects, in accordance with the Sustainability Reporting Guidelines (G4) and Financial Sector Disclosure (applicable for Financial Business) of the Global Reporting Initiative as described in 'Report Profile, Scope and Boundary' of the Report and conforms to GRI G4 'in-accordance' – core disclosure criteria



Key Observations

Without affecting the conclusion presented above, we would like to draw readers' attention to the following;

- YES BANK Limited has adopted a structured methodology for materiality assessment. However they can further strengthen this process by increasing the number of stakeholder responses and also consider to group and prioritize its clients/customers prior to their inclusion in the process of materiality identification.
- YES BANK Limited has developed goals and targets against each material issue which would be regularly monitored at the board level. YES BANK Limited can however consider developing a detailed roadmap on the goals identified and include them as part of the responsibilities of the senior management.
- The data and information presented in the report are within accepted margins of error and along with appropriate presentation of underlying assumptions and techniques.
YES BANK Limited can consider strengthening its data capturing process specifically for Green House Gas emissions.
- The Bank has formulated a Corporate Social Responsibility Committee responsible for managing the CSR projects.

Responsibilities

YES BANK Limited's Management is responsible for the preparation of the Sustainability Report in conformity with YES BANK limited's reporting principles and the Sustainability Reporting Guidelines (GRI G4 Core) of the Global Reporting Initiative. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the report information that are free from material misstatement, selecting and applying appropriate criteria and making estimates that are reasonable in the circumstances. To determine the boundary of the report based on the impact of the material aspects within and outside the organization. Our responsibility is to express conclusion in relation to the above scope. We conducted our engagement with a multidisciplinary team including specialists in ISAE 3000, stakeholder engagement, auditing environmental, social and financial information.

Our work has been undertaken so that we might state to YES BANK Limited those matters we have been engaged for. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than YES BANK Limited for our work, for this statement, or for the conclusions we have reached.

Santhosh Jayaram
Technical Director
KPMG
September 04, 2014

GRI G4 Content Index

Assured
Indicators

GRI G4 Content Index for General Standard Disclosures

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Disclosure Item	Location of Disclosure	External Assurance
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Strategy and Analysis

G4-1	Statement of the MD and CEO	4	Yes. 89-91
G4-2	Description of key impacts, risks and opportunities	4-7, 17-19, 19-23	

Organizational Profile

G4-3	Name of the Organization	9	Yes. 89-91
G4-4	Primary brands, products and services	9	Yes. 89-91
G4-5	Location of the Organization's headquarters	9	Yes. 89-91
G4-6	Number of countries where Organization operates	9	Yes. 89-91
G4-7	Nature of ownership and legal form	9	Yes. 89-91
G4-8	Markets served	9, 10	Yes. 89-91
G4-9	Scale of the Organization	9, 10, 39, 41	Yes. 89-91
G4-10	Employee profile	9, 81-83	Yes. 89-91
G4-11	Percentage of employees covered by collective bargaining agreements	As there are no unions, no collective bargaining agreements exist	Yes. 89-91
G4-12	Organization's supply chain	29	Yes. 89-91
G4-13	Significant changes during the year	8,12	Yes. 89-91
G4-14	Precautionary approach or principle	66	Yes. 89-91
G4-15	Externally developed charters, principles or other initiatives to which the Organization subscribes	13-15	Yes. 89-91
G4-16	Memberships of associations	13	Yes. 89-91

Identified Material Aspects and Boundaries

G4-17	Entities included in the Organization's consolidated financial statements	8, YES BANK Annual Report 2013-14: 143-156	Yes. 89-91
G4-18	Defining the report content and Aspect boundaries	8, 17-23	Yes. 89-91
G4-19	Material aspects	18	Yes. 89-91
G4-20	Aspect boundary within the Organization	19-23	Yes. 89-91
G4-21	Aspect boundary outside the Organization	19-23	Yes. 89-91
G4-22	Effect of any restatements of information provided in previous reports	8	Yes. 89-91
G4-23	Significant changes from previous reporting periods	12	Yes. 89-91

