

Press Release – October 25, 2018

YES BANK announces Financial Results for the Quarter ended September 30, 2018

1. KEY HIGHLIGHTS for Q2FY19

- ✓ **Sustained Operating performance amidst external environmental challenges:**
 - NII grew **28.2%** y-o-y to ₹ 2,417.6 Crores; NIMs stable at **3.3%**
 - Operating Profit grew **24.1%** y-o-y to ₹ 2,366.4 Crores; Cost to Income ratio at **39.2%** flat y-o-y
 - Net Profit declined 3.8% y-o-y to ₹ **964.7 Crores** which includes impact of ₹ **252.2 Crores** of one time MTM provisioning, predominantly on Corporate Bonds. After excluding investment related MTM provisions and Profit on Sale of investments **Adjusted Net profit grew by 36.2% y-o-y**
- ✓ **Stable Balance sheet growth with increasing granularity:**
 - Advances grew by **61.2%** y-o-y to ₹ 2,39,627.5 Crores with stable growth across segments
 - **Retail Banking Advances** grew 103.0% y-o-y to **14.3%** of advances in comparison to 11.4% in Q2FY18
 - Total Deposits grew by **41.0%** y-o-y to ₹ 2,22,837.9 Crores. CASA ratio at 33.8%
 - **CASA + Retail FDs** as a % of Total Deposits stands at a healthy **57.2%** vs. 56.7% sequentially
 - **RWA/ Total Assets** improved to **81.3%** from 81.6% on q-o-q basis and 84.3% on y-o-y basis
 - **Total CRAR at 17.0%** with Tier I ratio at **11.9%** and CET I at **9.0%**
- ✓ **Resilient Asset Quality:**
 - GNPA at **1.60%** and NNPA at **0.84%**
 - Increase in GNPA from earlier disclosed provisional ratio for Q2FY19 (*on October 01, 2018*) due to classification of one account with exposure of ₹ 631.2 Crores as NPA based on post period end review process. Bank expects prepayments and consequent upgrade of this exposure in Q3FY19.
 - Credit costs at 18 bps for the Quarter and 34 bps for Half Year ended September 30, 2018
- ✓ **Comfortable liquidity position:** Liquidity Coverage Ratio of **100.5%** as on September 30, 2018 and daily average Liquidity Coverage ratio of 99.4% for Q2FY19

Commenting on the results and financial performance, Mr. Rana Kapoor, Managing Director & CEO, YES BANK said, “YES BANK has once again delivered satisfactory performance across balance sheet growth, core profitability and asset quality amidst external environmental challenges. Advances growth has been well segmented across Corporate, IBU, MSME and Retail Business. Moreover strong deposit growth with rising proportion of granular deposits (CASA + Retail FDs) is testament to the leverage created across people, branches and technology over the past few years. Inherent strength of the franchise has also been corroborated by recent re-iteration of ratings by various international and domestic credit rating agencies.

As we look forward, I can proudly confirm that the Bank, is fully institutionalized as the Professionals Bank of India, driven by a seasoned leadership of over 100+ top management professionals with significant experience in the industry as well as vintage with YES Bank; and remains well on course to achieve its long term vision of “Building the Finest Quality Large Bank of the World in India”.

2. PROFIT & LOSS: Sustained Operating performance in volatile external environment

- **Net Interest Income** grew by 28.2% y-o-y to ₹ 2,417.6 Crores with NIMs stable at 3.3%
- **Non-Interest Income** grew by 18.0% y-o-y to ₹ 1,473.5 Crores with Core Non Interest Income growing by 38.5% y-o-y
- **Cost to Income ratio** stable at 39.2% on y-o-y basis
- **Operating Profit** posted growth of 24.1% y-o-y to ₹ 2,366.4 Crores
- **Provisions** at ₹ 940.0 Crores which includes:
 - ₹ 409.2 Crores towards NPA provisioning; ₹ 9.7 Crores on account of NPI/ ARC provision
 - ₹ 344.9 Crores towards investment provisioning (*excluding NPI/ ARC provision*) of which ₹ 252.2 Crores of one time MTM provisioning, predominantly on Corporate Bonds, and ₹ 92.7 Crores of amortization of MTM provisions on Bonds allowed under the RBI dispensation
 - ₹ 117.6 Crores of **Standard Assets** provisions
- **Net Profit** declined 3.8% y-o-y to ₹ 964.7 Crores. After excluding impact of investment related MTM provisions and Profit on Sale of investments, **Adjusted Net profit** growth at 36.2% y-o-y
- Return ratios (annualized) for Q2FY19: **RoA** at 1.1%. **RoE** at 14.4%.
- **Book Value** at ₹ 118.4 per share as on September 30, 2018

