

Press Release – July 17, 2019

YES BANK announces Financial Results for the Quarter ended June 30, 2019

1. **KEY HIGHLIGHTS - 'RESILIENT PERFORMANCE'**

✓ **Return to Profitability:**

- NII grew 2.8% y-o-y to ₹ 2,281 Crores in Q1FY20 despite absorbing impact of ~₹ 223 crores of interest reversals on account of slippages during the quarter
- Pre-Provisioning Operating Profit grew 48.0% sequentially to ₹ 1,959 Crores
- Net Profit at ₹ 114 Crores for Q1FY20 despite absorbing one off impact from MTM provisions of ₹ 1,109 Crores

✓ **Calibrated Advances Growth; Retail Momentum continues:**

- Advances grew by 10.1% y-o-y to ₹ 2,36,300 Crores
- Retail Advances grew 43.3% y-o-y and 7.2% sequentially to 18.3% of Advances from 14.0% last year. Retail Advances growth accounted for 60.5% of incremental y-o-y growth in Advances

✓ **Resilient Asset Quality:**

- Credit Cost of 32 bps during Q1FY20
- The Bank maintains the Credit cost guidance of up to 125 bps for FY20
- Provision Coverage Ratio (PCR) maintained at 43.1%

✓ **Funding and Liquidity Profile:**

- Deposits grew by 5.9% y-o-y to ₹ 2,25,902 Crores
- Retail TDs grew by 37.7% y-o-y and 8.2% sequentially and now account for 28% of total deposits. CASA ratio at 30.2%
- Daily avg. LCR sequentially improved to 117.3% from 110.9%. LCR as of June 30, 2019 at 132.6%

✓ **Capital Position:**

- Total CRAR at 15.7% with Tier I ratio at 10.7%

✓ **Leadership in Digital Payments and Innovation:**

- Pioneering Blockchain innovation: Facilitated 1st Commercial Paper issuance via Blockchain in Asia
- Continues to win significant mandates and emerged as lead Banker of Choice across Unicorns on the back of API Banking
- Outperforming peers in new age payments: Ranked #1 by MEITY among 56 public, private and foreign banks for FY19 digital payments' performance

Management Commentary:

- This was a 'Quarter of Consolidation' in which the Bank has demonstrated strong resilience in Revenues and Asset Quality. We believe that earnings trajectory should strengthen significantly from hereon.
- The Bank continues to reinforce its Digital leadership and continues to win marquee mandates on the back of it.

2. PROFIT & LOSS

- NII grew 2.8% y-o-y to ₹ 2,281 Crores in Q1FY20 which includes the impact of ~₹ 223 crores of interest reversals on account of fresh slippages during the quarter. Consequently NIMs at 2.8%.
- **Non-Interest Income** at ₹ 1,273 Crores for Q1FY20
- **Operating Expenses** grew 9.3% y-o-y to ₹ 1,594 Crores in Q1FY20
- **Pre-Provisioning Operating Profit** grew 48.0% sequentially to ₹ 1,959 Crores
- **Net Provisions** at ₹ 1,784 Crores for Q1FY20 which includes one off impact of ₹ 1,109 Crores of **Investment** MTM Provision led by rating downgrades of investments in Companies of 2 financial services groups
- **Net Profit** at ₹ 114 Crores for Q1FY20
- **Book Value** at ₹ 114.3 per share as on June 30, 2019

3. BALANCE SHEET:

- Total Assets grew 11.6% y-o-y to ₹ 3,71,161 Crores.
- Deposits grew 5.9% y-o-y to ₹ 2,25,902 Crores.
- Retail TDs grew by 37.7% y-o-y and 8.2% sequentially and now account for 28% of total deposits. CASA ratio at 30.2%.
- **Advances** grew by 10.1% y-o-y to ₹ 2,36,300 Crores
- Retail Banking Advances grew 43.3% y-o-y to 18.3% of Advances (up from 14.0% as on June 30, 2018). Segmental mix below:

Business Segment	As on Jun 30, 2019	As on Jun 30, 2018	Growth (y-o-y)	As on Mar 31, 2019	Growth (q-o-q)
A) Corporate Banking	63.9%	67.6%	4.2%	65.6%	-4.6%
of which IBU Advances	8.2%	8.8%	1.5%	7.8%	2.1%
B) Retail & Business Banking of which:	36.1%	32.4%	22.4%	34.4%	2.5%
i) Medium Enterprises*	7.7%	8.7%	-3.3%	7.8%	-3.9%
ii) Small and Micro Enterprises	10.1%	9.7%	15.2%	9.9%	-0.2%
iii) Retail Banking	18.3%	14.0%	43.3%	16.7%	7.2%
Total	100.0%	100.0%	10.1%	100.0%	-2.2%

- **Total Capital Adequacy*** at 15.7% with Total Capital Funds* at ₹ 50,569 Crores. Tier I Ratio* and CET I ratio* at 10.7% and 8.0% respectively
- Risk Weighted Assets stood at ₹ 3,22,982 Crores.