Stakeholder Engagement

G4-24	Stakeholder groups engaged by the Organization	17-18	Yes. 89-91
G4-25	Basis for identification and selection of stakeholders	17-18	Yes. 89-91

GRI G4 Content Index for General Standard Disclosures

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Disclosure Item	Location of Disclosure	External Assurance
G4-26	Organization's approach to stakeholder engagement	17-19	Yes. 89-91
G4-27	Key topics and concerns raised through stakeholder engagement	19-23	Yes. 89-91

Report Profile

G4-28	Reporting period	8	Yes. 89-91
G4-29	Date of most recent previous report	8	Yes. 89-91
G4-30	Reporting cycle	8	Yes. 89-91
G4-31	Contact point for questions regarding the report or its contents	8	Yes. 89-91
G4-32	'In accordance' option the Organization has chosen	8	Yes. 89-91
G4-33	External assurance	8	Yes. 89-91

Governance

G4-34	Governance structure of the Organization	25-28	Yes. 89-91
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	25	
G4-36	Report whether the Organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics and whether the post holders report directly to the highest governance body	25-27	
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	8, 17-18, 45	
G4-38	Report composition of the highest governance body	25-27	
G4-39	Report whether the chair of the highest governance body is also an executive officer	26	
G4-40	Report the nomination and selection process for the highest governance body and criteria used for nominating including: -Whether and how expertise and experience relating to economic, environmental and social topics are considered -Whether and how stakeholders are involved	26, YES BANK Sustainability Report FY 12-13: 21	
G4-41	Report process for the highest governance body to ensure conflicts of interest are avoided and managed	25	
G4-42	Report the highest governance body's and senior executives' roles in the development, approval and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	25-27	
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	25, 80	

GRI G4 Content Index for General Standard Disclosures

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Disclosure Item	Location of Disclosure	External Assurance
G4-44	Process for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics (report frequency and if the assessment is self or independent) Report action taken in response to evaluation of performance of highest governance body	25, 27, YES BANK Sustainability Report FY 2012-13: 20	
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities. Include the body's role in implementation of a due diligence process. Report whether stakeholder consultation is used to support the highest governance body's identification and management of above mentioned impacts, risks and opportunities	25-27, YES BANK Sustainability Report FY 2012-13: 21	
G4-46	Report the highest governance body's role in reviewing the effectiveness of the Organization's risk management process for economic, environmental and social topics	28-29	
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	25-27	
G4-48	Report the highest committee or position that formally reviews and approves the Organization's sustainability report and ensures that all material Aspects are covered	MD and CEO, with the Chief Sustainability Officer	
G4-49	Report the process for communicating critical concerns to the highest governance body	25, YES BANK Annual Report 2013-14: 137	
G4-50	Report the nature and total number of concerns that were communicated to the highest governance body and the mechanisms used to address and resolve them	YES BANK Annual Report 2013-14: 133	
G4-51	Report remuneration policies for the highest governance body. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executive's economic, environmental and social objectives	YES BANK Annual Report 2013-14: 130-131	

Ethics and Integrity

G4-56	Organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	1, 25	Yes. 89-91
G4-57	Report the internal and external mechanisms for seeking advice on the ethical and lawful behaviour and matters related to organizational integrity	76-77, YES BANK Annual Report 13-14: 132-133	
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour and matters related to organizational integrity (escalation, whistle blower policy, hotlines)	21, 25, 76-77	
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour and matters related to organizational integrity (escalation, whistle blower policy, hotlines)	21, 25, 76-77	