3. BALANCE SHEET: Robust Balance sheet growth with increasing granularity

- Total Assets grew by 56.6% y-o-y to ₹ 3,71,647.2 Crores. IBU Assets grew by 155.3% y-o-y to US\$ 3.7 Bn
- Deposits grew by 41.0% y-o-y to ₹ 2,22,837.9 Crores
- **CASA ratio** at 33.8%, on the back of 28.2% y-o-y growth. SA (₹ 49,338.5 Crores) and CA (₹ 25,940.7 Crores) deposits posted strong growth of 26.5% and 31.6% y-o-y respectively
- **CASA + Retail FDs** as a % of Total Deposits rose to 57.2% from 56.7% last quarter
- **Advances** grew by 61.2% y-o-y to ₹ 2,39,627.5 Crores on the back of robust growth across Corporate, IBU, MSME and Retail businesses. Retail Banking Advances grew by 103.0% y-o-y to 14.3% of Advances (*up from 11.4% as on September 30, 2017*). Segmental mix below:

Business Segment	As on Sep 30, 2018	As on Sep 30, 2017	Growth (y-o-y)	As on Jun 30, 2018	Growth (q-o-q)
A) Corporate Banking*	68.2%	67.4%	63.0%	67.6%	12.6%
of which IBU Advances	8.7%	5.4%	161.6%	8.8%	10.4%
B) Retail & Business Banking*	31.8%	32.6%	57.4%	32.4%	9.5%
of which:					
i) Medium Enterprises	8.3%	9.9%	34.3%	8.7%	5.8%
ii) Small and Micro Enterprises	9.2%	11.3%	31.6%	9.7%	6.2%
iii) Retail Banking	14.3%	11.4%	103.0%	14.0%	14.0%
Total	100.0%	100.0%	61.2%	100.0%	11.6%

*₹ 823.8 Crores (0.3% of advances) re-classified into Corporate Banking as of September 30, 2018

- **Total Capital Adequacy** at 17.0% with Total Capital Funds at ₹ 51,292.3 Crores. Tier I Ratio and CET I ratio healthy at 11.9% and 9.0% respectively (*including profits*)
- Risk Weighted Assets stood at ₹ 3,02,172.6 Crores. RWA/ Total Assets at 81.3% (*from 84.3% as on September 30, 2017 and 81.6% as on June 30, 2018*) given incremental lending to higher rated Corporates

4. ASSET QUALITY: Resilient performance

(A) Details of Asset Quality Parameters:

S. No	Particulars (%)	Q2FY19	Q2FY18	Q1FY19	Remarks
1	Credit Cost (bps)	18	29	15	
2.1	GNPA	1.60% (₹ 3,866.1 Crores)	1.82%	1.31%	Gross Slippage of ₹1,631.6 Cr which includes: 1. An account with exposure of ₹ 631.2 Crores classified as NPA based on post period end review process. Bank expects prepayments and consequent upgrade in this account in Q3FY19. 2. An account with exposure of ₹ 445.8 Crores was sold to an ARC during Q2FY19
2.2	NNPA	0.84% (₹ 2,019.7 Crores)	1.04%	0.59%	
2.3	PCR	47.8%	43.3%	55.3%	Bank to maintain PCR in >60% by March 2019
3	Net Security Receipts	0.85% (₹ 2,048.9 Crores)	0.94%	0.82%	One account was sold to ARC during the quarter, with a gross exposure of ₹ 445.8 Crores and Net SR carrying value of ₹ 287.8 Crores
4	Std. Restructured Exposure	0.08% (₹ 204.5 Crores)	0.56%	0.12%	Breakup of 0.08% (₹ 204.5 Cr) - Erstwhile fully implemented; S4A (₹ 105.2 Crores - 2 accounts); 5-25 (₹ 94.6 Crores - 2 accounts); SDR (Nil) and Other Restructure book (₹ 4.7 Crores - 2 accounts)
TOTAL (2.2 + 3 + 4)		1.77% (₹ 4,273.1 Crores)	2.53%	1.52%	

