

Press Release - July 26, 2017

A. YES BANK announces Financial Results for the Quarter ended June 30, 2017

B. Stock Split of 5 for 1 approved by Board, subject to approval from Shareholders' and RBI

1. PROFIT & LOSS (P&L): Superior Shareholder Returns, Steady Expansion in NIMs

- **Net Profit of ₹ 965.5 Crores in Q1FY18;** y-o-y growth of 31.9%
- **Net Interest Income** of ₹ 1,808.9 Crores for Q1FY18; y-o-y growth of 44.0% driven by growth in Advances & CASA, and steady expansion in NIM
- **NIM expanded to 3.7%** for Q1FY18 from 3.6% in Q4FY17
- **Non-Interest Income** of ₹ 1,132.2 Crores for Q1FY18; y-o-y growth of 17.8%
- **Total Net Income** of ₹ 2,941.1 Crores in Q1FY18 y-o-y growth of 32.7%
- **Operating Profit** of ₹ 1,704.2 Crores for Q1FY18; y-o-y growth of 30.4%
- Highly satisfactory return ratios with **RoA at 1.8%** and **RoE at 17.4%**. **Book Value** at ₹ 489.3 per share

2. BALANCE SHEET: Robust Growth with Improving CASA & Capital Ratios

- Total Assets grew by 25.3% y-o-y to ₹ 222,145.2 Crores
- Total Deposits grew by 22.6% y-o-y to ₹ 150,240.9 Crores
- **CASA ratio at 36.8%**, an increase of 7.2% in one year, on the back of 52.2% growth y-o-y
- SA and CA deposits posted strong growth of 45.8% and 66.6% respectively y-o-y
- **CASA + Retail FDs** as a % of Total Deposits stands at a healthy 61.8%, an increase of 6.5% in one year
- **Advances** grew by 32.1% to ₹ 139,971.8 Crores on the back of robust growth in both Corporate and Retail businesses. Core Retail Advances grew by 166% y-o-y
- **Total Capital Adequacy** at 17.6%. Total Capital Funds stand at ₹ 32,541.3 Crores
- Tier I Ratio and CET I ratio increases to 13.8% and 11.9% respectively (*by 50 bps each compared to the previous quarter*)
- Risk Weighted Assets stood at ₹ 185,221.2 Crores. RWA to Total Assets at 83.4%

3. STABLE ASSET QUALITY: Recovery in One Extraordinary Account

- **Credit Costs at 18 bps** for Q1FY18. **Provision** on one extraordinary account (declared as NPA in Q4FY17) **Retained**
- Gross Non Performing Advances **(GNPA) at 0.97%** (₹ 1,364.4 Crores) and Net Non Performing Advances **(NNPA) at 0.39%** (₹ 545.3 Crores). ~60% recovered from one extraordinary account classified as NPA in Q4FY17. Further time bound recoveries expected
- **Provision Coverage Ratio (PCR) stands at 60.0%**
- **No new restructuring; Sale to ARC; SDR; 5:25 Refinancing; S4A during the quarter.**
- One account (0.07%) was upgraded during the quarter from Restructured to Standard Asset due to satisfactory conduct during the prescribed period
- Outstanding Standard Advances of **0.24%** (₹ 343.3 Crores) to only 2 borrowers where YES Bank has modest exposure (out of the 12 borrowers to be referred to NCLT under the **Insolvency and Bankruptcy Code - IBC**) with 50% provision made proactively against the fully secured exposures well in advance of the regulatory prescribed period

Financial Highlights from Q1FY18 Results:

P & L Highlights					
(₹ in Crore)	Q1FY18	Q1FY17	Growth % (y-o-y)	Q4FY17	Growth % (q-o-q)
Net Interest Income	1,808.9	1,256.1	44.0%	1,639.7	10.3%
Non Interest Income	1,132.2	961.0	17.8%	1,257.4	(10.0%)
Total Net Income	2,941.1	2,217.1	32.7%	2,897.1	1.5%
Operating Profit	1,704.2	1,306.8	30.4%	1,691.0	0.8%
Provision	285.8	206.6	38.3%	309.7	(7.7%)
Profit after Tax	965.5	731.8	31.9%	914.1	5.6%
Basic EPS (₹)	21.1	17.4	21.3%	21.6	(2.2%)
Key P & L Ratios					
	Q1FY18	Q1FY17		Q4FY17	
Return on Assets [#]	1.8%	1.7%		1.8%	
Return on Equity [#]	17.4%	20.7%		21.8%	
NIM	3.7%	3.4%		3.6%	
Cost to Income Ratio	42.1%	41.1%		41.6%	
Non Interest Income to Total Income	38.5%	43.3%		43.4%	