GRI G4 Content Index for Specific Standard Disclosures

SPECIFIC STANDARD DISCLOSURES

Specific Standard Disclosures	DMA and Indicators	Location of Disclosure	External Assurance
ECONOMIC			
G4-DMA		34	
G4-EC1	Direct economic value generated and distributed.	34-35	
G4-EC2	Financial implications and other risks and opportunities for the organizations activities due to climate change	19, 57	
G4-EC3	Coverage of organizations defined benefit plan obligations	100%	
G4-EC7	Development and impact of infrastructure investments and services supported.	57-60	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	37-43	Yes. 89-91
ENVIRONMENT			
G4-DMA		66	
G4-EN3	Energy consumption within the Organization	69	
G4 -EN 4	Energy Consumption outside the Organization	69	
G4-EN5	Energy intensity (specific energy)	69	
G4-EN6	Reduction of energy consumption	69	
G4-EN7	Reduction of energy requirement of product and services.	30-31, 66-69	
G4-EN13	Habitats protected or restored	46, 48	
G4-EN 15	Direct green house gases	69	Yes. 89-91
G4-EN16	Indirect green house gas emissions	69	Yes. 89-91
G4-EN17	Other indirect green house emissions	69	
G4- EN18	Green house gas emission intensity (specific emissions)	69	
G4-EN19	Reduction of green house gas emissions	69	
G4-EN 23	Total weight of waste by type and disposal method	68	
G4-EN 27	Extent of impact mitigation of environmental impacts of products and services	30-31, 66-69	
G4-EN 29	Monetary value of significant fine and total no. of non-compliances with environmental laws and regulations	None	
G4-EN31	Total environmental protection expenditures and investments by type	69	
LABOUR PRACTICES			
G4-DMA		73	
G4-LA1	Total number and rates of new employee hires and employee turnover by age, group, gender and region	81-83	Yes. 89-91
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	73-76	

GRI G4 Content Index for Specific Standard Disclosures

SPECIFIC STANDARD DISCLOSURES

Specific Standard Disclosures	DMA and Indicators	Location of Disclosure	External Assurance
G4-LA3	Return to work and retention rates after parental leave, by gender	83	
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	90 Days	
G4-LA9	Average hours of training per year per employee by gender and by employee category	79-80	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	100%	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	81-83	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	76	

HUMAN RIGHTS

G4-DMA		YES BANK Sustainability Report 12-13: 42	
G4-HR3	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	None.	

SOCIETY

G4-DMA		20, 43, 85	
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and developed programs	37-43	Yes. 89-91
G4-SO2	Operations with significant actual and potential negative impacts on local communities	None	
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	100%, the Bank operates in a highly regulated sector with strong anti-corruption systems	
G4-SO4	Communication and training on anti-corruption policies and procedures	79-81	
G4-SO5	Confirmed incidents of corruption and actions taken	None	
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	None	

PRODUCT RESPONSIBILITY

G4-DMA		30	
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GRI G4 Content Index for Specific Standard Disclosures

SPECIFIC STANDARD DISCLOSURES

Specific Standard Disclosures	DMA and Indicators	Location of Disclosure	External Assurance
G4-PR3	Type of product and service information required by the organisation procedures for product and service information and labelling and percentage of significant product and service categories subject to such information requirements	30-31	
G4-PR 4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	None	
G4-PR 5	Results of surveys measuring customer satisfaction	31	Yes. 89-91
G4-PR 8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	31	Yes. 89-91
G4-PR 9	Monetary value of significant fines for non-compliances with laws and regulations concerning provision and use of product and services	None	

GRI Content Index for Financial Services Sector Disclosures

SPECIFIC STANDARD DISCLOSURES

Specific Standard Disclosures	DMA and Indicators	Location of Disclosure	External Assurance
ECONOMIC			
G4-DMA	Economic performance	34	
G4-EC1	Direct economic value generated and distributed	34-35	
ENVIRONMENTAL			
G4-EN15	Direct green house gases	69	
G4-EN16	Indirect green house gas emissions	69	
G4-EN17	Other indirect green house emissions	69	
G4-EN23	Total weight of waste by type and disposal method	69	
SOCIAL			
LABOUR PRACTICES AND DECENT WORK			
G4-DMA	Occupational health and safety	YES BANK Sustainability Report 12-13: 50	
HUMAN RIGHTS			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	The ESP is integrated into core credit approval mechanisms. All portfolios falling within ESP guidelines are screened.	