*Includes Profits

4. ASSET QUALITY

(A) Asset Quality as of June 30, 2019:

S.No	Particulars (%)	June 30, 2019
1	Credit Cost (bps)	32 bps
2.1	GNPA	5.01% (₹ 12,092 Crores)
2.2	NNPA	2.91% (₹ 6,883 Crores)
2.3	PCR	43.1%
3	Net Non Performing Investments*	0.23% (₹ 561 Crores)
4	Net Security Receipts*	0.71% (₹ 1,718 Crores)
5	Std. Restructured Exposure*	0.08% (₹ 202 Crores)
TOTAL (2.2 + 3 + 4 + 5)		3.94%

*Computed as a % of Gross Advances for common denomination

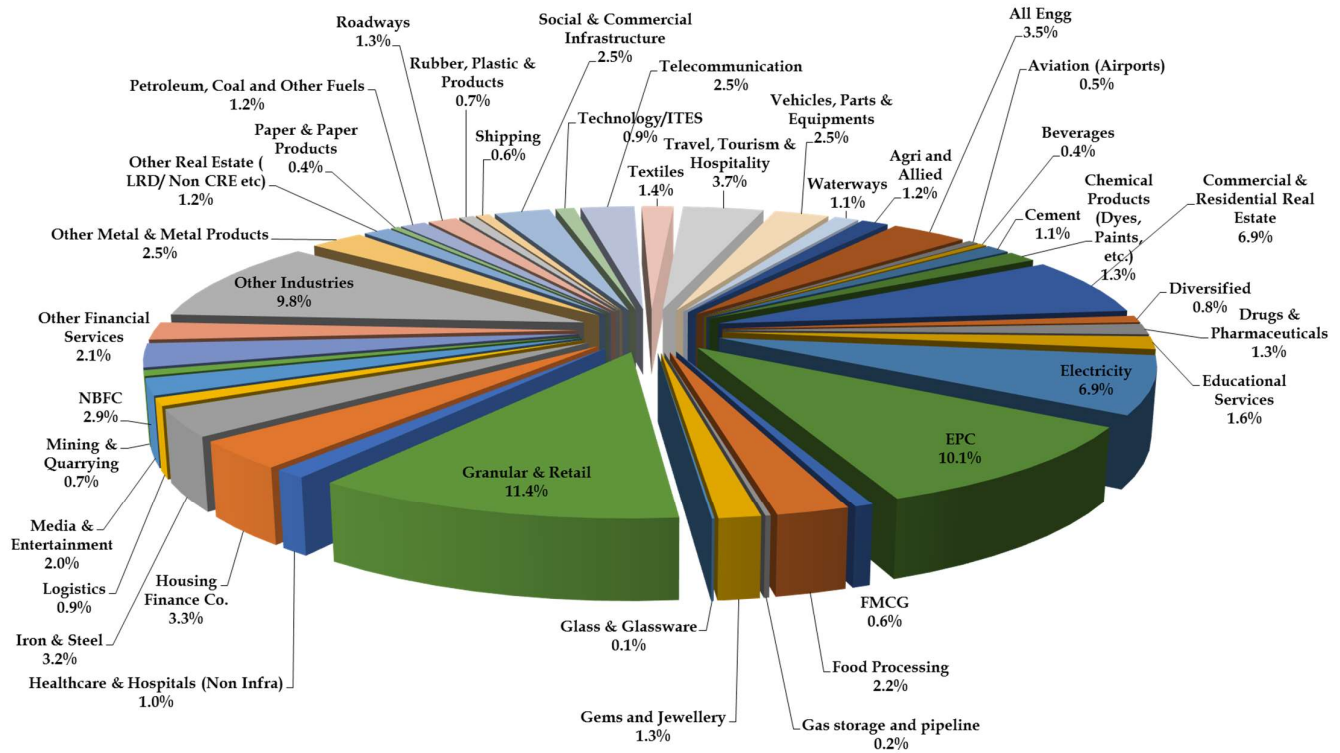
- One NPA account with exposure of ₹ 411 Crores sold to an ARC in Q1FY20.
- Gross Slippages of ₹ 6,232 Crores during Q1FY20. Recoveries and Upgrades aggregated to ₹ 1,678 Crores during the quarter. Net Corporate Slippages were entirely from the accounts classified as **BB & Below** at end of Q4FY19.
- Credit Cost of **32 bps** during Q1FY20.
- The Bank remains confident of the **Credit costs** remaining within the **guided range** of up to **125 bps** for FY20.

