Early Warning System

IFC-36208

Yes Bank Infra

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	U
Borrower	YES BANK LIMITED

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Project Description

The Project comprises an IFC investment in a Green Bond to be issued by Yes Bank, the proceeds of which would be on lent to eligible climate change finance projects mainly in the renewable energy sector. This is expected to be the first Emerging Market Green Bond investment by IFC. The project also includes a long term financing line for on lending to Women owned small and medium sized enterprises.

Founded in 2004, YES Bank Ltd. (“YES Bank” or “the Bank”) is the 4th largest private sector bank in India, with an asset base of c.US$20 billion (Q3FY15). It is one of the fastest growing private sector banks, with the bank’s loan book growing at a CAGR of 29%, over the last 5 years. The Bank has steadily diversified and increased its SME and retail portfolio, which presently comprises 32% of its loan book. As part of its strategy, the Bank aspires to increase the proportion of the SMEs to 50% over the next five years.

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People Affected By This Project

Support to India''s Renewable Energy and Climate Change goals: The project will support a wide range of renewable energy and climate change related projects. The long term funding will be on terms that are consistent with the underlying cash flow profile of such long gestation and capital intensive projects.

Development of the Green Bond Market: IFC''s investment will generate support and confidence in the Green Bond market which is a new asset class in India and help create a new and viable source of long term financing for climate change projects in the domestic markets. The development of the Green Bond Market will provide an impetus to the development of the overall local currency bond market which is a high developmental priority for IFC and for the Government of India. IFC''s investment in an Emerging Market Green Bond will encourage issuers in other markets to issue Green Bonds and support greater resources for Climate Change finance and development of domestic capital markets.

Increased reach to Women owned MSMEs: Women-owned businesses are less likely to be banked because they tend to be smaller and less formal. The socio-cultural environment, where men are still regarded as the heads of the household owning land and property of the family, makes it difficult for women to present assets as collateral to access finance. While banks perceive women-owned businesses to be higher risk, they often do not recognize the economic and social benefit of banking women-owned businesses, who tend to be more loyal customers, less price sensitive and more risk averse.

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Investment Description

- International Finance Corporation (IFC)

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Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

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Other Related Projects

- EIB-20160527 YES BANK (INDIA) CLIMATE ACTION FL