(B) Additional Asset Quality disclosures:

- Re-iteration of **minimal impact** from exposure to accounts in NCLT List 1 (0.01% of Gross Advances) and List 2 (0.27% of Gross Advances) and from **RBI circular dated Feb 12, 2018**
- SMA 2** outstanding exposures (accounts > ₹5 Crores and as per RBI CRILC reporting) as on September 30, 2018 at **0.15%** of Gross Advances
- Total exposure to
 - HFCs at 3.2%** of which ~96% externally rated **AA or better**
 - NBFCs at 2.6%** of which ~90% externally rated **A or better**
 - Commercial Real Estate at 5.7%** of which **Nil are SMA 2**
- There were material events with respect to an Infrastructure and Financial Services Conglomerate. In relation to this the Bank has:
 - Gross outstanding exposure of ₹ **2,620.7** Crores which is entirely "Standard" as of September 30, 2018 as per RBI's Income Recognition And Classification (IRAC) norms
 - Nil exposure to the Parent/ NBFC/ Financial Services entity of the Group
 - Exposures to asset rich subsidiaries/ SPVs with Enterprise value commensurate with debt level
- >90%** of the Top 20 individual borrower exposures by value are **Externally Rated A or better**
- The Bank is yet to receive the FY18 Risk Based Supervision report from the RBI