(B) Sensitive Sector Disclosures

Sector/ Rating*	% of Total Exposure as on June 30, 2019	% of Total Exposure as on March 31, 2019
(A.1) Non-Renewable Electricity Generation# <i>(All operational)</i>	1.6%	1.9%
(A.2) Exposure to SEBs	Nil	Nil
(B) EPC#	10.1%	10.0%
<i>A or above rated</i>	6.7%	6.7%
(C) Iron & Steel	3.2%	3.0%
<i>A or above rated</i>	2.4%	2.2%
(D) Telecom#	2.5%	2.5%
<i>A or above rated</i>	2.2%	2.2%
(E) Gems & Jewelry	1.3%	1.2%
<i>A or above rated</i>	0.8%	0.7%

*As per Internal Ratings model mapped to External Ratings; #: Registered decrease in absolute exposures on a sequential basis

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)



6. YES BANK leads in innovation in New Age Technology and New Age Payments

Dominating the New Age Payment space

- **MEITY** has ranked YES BANK as # **1 Bank** in promotion of **Digital Payment** across 56 Public and Private sector banks in India
- **UPI:** Since inception YES BANK been **consistently ranked as 1st** for processing **UPI based Merchant transactions**
 - Processed **~77 Crore** transactions amounting to over **₹ 1.3 lakh Crores** in Q1FY20
 - Market share of **around 40%** in Q1FY20 by vol.
 - **IMPS:** Consistently ranked 1st as Remitter Bank, by NPCI.
 - **~4.4 Crore** Transactions processed in Q1FY20
- **AePS:** One of the **Leading Acquirer Bank** on AEPS.
 - **~41%** by Market Share in terms of transaction value in Jun'19
- **API Banking:** Platform throughputs by volume increased by 86%; and 186% by value y-o-y
- Individual **Inward remittance** increased **118%** by **volume**; and **65%** by **value** y-o-y
- **Internet Payment Gateway: First** Acquiring Bank to activate **MasterCard Send**.
 - Highest transaction volume of 2,332 Crores in Q1FY20 and y-o-y volume growth of 77% and Value growth of 66%

Pioneering New Age Technology to deliver superior offerings

- **Issued Asia's 1st Commercial Paper (CP) on Blockchain** for Vedanta Limited. The Issuance was completed using the capabilities of R3 Corda enterprise platform and MonetaGo's enterprise solution
- **YES Mobile:** 62% y-o-y growth in registered user base; while **financial transactions** grew by 83% and 63% y-o-y in terms of value and volume respectively
- **Debit Cards:** Over **1 crore** transaction volumes amounting to **₹ 1,500 Crores** processed this quarter; ~50% growth YoY in transaction volume and value.
- **YES ROBOT - Personal Banking Assistant:** Witnessed over **7.74 Million** interactions till date. YES Robot's Facebook Messenger platform has migrated to Microsoft's AI platform.
- Developed a **microservices based omnichannel**, next best action platform leveraging Hadoop, AI and machine learning for targeted, personalized and contextual recommendations for customers
- Implemented **graph database (Neo4J)** to **map ecosystem relationships** of a customer such as supply chain, vendor, dealer, families etc. to aid acquisition and service

Building Smart Partnerships for a smarter data pool

- New age **Corporates: PhonePe, Dreams 11, Myntra, Swiggy, Oyo, Xoom (A Paypal service)**
- Government Partnerships: **IRCTC, Telangana ePDS, 9 Smart Cities** and 3 campuses
- API Banking : **1000+ Corporates** on-boarded up from 850 corporates last quarter

7. EXPANSION & KNOWLEDGE INITIATIVES

- As on June 30, 2019 Employee strength as on June 30, 2019 stood at **21,745**, branch network stood at **1,122** and ATM network stood at **1,220**.
- YES BANK launched the Click OD (over draft) facility for the Bank's existing Micro, Small and Medium Enterprises (MSME) customers. Through this, an MSME can avail unsecured OD up to Rs. 10 lakh digitally, without any documentation. This unique proposition will be offered to select customers basis their account conduct and credit history.