GRI Content Index for Financial Services Sector Disclosures

SPECIFIC STANDARD DISCLOSURES

Specific Standard Disclosures	DMA and Indicators	Location of Disclosure	External Assurance
SOCIETY			
FS13	Access points in low-populated or economically disadvantaged areas by type	37-43, 51-53	
FS14	Initiatives to improve access to financial services for disadvantaged people	37-43, 51-53	
PRODUCT RESPONSIBILITY			
G4-DMA	Product and service labelling	YES BANK Sustainability Report 12-13: 35	
G4-DMA	Product portfolio	YES BANK Sustainability Report 12-13: 35	
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	YES BANK Annual Report 13-14: 182	
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	37-43	
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	37-43, 47-60	
G4-DMA	Audit	28	
G4-DMA	Active ownership	YES BANK Annual Report 13-14: 139-141	
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted On environmental or social issues	The Bank interacts with all companies falling within ambit of ESP	
FS11	Percentage of assets subject to positive and negative environmental or social screening	All assets within ambit of ESP are screened	

UN Global Compact Reconciliation

Global Compact Principles	GRI Disclosures	Page Reference / Explanation
Principle 1: Human Rights Businesses should support and respect the protection of internationally proclaimed human rights	GRI Disclosures to report actions taken to implement Principle 1 and outcomes from implementing Principle 1	
	Indicators	
	Human Rights:	
	Aspect Investment: G4-HR2: TOTAL HOURS OF EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED	79-80 100 percent
	Aspect Security Practices: G4-HR7: PERCENTAGE OF SECURITY PERSONNEL TRAINED IN THE ORGANIZATION'S HUMAN RIGHTS POLICIES OR PROCEDURES THAT ARE RELEVANT TO OPERATIONS	100 percent Training is as per Bank Guidelines and policies which include human rights
	Aspect: Indigenous Rights G4-HR8: TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES AND ACTIONS TAKEN	None
	Aspect Assessment G4-HR9: TOTAL NUMBER AND PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS	100 percent through policies, including vendor code, and risk assessment systems, all of the Bank's operations have been reviewed for HR violations
	Aspect Human Rights Grievance Mechanisms G4-HR12: NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	None
	Society:	
	Aspect: Local Communities G4-SO1: PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS	37-43
	G4-SO2: OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES	None
Principle 2: Human Rights Business should make sure they are not complicit in human rights abuses	GRI Disclosures to report actions taken to implement Principle 2 and outcomes from implementing Principle 2	

UN Global Compact Reconciliation

Global Compact Principles	GRI Disclosures	Page Reference / Explanation
	Indicators	
	Human Rights:	
	Aspect Investment: G4-HR1: TOTAL NUMBER AND PERCENTAGE OF SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT UNDERWENT HUMAN RIGHTS SCREENING	The ESP is integrated into core credit approval mechanisms. All portfolios falling within ESP guidelines are screened.
	Aspect Supplier Human Rights Assessment G4-HR10: PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA	100 percent through policies, including vendor code, and risk assessment systems, all of the Bank's suppliers have been reviewed for HR violations
	G4-HR11: SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN	None
Principle 3: Labour Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	GRI Disclosures to report actions taken to implement Principle 3 and outcomes from implementing Principle 3	
	General Standard Disclosures Organizational Profile	
	G4-11 a. Report the percentage of total employees covered by collective bargaining agreements.	As there are no unions, no collective bargaining agreements exist
	Indicators	
	Human Rights:	
	Aspect Freedom of Association and Collective Bargaining G4-HR4: OPERATIONS AND SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND MEASURES TAKEN TO SUPPORT THESE RIGHTS	None
	Labor:	
	Aspect Labor/Management Relations G4-LA4: MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS	90 days

