

YES Bank formalises \$500-m green bond plan

Vidya Ram

Rana Kapoor

London, January 19:

Private sector YES Bank looks to open a branch in the UK later this year, as part of plans to extend its international reach.

The initial focus would be on institutional banking, but longer term the bank hopes to expand UK operations into retail banking too, CEO Rana Kapoor said during a visit to London to formalise a previously agreed Memorandum of Understanding (MoU) with the LSE for the listing of a \$500-million green bond, and global depository receipts.

“We are very keen to expand. We would love to have a branch in London and are working on it for this year,” he said in a telephone interview. London, alongside Singapore, would form the basis of the bank’s international focus.

On Tuesday, YES Bank formalised the MoU for the listing of the \$500-million green bond on the London Stock Exchange, announced during Prime Minister Narendra Modi’s visit to London in November last year. The agreement comes as Finance Minister Arun Jaitley spoke to a closed-door investor summit at the LSE, as part of his three-day visit to the UK for an economic and financial dialogue ahead of Davos.

Alongside the \$500-million bond issue, YES Bank is also considering the listing of global depository receipts in London, as part of \$1 billion of equity capital raising plans.

“London is a fantastic market, and Indian rupee bonds are going to be very successful,” he said. The bank plans to further issue up to \$1 billion of rupee bonds next year.

Climate finance

The bank has pledged \$5 billion by 2020 towards climate finance in India, with a target funding of 5,000 MW of clean energy. “Right now following COP 21 (Conference of Parties 21 climate summit in Paris) the momentum is fantastic and banks like ours have a responsibility to the green economy,” he said.

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