8. AWARDS & RECOGNITIONS

YES BANK was recognized and bestowed awards at multiple platforms for its Digital & Innovation practices:

- YES BANK recognised with the **Best Trade Finance Bank in India Awards (5th year in a row)** at **The Asian Banker Transaction Awards 2019**. The Bank has also been recognised as the **Best Corporate Trade Finance Deal in India** and **Best Financial Supply Chain Management in India** at **The Asian Banker Bankers Choice Awards 2019**
- YES BANK recognised with **Best Deal South Asia (India) - Transport Deal of the Year, Utility Deal of the Year** and **Renewable Energy Deal of the Year - Solar (Highly Commended)** at **The Asset Triple A Asia Infrastructure Awards 2019**
- YES BANK has been **Ranked No. 1 for exemplary performance in Digital Payments** across public, private, foreign, and payment banks in India by **Ministry of Electronics & Information Technology (MeitY)**
- YES BANK has been selected by *Global Finance* magazine as **The Innovators in Trade Finance** and the **25 Best Financial Innovation Labs (YES FINTECH)**

YES Bank's analyst conference call, scheduled on Jul 17, 2019 at 6:00 PM IST, 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 fourth 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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Annexure

Financial Highlights from Q1FY20 Results:

P & L Highlights					
(₹ in Crores)	Q1FY20	Q1FY19	Growth % (y-o-y)	Q4FY19	Growth % (q-o-q)
Net Interest Income	2,280.8	2,219.1	2.8%	2,505.9	-9.0%
Non-Interest Income	1,272.7	1,694.1	-24.9%	531.7	139.4%
Total Net Income	3,553.5	3,913.3	-9.2%	3,037.6	17.0%
Operating Profit	1,959.1	2,454.7	-20.2%	1,323.4	48.0%
Provision	1,784.1	625.7	185.2%	3,661.7	-51.3%
Profit after Tax	113.8	1,260.4	-91.0%	-1,506.6	NM
Basic EPS (₹)	0.5	5.5	-91.0%	-6.5	NM
Key P & L Ratios					
	Q1FY20	Q1FY19		Q4FY19	
Return on Assets [#]	0.1%	1.6%		-1.6%	
Return on Equity [#]	1.7%	19.4%		-21.8%	
NIM	2.8%	3.3%		3.1%	
Cost to Income Ratio	44.9%	37.3%		56.4%	
Non Interest Income to Total Income	35.8%	43.3%		17.5%	

Balance Sheet Highlights					
(₹ in Crore)	30-Jun-19	30-Jun-18	Growth % (y-o-y)	31-Mar-19	Growth % (q-o-q)
Advances	236,300.2	214,720.1	10.1%	241,499.6	-2.2%
Deposits	225,901.5	213,394.5	5.9%	227,610.2	-0.8%
Shareholders' funds	26,495.2	26,313.9	0.7%	26,904.2	-1.5%
Total Capital Funds*	50,569.1	46,983.7	7.6%	50,459.1	0.2%
Total Balance Sheet	371,161.3	332,549.3	11.6%	380,826.2	-2.5%
Key Balance Sheet Ratios					
Capital Adequacy*	15.7%	17.3%		16.5%	
CET I Ratio*	8.0%	9.5%		8.4%	
Tier I Ratio*	10.7%	12.8%		11.3%	
Book Value (₹)	114.3	114.1		116.2	
Gross NPA	5.01%	1.31%		3.22%	
Net NPA	2.91%	0.59%		1.86%	
Provision Coverage Ratio	43.1%	55.3%		43.1%	
Credit Costs (in bps)	32	15		137	
Restructured Exposure%	0.08% (₹ 202 Cr)	0.12%		0.08%	
Security Receipts (Net)%	0.71% (₹ 1,718 Cr)	0.82%		0.71%	
CASA Ratio	30.2%	35.1%		33.1%	
Daily Average LCR	117.3%	101.0%		110.9%	

Annualized

* Includes Profits

NM: Not Measurable