UN Global Compact Reconciliation

Global Compact Principles	GRI Disclosures	Page Reference / Explanation
Principle 4: Labour Businesses should uphold the elimination of all forms of forced and compulsory labour.	GRI Disclosures to report actions taken to implement Principle 4 and outcomes from implementing Principle 4	
	Indicators	
	Human Rights:	
	Aspect: Forced or Compulsory Labor G4-HR6: OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOR	None
Principle 5: Labour Businesses should uphold the effective abolition of child labour.	GRI Disclosures to report actions taken to implement Principle 5 and outcomes from implementing Principle 5	
	Indicators	
	Human Rights:	
	Aspect Child Labor G4-HR5: OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ABOLITION OF CHILD LABOR	None
Principle 6: Labour Businesses should uphold the elimination of discrimination in respect of employment and occupation.	GRI Disclosures to report actions taken to implement Principle 6 and outcomes from implementing Principle 6	
	General Standard Disclosures Organizational Profile	

UN Global Compact Reconciliation

Global Compact Principles	GRI Disclosures	Page Reference / Explanation
	G4-10 a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	9, 81-83
	Indicators	
	Economic:	
	Aspect: Market Presence G4-EC5: RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION	On par or above the local minimum wage
	G4-EC6: PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION	Senior appointments are made on basis of Bank's need, with equal weightage given to all
	Labor Practices and Decent Work:	
	Aspect: Employment G4-LA1: TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION	83
	G4-LA3: RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER	83
	Aspect: Training and Education G4-LA9: AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY	79-80
	G4-LA11: PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY	100 percent

UN Global Compact Reconciliation

Global Compact Principles	GRI Disclosures	Page Reference / Explanation
	Aspect: Diversity and Equal Opportunity G4-LA12: COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY	81-83
	Aspect: Equal Remuneration for Women and Men G4-LA13: RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION	76
	Human Rights:	
	Aspect: Non-discrimination G4-HR3: TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN	None
Principle 7: Environment: Businesses should support a precautionary approach to environmental challenges	GRI Disclosures to report actions taken to implement Principle 7 and outcomes from implementing Principle 7	
	Indicators	
	Economic:	
	Aspect: Economic Performance G4-EC2: FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE	19, 57
	Environmental:	
	Aspect: Materials G4-EN1: MATERIALS USED BY WEIGHT OR VOLUME	Being a service provider, this is not a Material issue to the organization
	Aspect: Energy G4-EN3: ENERGY CONSUMPTION WITHIN THE ORGANIZATION	69
	Aspect Water G4-EN8: TOTAL WATER WITHDRAWAL BY SOURCE	Being a service provider, this is not a Material issue to the organization
	Aspect: Emissions G4-EN15: DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)	69
	G4-EN16: ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)	69
	G4-EN17: OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)	69
	G4-EN20: EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)	Being a service provider, this is not a Material issue to the organization

UN Global Compact Reconciliation

Global Compact Principles	GRI Disclosures	Page Reference / Explanation
	G4-EN21: NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS	Being a Service organization, this is not Material issue to the organization
	Aspect: Products and Services G4-EN27: EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES	30-31, 66-69
	Aspect: Overall G4-EN31: TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE	69
Principle 8: Environment Businesses should undertake initiatives to promote greater environmental responsibility	GRI Disclosures to report actions taken to implement Principle 8 and outcomes from implementing Principle 8	
	Indicators	
	Environmental:	
	Aspect: Materials G4-EN1: MATERIALS USED BY WEIGHT OR VOLUME	Being a service provider, this is not a Material issue to the organization
	G4-EN2: PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS	Being a service provider, this is not a Material issue to the organization
	Aspect: Energy G4-EN3: ENERGY CONSUMPTION WITHIN THE ORGANIZATION	69
	G4-EN4: ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION	69
	G4-EN5: ENERGY INTENSITY	69
	G4-EN6: REDUCTION OF ENERGY CONSUMPTION	69
	G4-EN7: REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES	30, 66-69
	Aspect: Water G4-EN8: TOTAL WATER WITHDRAWAL BY SOURCE	Being a service provider, this is not a Material issue to the organization
	G4-EN9: WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER	Being a service provider, this is not a Material issue to the organization
	G4-EN10: PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED	Being a service provider, this is not a Material issue to the organization