Balance Sheet Highlights					
(₹ in Crore)	30-Jun-17	30-Jun-16	Growth % (y-o-y)	31-Mar-17	Growth % (q-o-q)
Advances	139,971.8	105,942.0	32.1%	132,262.7	5.8%
Deposits	150,240.9	122,581.1	22.6%	142,873.9	5.2%
CASA	55,215.1	36,288.3	52.2%	51,869.7	6.4%
Shareholders' Funds	22,387.4	14,536.9	54.0%	22,054.1	1.5%
Total Capital Funds*	32,541.3	22,394.3	45.3%	31,731.2	2.6%
Total Balance Sheet	222,145.2	177,228.9	25.3%	215,059.9	3.3%
Key Balance Sheet Ratios					
Capital Adequacy*	17.6%	15.5%		17.0%	
CET I Ratio*	11.9%	9.9%		11.4%	
Tier I Ratio *	13.8%	10.3%		13.3%	
Book Value (₹)	489.3	345.2		468.7	
Gross NPA	0.97% (₹ 1,364.4 Crs)	0.79%		1.52%	
Net NPA	0.39% (₹ 545.3 Crs)	0.29%		0.81%	
Provision Coverage Ratio	60.0%	64.2%		46.9%	
Credit Costs (in bps)	18	15		19	
Restructured Advances %	0.24%(₹ 331.4 Crs)	0.49%		0.36%	
Security Receipts (Net) %	0.69%(₹ 977.1 Crs)	0.19%		0.73%	
Standard SDRs	0.20%(₹ 287.4 Crs)	0.03%		0.24%	
5-25 Refinancing	0.10%(₹ 138.9 Crs)	-		0.09%	
S4A	0.01%(₹ 18.9 Crs)	-		0.01%	

Annualized

* As per Basel III, including profit, excluding prorated dividend

Mumbai, July 26, 2017: The Board of Directors of YES BANK Ltd. took on record the Q1FY18 results at its meeting held in Mumbai today.

Commenting on the results and financial performance, Mr. Rana Kapoor, Managing Director & CEO, YES BANK said, “We will be shortly commencing our 14th year of commercial operations one more quarter from now and we remain well on course to achieve our stated objectives for 2020 with yet another quarter of overall satisfactory performance.

Our investments in Retail franchise are now demonstrating meaningful outcomes with significant momentum through robust CASA growth of 55.2% taking CASA ratio to 36.8% and Core Retail Advances growth of 166%. At the same time the Bank continues to garner market share in its various Corporate & MSME businesses while maintaining superior asset quality parameters.

The Board is also pleased to approve Stock Split in the ratio of 5 for 1 and takes this opportunity to thank its shareholders for their valued support.”