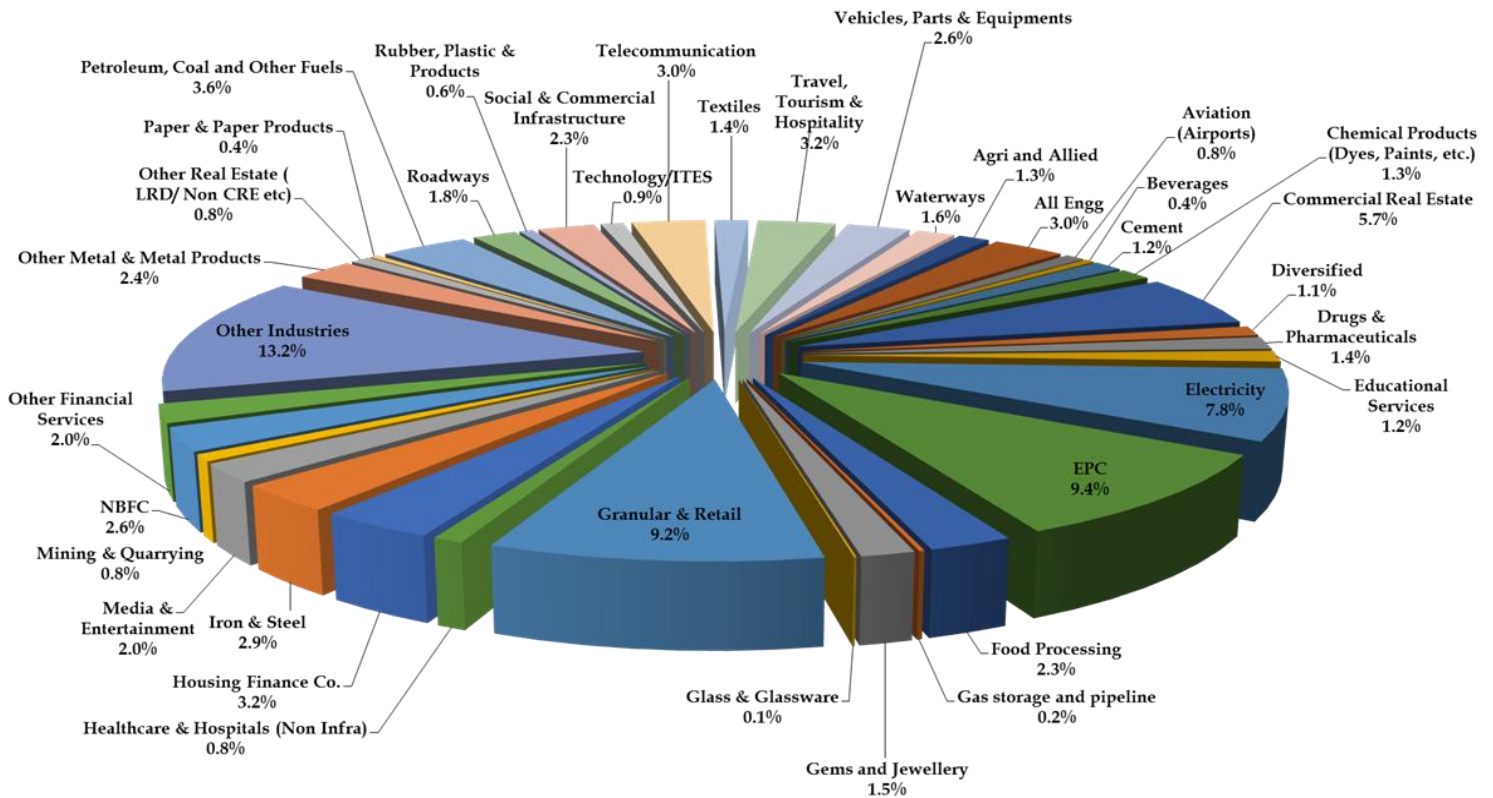
3. SENSITIVE SECTOR DISCLOSURE

Sector/ Rating*	% of Total Exposure as on Sept 30, 2018	% of Total Exposure as on June 30, 2018
(A.1) Non Renewable Electricity Generation <i>(All operational)</i>	1.9%	2.5%
(A.2) Exposure to SEBs	Nil	Nil
(B) Iron & Steel	2.9%	2.6%
<i>A or above rated</i>	2.2%	2.0%
(C) Telecom	3.0%	3.6%
<i>A and above rated</i>	2.8%	3.3%
(D) Gems & Jewellery	1.5%	1.4%
<i>A and above rated</i>	1.0%	1.0%

*Based on Internal Corporate ratings models mapped to external ratings

Overall Corporate portfolio continues to be well rated with close to 80% of the portfolio rated 'A' or better
(Based on Internal Corporate rating models mapped to external ratings).

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. DIGITAL BANKING: Leading innovator in the Payments' landscape

- YES Bank continues to retain its pole position in the new age payments space
 - **UPI: Market share of 40%** in UPI Merchant Payments volumes. Processed more than **29 Crore** transactions amounting to ~₹ 47,000 Crores in Q2FY19. Total registrations crossed **8 Crores** with merchant partner base in excess of **3 lakhs**
 - **IMPS: Top Remitter Bank** within peer group based on transaction volumes as per NPCI. Volumes witnessed **84% growth y-o-y**
 - **AePS: One of the Leading acquirer bank of AEPS.** Successfully processed ~**3.5 Crore transactions**, this quarter. **169,000+** Business Correspondent agents enabled for delivering service
- **Driving relationships with superior offerings**
 - **YES Mobile:** Registrations grew **2x** y-o-y. Transaction value & volumes grew by ~**2.5x** and ~**2x** y-o-y respectively. Monthly transaction volume on the platform **crossed 1 Mn** during the quarter
 - **Debit Cards:** In Q2FY19 total Debit Card transactions grew **48% YoY to reach 84 lakh.** Total spends grew **56% YoY to reach ₹ 1,213 Crores** for the quarter.
 - **Yes ROBOT - Personal Banking Assistant:** Offers Credit Card Management services a **first of its kind** industry initiative. Supports over 65 retail liabilities and asset products
- Leading innovation with customized offerings:
 - Naval Office Institute Goa, Tap & Go' card - India's **first completely Cashless Defense Campus** powered by YES Bank's payment solutions
 - MSEDCL (Maharashtra State Electricity Distribution Company Limited), Expense Management Solution - Digitized employee pay outs across **206** Field Offices
- Working towards a smarter and more digitally empowered India:
 - Implemented Udaipur Smart City Card cum Wallet Solution which enabled over **100 merchants** to accept digital payments on BHIM interface
 - Launched **BHAMASHAH Wallet** with DoITC (Dept. of IT & Communication)- **Govt. of Rajasthan** as a co-branded arrangement to digitize their G2C payments
 - Partnered with **CHiPS (Chhattisgarh Infotech Promotion Society)** to onboard over **11,000+** Citizen Service Centers (CSC) as BC agents to promote digital payments across the state and augment their income generation