UN Global Compact Reconciliation

Global Compact Principles	GRI Disclosures	Page Reference / Explanation
	Aspect: Biodiversity G4-EN11: OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS	None
	G4-EN12: DESCRIPTION OF SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY IN PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS	None
	G4-EN13: HABITATS PROTECTED OR RESTORED	46, 48
	G4-EN14: TOTAL NUMBER OF IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS, BY LEVEL OF EXTINCTION RISK	None
	Aspect: Emissions G4-EN15: DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)	69
	G4-EN16: ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)	69
	G4-EN17: OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)	69
	G4-EN18: GREENHOUSE GAS (GHG) EMISSIONS INTENSITY	69
	G4-EN19: REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS	69
	G4-EN20: EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)	Being a service provider, this is not a Material issue to the organization
	G4-EN21: NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS	Being a service provider, this is not a Material issue to the organization
	Aspect: Effluents and Waste G4-EN22: TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION	Being a service provider, this is not a Material issue to the organization
	G4-EN23: TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD	68
	G4-EN24: TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS	None
	G4-EN25: WEIGHT OF TRANSPORTED, IMPORTED, EXPORTED, OR TREATED WASTE DEEMED HAZARDOUS UNDER THE TERMS OF THE BASEL CONVENTION ² ANNEX I, II, III, AND VIII, AND PERCENTAGE OF TRANSPORTED WASTE SHIPPED INTERNATIONALLY	None

UN Global Compact Reconciliation

Global Compact Principles	GRI Disclosures	Page Reference / Explanation
	G4-EN26: IDENTITY, SIZE, PROTECTED STATUS, AND BIODIVERSITY VALUE OF WATER BODIES AND RELATED HABITATS SIGNIFICANTLY AFFECTED BY THE ORGANIZATION'S DISCHARGES OF WATER AND RUNOFF	None
	Aspect: Products and Services G4-EN27: EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES	30-31, 66-69
	G4-EN28: PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY	None
Principle 9: Environment Businesses should encourage the development and diffusion of Environmentally friendly technologies.	GRI Disclosures to report actions taken to implement Principle 9 and outcomes from implementing Principle 9	
	Indicators	
	Environmental:	
	Aspect Energy G4-EN6: REDUCTION OF ENERGY CONSUMPTION	69
	G4-EN7: REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES	30, 66-69
	Aspect: Emissions G4-EN19: REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS	69
	Aspect: Products and Services G4-EN27: EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES	30-31, 66-69
	Aspect: Overall G4-EN31: TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE	69
Principle 10: Anti-corruption Businesses should work against corruption in all its forms, including extortion and bribery	GRI Disclosures to report actions taken to implement Principle 10 and outcomes from Implementing Principle 10	
	General Standard Disclosures Ethics and Integrity	
	G4-56 a. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	1, 25

UN Global Compact Reconciliation

Global Compact Principles	GRI Disclosures	Page Reference / Explanation
	G4-57 a. Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	76-77, YES BANK Annual Report 13-14: 132-133
	G4-58 a. Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle blowing mechanisms or hotlines.	21, 25, 76-77
	Indicators	
	Society	
	Aspect Anti-Corruption G4-SO3: TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED	100%, the Bank operates in a highly regulated sector with strong anti-corruption systems
	G4-SO4: COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES	79-81
	G4-SO5: CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN	None
	Aspect Public Policy G4-SO6: TOTAL VALUE OF POLITICAL CONTRIBUTIONS BY COUNTRY AND RECIPIENT/BENEFICIARY	None



YES BANK launched the Natural Capital Awards, in partnership with Saevus wildlife magazine, to highlight the nascent topic of natural capital in India, in 2013.

In the Bank's effort to create further awareness on this topic, the Report includes photographs submitted by participants of the first edition of the Awards.



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