PORTFOLIO & ASSET QUALITY DISCLOSURES

1. Segmentation of Advances:

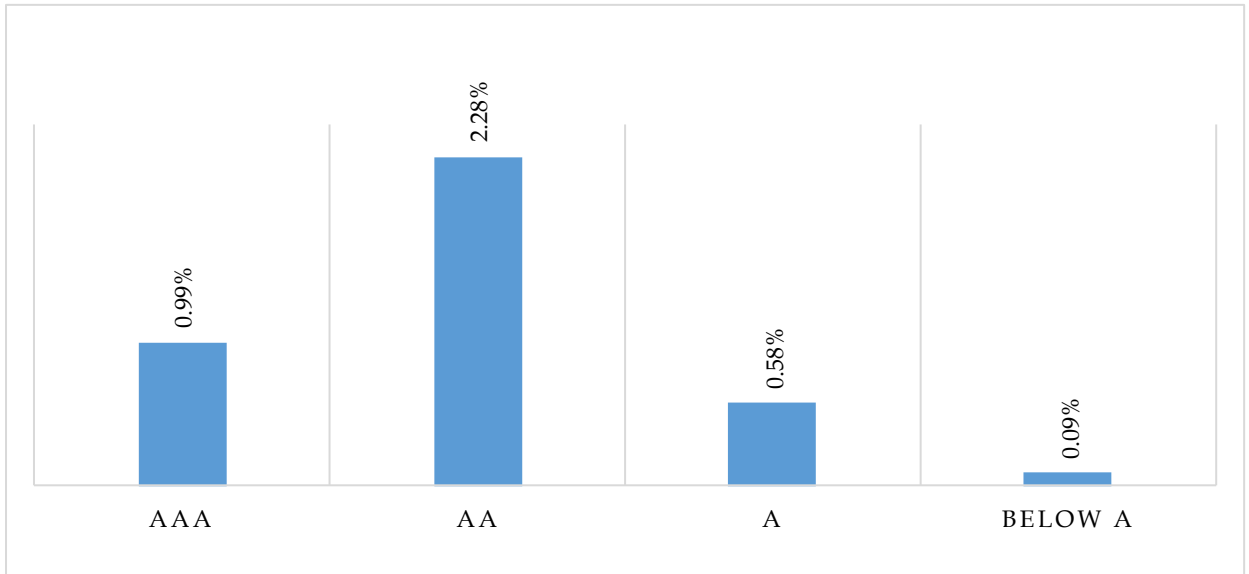
Business Segment	As on June 30, 2017	As on March 31, 2017	As on June 30, 2016
A) Corporate Banking (8 segmental relationship groups)	68.1%	67.7%	67.5%
B) Retail & Business Banking	31.9%	32.3%	32.5%
of which:			
i) Business Banking (Medium Enterprises)	9.9%	10.5%	11.0%
ii) Micro & Small Enterprises	11.5%	12.3%	12.1%
iii) Consumer Banking (Urban and Rural)	10.5%	9.5%	9.4%
Total	100.0%	100.0%	100.0%

2. Sensitive Sector disclosures:

Sector/ Rating*	% of Total Exposure as on June 30, 2017	% of Total Exposure as on March 31, 2017
(A) Electricity	10.6 %	11.3%
AAA/AA rated investments	0.2 %	0.8%
T&D	1.4 %	1.6%
Renewable Exposures(Green-Financing)	4.9% (2.8% is operational)	4.8% (2.6% is operational)
Non-Renewable	4.1% (all operational)	4.0% (all operational)
Exposure to SEBs	Nil	Nil
(B) Iron & Steel	1.9 %	1.8%
A or above rated	1.4 %	1.3%
(C) EPC	7.3 %	7.3%
A or above rated	4.9 %	4.4%
(D) Telecom (Refer to below chart for details)	3.9%	4.9%
A and above rated	3.8%	4.2%

*Based on Internal Corporate ratings models mapped to external ratings

Telecom Exposure – Additional Details:

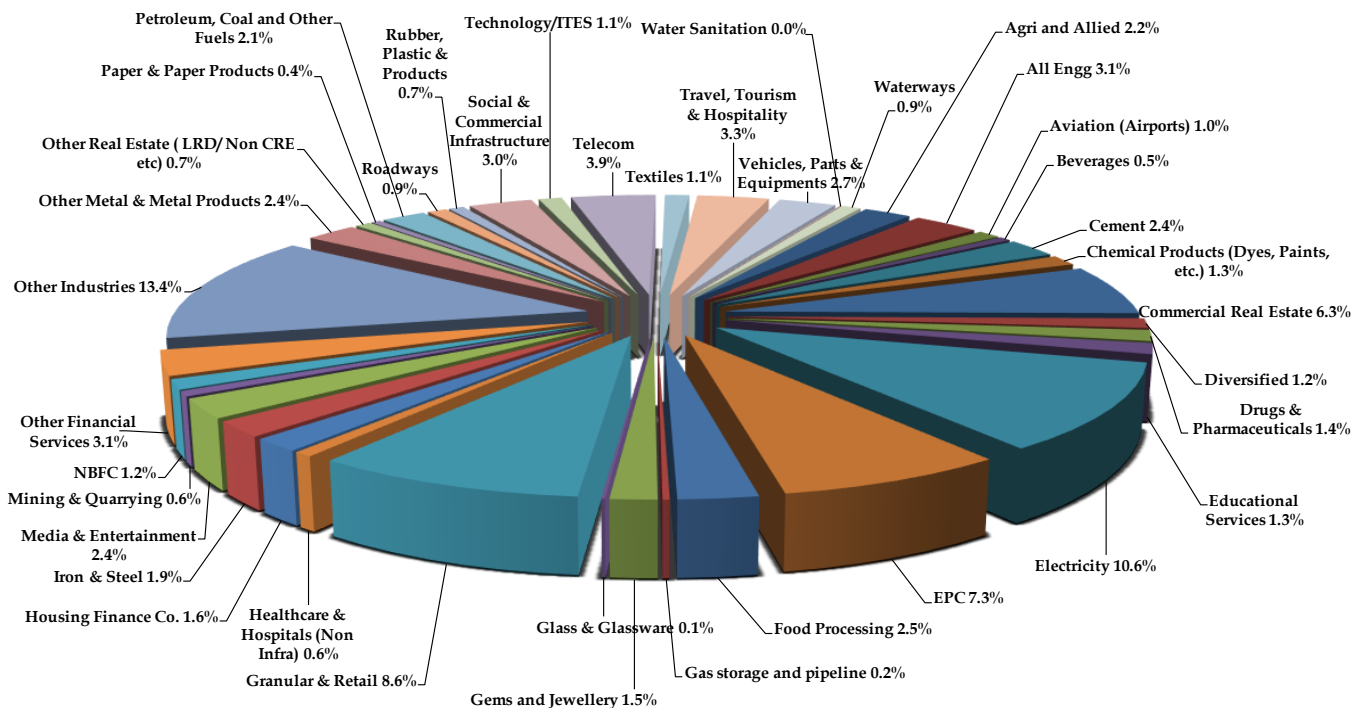


In accordance with RBI Guidelines dated April 18, 2017, Bank as per its internal Board approved policy, has made an additional Standard Asset Provisioning of 0.4% on the outstanding advances of Telecom sector (*basis internal ratings*).

Overall Corporate portfolio continues to be well rated with over 75% portfolio rated ‘A’ or better (*Based on Internal Corporate rating models mapped to external ratings*) and well distributed across growth sectors.

3. Sectoral Distribution

Overall portfolio is well distributed with significant deployment in YES BANK focused knowledge sectors where the Bank has developed considerable sectoral expertise with specialized Relationship, Product and Risk Managers (*3 Eye Relationship and Risk Management organizational framework*)



4. Asset Quality

(a) Movement of NPA:

	Particulars	Total excluding one extraordinary account (A)	One Extraordinary Account (B)	Grand Total (C=A+B)
Gross NPA	Gross NPA (March 31, 2017) (i)	1,107.1	911.5	2,018.6
	Additions during Q1FY18 (ii)	201.0	-	201.0
	Recoveries, Upgrades & Writeoff (iii)	309.6	545.6	855.1
	Gross NPA (June 30, 2017) (i+ii-iii)	998.5	365.9	1,364.4
	GNPA Ratio (March 31, 2017)	0.83%	0.69%	1.52%
	GNPA Ratio (June 30, 2017)	0.71%	0.26%	0.97%
Provisions	Provisions (March 31, 2017)	718.4	227.9	946.3
	Provisions (June 30, 2017)	591.2	227.9	819.1
	Provision Coverage (March 31, 2017)	64.9%	25.0%	46.9%
	Provision Coverage (June 30, 2017)	59.2%	62.3%	60.0%
Net NPA	Net NPA (March 31, 2017)	388.7	683.6	1,072.3
	Net NPA (June 30, 2017)	407.3	138.1	545.3
	NNPA Ratio (March 31, 2017)	0.29%	0.52%	0.81%
	NNPA Ratio (June 30, 2017)	0.29%	0.10%	0.39%

(b) Recovery in One extraordinary account (classified as NPA in Q4FY17)

- Bank recovered ₹ 545.6 Crores (~60% of total exposure) in Q1FY18 with further time bound recoveries expected in Q2FY18.
- Provision of ₹ 227.9 Crores retained against remaining Sustainable Debt exposure which is currently expected to be upgraded in June 2019 in line with RBI guidelines

(c) NPA - Credit Costs at 18 bps for Q1FY18

- Gross Non Performing Advances as a proportion of Gross Advances was at **0.97%** (₹ 1,364.4 Crores) as at June 30, 2017, down from 1.52% as at March 31, 2017. Net Non Performing Advances as a proportion of Net Advances was at **0.39%** (₹ 545.3 Crores) as at June 30, 2017, down from 0.81% as at March 31, 2017 with Provision Coverage Ratio at 60%.