5. EXPANSION & KNOWLEDGE INITIATIVES

- Employee strength as on September 30, 2018 stood at **21,024**, an increase of 1,427 employees in the quarter
- As on September 30, 2018, branch network stood at **1,110** branches and ATM Network stood at **1,781** which includes **567** Bunch Note Acceptors/Cash Recyclers
- YES Bank's **credit rating was reaffirmed** by leading Credit rating agencies in September, 2018:
 - On September 20, 2018, International ratings agency **Moody's has reaffirmed its long term rating of Baa3 (stable outlook)**; and
 - On September 21, 2018, Domestic rating agency **ICRA has reaffirmed Domestic rating of AA+ (stable outlook)**
- The **brand value** of YES BANK continues to be a key strength for the bank. The YES BANK brand was recently recognized as the **22nd Most Valuable** Indian Brand by **WPP BrandZ Report 2018** with a brand value of **\$ 2.62 Billion**.
- Yes Bank **successfully raised** Non-Convertible, Redeemable, Unsecured, **BASEL III compliant Tier 2 Bonds** worth ₹ 3,042 Crores during the quarter which have aided in raising Bank's Capital Adequacy ratio. These bonds have received credit ratings of CARE AAA from CARE Ratings and IND AA+ from India Ratings & Research (Ind- Ra) with stable outlook.
- During the quarter, Yes Bank, **successfully closed** a competitively priced **USD 400 million syndicated loan** facility, borrowed out of the Bank's IFSC Banking Unit (IBU) in Gujarat International Finance Tec City (GIFT) for supporting the IBU's growing business.
- Yes Bank became the **1st Indian Bank to join 'Natural Capital Coalition'** - a global multi-stakeholder collaboration. As a part of this initiative:
 - The Bank organized **1st ever carbon neutral 'Natural Capital Awards'** in partnership with Ministry of Environment, Forest & Climate Change; Ministry for Development of North Eastern Region and National Mission for Clean Ganga. Country Partners for the Awards included France, Spain, Netherlands, Switzerland, while Arunachal Pradesh, Assam, Telangana, Sikkim were State Partners
 - Yes Bank knowledge report titled 'Innovating Pathways to Sustainable Finance in India' outlining the need for institutionalizing a green finance architecture in India, was also released at the event.
 - As a run up to Natural Capital Awards, YES BANK together with UN organized a roundtable on Mobilizing Sustainable Finance in India, at the UN Headquarters in New Delhi. Chaired by Head of UN India, Yuri Afanasiev, the roundtable was attended by DFIs, Investors, Government and stock exchanges, amongst several other industry leaders.

- Yes Bank signed a **Memorandum of Understanding (MoU) with the Maharashtra State Innovation Society (MSInS)**, a nodal agency of the Government of Maharashtra responsible for implementing the Maharashtra **Start-up Policy**. Through this partnership, YES BANK will extend banking services to start-ups at the Maharashtra Startup Week, **through YES: Head-STARTUP program**, the Bank's comprehensive banking solution for tech and tech-enabled Start-ups.
- Yes Bank announced **partnership with 10 leading smart cities in India** to launch an industry-first 'Collaboration-as-a -Service' platform to address urban development challenges. As a part of its newly launched YES SCALE Smart City Accelerator, the Bank is inviting startups from around the world to collaborate with technology leaders like Bosch and Dell EMC and work on problem statements provided by respective Smart cities viz. Gurugram, Chandigarh, Rajkot, Surat, Vadodara, Aurangabad, Nasik, Warangal, Karim Nagar and Puducherry.

6. AWARDS & RECOGNITIONS

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

- **Global winner in Payments at the 'Technology Project Awards-2018'**, a prestigious award recognizing innovation in financial technology instituted by **The Banker, a London-based leading global financial publication promoted by The Financial Times (FT)**
- Has the **highest number of its facilities** under environment management system **ISO 14001:2015 certification** ambit in the BFSI Sector, leading the BFSI sector globally with the highest number of ISO 14001 certified green facilities. This extraordinary global achievement by an Indian bank comes on the back of YES BANK's unmatched commitment to environmental sustainability
- YES BANK becomes the only Indian bank to be selected in the **Dow Jones Sustainability Indices (DJSI) Emerging Markets** for the 4th year in a row (2015-2018)
 - ~3,500 companies invited, YBL selected among 50 banks (from 267 banks)
 - Out of the 13 invited Indian banks, YBL is the only Indian Bank to make it to the index
 - 93 companies from 14 countries included in the DJSI Emerging Markets Index (EMI)
 - The 2018 Index has become effective as of September 24, 2018