(d) Security Receipts at 0.69%

- Net Security Receipts (SRs) stood at **0.69%** of Gross Advances (₹ 977.1 Crores, comprising 15 borrowers) as on June 30, 2017 down from 0.73% as on March 31, 2017. **No sale to ARC during the quarter.** Against these SRs, the collateral /security coverage is adequate and expected to be significantly realizable.

(e) Standard Restructured Advances at 0.24%

- The total Standard Restructured Advances as a proportion of Gross Advances was at **0.24%** (₹ 331.4 Crores) as at June 30, 2017, down from 0.36% as at March 31, 2017. **No additional restructuring during the quarter.**
- One account (equivalent to 0.07% of Gross Advances) was upgraded during the quarter from Restructured to Standard Asset due to satisfactory conduct during the prescribed period.

(f) **Standard SDR Exposure at 0.20%**

- Standard SDR exposure of **0.20%** (₹ 287.4 Crores) to Gross Advances as on June 30, 2017 against 0.24% as on March 31, 2017. **No additional account was restructured through SDR route during the quarter.**

(g) **5:25 Refinanced Exposure at 0.10%**

- Standard 5:25 refinanced exposure at 0.10% (₹ 138.9 Crores) of Gross Advances as on June 30, 2017 from two accounts. **No additional account was refinanced through 5:25 route during the quarter.**

(h) **S4A Exposure at 0.01%**

- Standard S4A exposure outstanding at 0.01% (₹ 18.9 Crores) of Gross Advances as on June 30, 2017. **No additional account was restructured through S4A route during the quarter.**

(i) **Bank's exposure to select accounts referenced in RBI IBC/NCLT notification dated June 13, 2017**

- Outstanding Advances of 0.24% (₹ 343.3 Crores) to only 2 borrowers
- Exposures to both the borrowers are fully Secured, Standard and performing with the Bank
- 50% Provision made proactively on the above exposures ahead of RBI prescribed requirements

OTHER KEY HIGHLIGHTS

1. Liquidity Coverage Ratio:

During Q1FY18, Bank continued with the LCR maintenance at well above 80% regulatory requirement with daily average Liquidity Coverage ratio of **88.3%**, reflecting a healthy liquidity position.

2. YES BANK Rating Profile

Bank continues to maintain strong credit ratings across International and Domestic Rating agencies:

- Moody's Long-term international rating unchanged at Baa3 which is in line with the Sovereign Rating of India.
- Domestic Rating agencies, ICRA, CARE and India Ratings (*as applicable*), have Long-Term ratings of AA+ for the Bank's Basel III compliant Tier II instruments as well as for Infrastructure Bonds, and AA rating for Basel III ATI (one notch below Senior Rating)

3. Social Media

According to the recent ranking by The Financial Brand publication, **YES Bank is:**

- Ranked amongst the Top 5 Most Social Banks in the World as ranked by The Financial Brand.
- **Highest Followed Global Bank Brand on Twitter** with over **2.7 million followers**, and on **Instagram** with over **475,000 followers**
- Also the **second Highest Liked Global Bank Brand on Facebook** with more than **6.8 million Page Likes**

4. Digital Banking

Bank's key digital initiatives revolutionizing payments ecosphere are as follows:

- Continued momentum in UPI ecosystem with 38% market share and over 22 million YES BANK's UPI partnered Apps downloaded till date
- YES Pay (*wallet*) integrated with BBPS for facilitating Bill payments
- **Tie up with Hike Messenger and Indus Operating System** to revolutionize P2P and P2M payments within the chat platform, including mobile top-ups amongst others
- Launch of Interoperable cash deposits across all Cash Recyclers
- **Improving productivity, efficiency and increasing customer engagement:**
 - Launched BOT enabled services for Commercial Retail Assets (YES RO-BOT) after an earlier launch for Consumer Retail Assets
 - YES Engage to assist front line sales staff for Retail assets, Business Banking, Credit Card and Collections unit.
 - Launched 1 Minute In-Principle Loan Approval bot functionality on YES MOBILE app
 - Launch of **Eureka Deals on YES PAY (*wallet*)** through dispensing of offers and deals on phone unlock

5. Expansion & Knowledge Initiatives

- YES BANK's Branch network stood at **1,020 Branches** as on June 30, 2017, an increase of 20 branches during the quarter. ATM network stood at **1,796** which includes 1,287 ATMs and 509 are Bunch Note Acceptors/Cash Recyclers
- Total headcount stands at **20,851** as at June 30, 2017, an increase of 4,430 employees since June 30, 2016
- Included in **FTSE4Good Emerging Index** for the first time. The Bank was assessed on ESG performance and parameters including – climate change action, community initiatives, labour practices, environmental footprint, corporate governance and risk management
- Signed an **MoU with Santander UK Plc** to promote India-UK Trade and business networking opportunities through collaboration on key knowledge sectors in Corporate Banking, Networking SME platforms, as well as co-creation of Fintech Solutions
- Signed an agreement totaling **USD 150 Mn** with **OPIC and Wells Fargo Bank** to support Women Entrepreneurs as well as MSMEs in low-income states
- Became 1st Bank in India to be certified **ISO 31000 compliant** for its Enterprise Risk Management framework
- Concluded its 1st cohort of YES FINTECH with a demo day in which 10 startups demonstrated their Banking solutions created for YES BANK. YES FINTECH has already signed partnerships with multiple global accelerators including OurCrowd (Israel), QC Fintech (Charlotte, USA) and Malaysian Global Innovation & Creativity Centre (Malaysia) bringing global Fintech solutions to our customers in India.
- Going forward, YES FINTECH plans to partner with accelerators in UK, Singapore, Luxembourg and Hong Kong for future linkages

6. Awards & Recognitions

- YES Bank was
 - One of the highest gainer in rankings in the prestigious **The Banker 1000 Rankings** in 2017 of Largest Banks of the World and 2017 edition of **Forbes Global 2000 List** of World's Largest Companies
 - Rose **129** places to 271 World Ranking in 'The Banker 1000 Rankings'
 - Rose **493** places to #1239 World ranking in 'Forbes Global 2000 List'. Continues to be amongst the youngest Banks in this list
 - **The Asset Triple A Asia Infrastructure Awards 2017** winner of
 - **Renewable energy deal of the year** – Solar (Overall), for Sepset Construction Limited loan facility, in which YES BANK acted as the Lead Arranger
 - **Project finance/Renewable energy deal of the year** – Solar, India, for Sepset Construction Limited in which YES BANK acted as the Lead Arranger
 - Awarded **Celent Model Bank 2017 Award** for Payments Product for API Banking, in Boston. YES BANK was the first Bank to introduce 'API Banking' service in India
 - Awarded the **Global Trade Review (GTR) Best Deals Award 2016** for Blockchain implementation
 - Adjudged as the '**Best Trade Finance Bank in India**' at The Asian Banker Transaction Banking Awards 2017, for the **3rd year in a row**
 - Mr. Rana Kapoor felicitated by the Government of Maharashtra for his commitment to the development of the state of Maharashtra
 - Mr. Rana Kapoor was felicitated for '**Outstanding Contribution towards promoting Luxury, Culture and Creativity**' organized by Luxury League Symposium in New Delhi

The Press Conference of YES Bank's results will commence at 2:30 pm and we have invited leading business news channels, newswires and publications to cover the conference as well as interviews of YES Bank's management team.

YES Bank's analyst conference call, scheduled on July 26, 2017 at 5:30pm, can be heard at following link, post 10 pm:
<https://www.yesbank.in/about-us/investors-relation/financial-information/financialresults>

ABOUT YES BANK

YES BANK, India's fifth largest private sector Bank, is the outcome of the professional & entrepreneurial commitment of its Founder Rana Kapoor and his top management team, to establish a high quality, customer centric, service driven, private Indian Bank catering to the Future Businesses of India. YES BANK has adopted international best practices, the highest standards of service quality and operational excellence, and offers comprehensive banking and financial solutions to all its valued customers.

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