- YES BANK selected in **FTSE4Good Emerging Index**, for the second consecutive year
 - FTSE Russell benchmarks ~USD 12.5 Trillion in assets across 80 countries and 98% of the investable global market
 - YBL received an ESG Rating which is above the required index inclusion threshold for emerging economies (2.2); and developed markets (3.5) reiterating YBL’s ESG leadership with its global peers
 - YBL selected among 87 banks from emerging markets including Itau Unibanco Holdings, Brazil & SBERBANK, Russia

Accolades for Small & Medium Enterprises Financing:

- **YES BANK awarded “SME Bank of the Year - India” in the Asian Banking & Finance Retail Banking Awards, Singapore in July 2018**

Mr Rana Kapoor, MD & CEO, conferred with ‘**Sustainability Leader of the Year 2018**’

- The award was presented at 8th **Global Sustainable Finance Conference (GSFC)** in Karlsruhe, Germany by European Organisation for Sustainable Development (EOSD)
- Mr Kapoor was **one of the two global leaders** awarded for visionary leadership & YES BANK was the **only Indian Bank** to be felicitated with this global recognition
- The Chief Guest at the awards was Matia Kasaija, Honourable Minister of Finance, Planning and Economic Development, Republic of Uganda and Dr. Frank Mentrup, Lord Mayor of Karlsruhe and Chairman of the Board of Sparkasse (German Savings Bank)

YES Bank’s analyst conference call, scheduled on Oct 25, 2018 at 6:00 pm, 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 Q2FY19 Results:

P & L Highlights					
(₹ in Crores)	Q2FY19	Q2FY18	Growth % (y-o-y)	Q1FY19	Growth % (q-o-q)
Net Interest Income	2,417.6	1,885.1	28.2%	2,219.1	8.9%
Non Interest Income	1,473.5	1,248.4	18.0%	1,694.1	-13.0%
Total Net Income	3,891.0	3,133.5	24.2%	3,913.3	-0.6%
Operating Profit	2,366.4	1,906.7	24.1%	2,454.7	-3.6%
Provision	940.0	447.1	110.3%	625.7	50.2%
Profit after Tax	964.7	1,002.7	-3.8%	1,260.4	-23.5%
Basic EPS (₹)	4.2	4.4	-4.6%	5.5	-23.5%
Key P & L Ratios					
	Q2FY19	Q2FY18		Q1FY19	
Return on Assets [#]	1.1%	1.7%		1.6%	
Return on Equity [#]	14.4%	17.5%		19.4%	
NIM	3.3%	3.7%		3.3%	
Cost to Income Ratio	39.2%	39.2%		37.3%	
Non Interest Income to Total Income	37.9%	39.8%		43.3%	

Balance Sheet Highlights					
(₹ in Crore)	30-Sep-18	30-Sep-17	Growth % (y-o-y)	30-Jun-18	Growth % (q-o-q)
Advances	239,627.5	148,675.3	61.2%	214,720.1	11.6%
Deposits	222,837.9	157,989.8	41.0%	213,394.5	4.4%
CASA	75,279.1	58,724.6	28.2%	74,930.0	0.5%
Shareholders' funds	27,331.0	23,414.2	16.7%	26,313.9	3.9%
Total Capital Funds	51,292.3**	35,690.3	43.7%	46,983.7	9.2%
Total Balance Sheet	371,647.2	237,394.1	56.6%	332,549.3	11.8%
Key Balance Sheet Ratios					
Capital Adequacy	17.0%**	17.8%		17.3%	
CET I Ratio	9.0%**	11.5%		9.5%	
Tier I Ratio	11.9%**	13.2%		12.8%	
Book Value (₹)	118.4	102.2		114.1	
Gross NPA	1.60%	1.82%		1.31%	
Net NPA	0.84%	1.04%		0.59%	
Provision Coverage Ratio	47.8%	43.3%		55.3%	
Credit Costs (in bps)	18	29		15	
Restructured Exposure%*	0.08% (Rs. 204.5 Cr)	0.56%		0.12%	
Security Receipts (Net)%	0.85% (Rs. 2,048.9 Cr)	0.94%		0.82%	
CASA Ratio	33.8%	37.2%		35.1%	
Daily Average LCR	99.4%	90.6%		101.0%	

Annualized

* Includes erstwhile Standard S4A, 5-25 and SDR exposures

** including profits