

Press Release – November 1, 2019

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

1. RESILIENT PERFORMANCE CONTINUES

✓ PBT at ₹ 122 Crores; PAT impacted by one-time DTA adjustment:

- NII at ₹ 2,186 Crores for Q2FY20
- Non-Interest Income at ₹ 946 Crores; sustained momentum in **Retail Banking Fees** with 10% sequential growth. Robust growth in **Digital** banking led fee streams
- **PBT at ₹ 122 Crores; PAT impacted by one-time DTA adjustment of ~₹ 709 Crores**, excluding this one-time impact, adjusted **PAT at ₹ 109 Crores**

✓ Granularity acceleration in the Balance Sheet:

- **Advances at ₹ 2,24,505 Crores**; Growth momentum sustained in **Retail Advances** with 30% **y-o-y growth**, now accounting for ~20% of advances in comparison to ~14% in Q2FY19
- **Credit Card book** crosses ₹ 1,000 Crores; 6.5 lakh+ cards in force; Spends at ~ ₹ 3,100 Crores for H1FY20
- Deposits at ₹ 2,09,497 Crores; **CASA ratio improved to 30.8%** in Q2FY20 vs. 30.2% in Q1FY20; **CASA + Retail TDs at 60.3%** in Q2FY20 vs. 58.2% last quarter, led by 18.6% **y-o-y** growth in Retail TDs

✓ Recognition cycle nearing an end:

- GNPA at 7.39%, NNPA at 4.35%
- Credit costs at 69 bps for Q2FY20; H1FY20 Credit Costs at 100 bps
- **Retail and SME book-** delinquency levels continue to be **best in class**
- Sequential reduction in **gross outstanding** in key Sectors such as **NBFC, HFC and Electricity** in Q2FY20

2. STRATEGIC INITIATIVES TOWARDS TRANSFORMATION

✓ Strengthening the Bank's Capital Position to capture incremental growth opportunities:

- Received a **binding offer** from a **global investor** for an investment of **US\$ 1.2 Bn** subject to Regulatory and other necessary approvals
- Received **multiple** other **non-binding** but **strong bids** from marquee **Domestic and Global Institutional Investors** and **Family Offices**
- The Board is evaluating all bids to ascertain the **most optimal capital solution** for the Bank
- Successfully raised **US\$ 273 Mn** vide **QIP** route in Q2FY20
- **CET-I Ratio** expands to 8.7% in Q2FY20 vs. 8.0% last quarter

✓ Building Human Capital capabilities in Key focus areas:

- Strengthened **Compliance, Governance & Controls Culture**: Appointment of Head of **Governance & Controls**, CFO and COO
- Continue to **attract talent**: Rise in headcount by 2,466 during Q2FY20 mainly in **Retail/ Branch Banking**

✓ Sustained domination in Digital Payments space:

- **UPI transactions** for the quarter **cross 1 billion**; **H1FY20 volumes higher than entirety of last year**; Volume market share at ~ 40% for Q2FY20
- Won the **DigiDhan Mission Digital Payments Award 2018-19** for 'Overall Performance in Digital Payments' at the **MeitY Startup Summit 2019** amongst 56 competing banks

3. PROFIT & LOSS

- NII at ₹ 2,186 Crores in Q2FY20 includes the impact of ~₹ 228 crores due to fresh slippages during the quarter; NIMs at 2.7%
- **Non-Interest Income** at ₹ 946 Crores; 10% sequential growth in **Retail Banking Fees**. Robust Growth in **Digital Banking** led fee Streams
- **Operating Expenses** at ₹ 1,673 Crores for Q2FY20
- **Pre-Provisioning Operating Profit** at ₹ 1,458 Crores for Q2FY20; Provisions of ₹ 1,336 Crores.
- **Profit Before Tax** at ₹ 122 Crores for Q2FY20; **Net Loss** at ₹ 600 Crores for Q2FY20 due to **one-time DTA** adjustment of ~₹ 709 Crores on account of change in Corporate tax rate regime. Excluding this impact, adjusted Net Profit at ₹ 109 Crores
- **Book Value** at ₹ 109.0 per share as on September 30, 2019

4. BALANCE SHEET:

- Total Assets at ₹ 3,46,576 Crores with Advances at ₹ 2,24,505 Crores
- Deposits at ₹ 2,09,497 Crores; **CASA ratio improved to 30.8%** in Q2FY20 vs. 30.2% in Q1FY20; **CASA + Retail TDs at 60.3%** in Q2FY20 vs. 58.2% last quarter, led by **18.6% y-o-y** growth in Retail TDs
- Retail Banking Advances grew **30% y-o-y** to **20%** of Advances (*up from 14.3% as on September 30, 2018*). Segmental mix below:

Business Segment	As on Sep 30, 2019	As on Sep 30, 2018	Growth (y-o-y)	As on Jun 30, 2019	Growth (q-o-q)
A) Corporate Banking	61.9%	68.2%	-15.0%	63.9%	-8.1%
of which IBU Advances	7.8%	8.7%	-16.6%	8.2%	-9.3%
B) Retail & Business Banking of which:	38.1%	31.8%	12.3%	36.1%	0.4%
i) Medium Enterprises	7.5%	8.3%	-14.5%	7.7%	-6.5%
ii) Small and Micro Enterprises	10.8%	9.2%	9.3%	10.1%	0.8%
iii) Retail Banking	19.8%	14.3%	29.7%	18.3%	3.2%
Total	100.0%	100.0%	-6.3%	100.0%	-5.0%

- **Total Capital Adequacy** at **16.3%** with Total Capital Funds at ₹ 51,030 Crores. Tier I Ratio and CET I ratio at **11.5%** and **8.7%** respectively
- **Sequential expansion** in Capital Ratios was largely aided by **QIP** in August 2019 and **organic capital accretion**
- Risk Weighted Assets stood at ₹ 3,13,228 Crores vs. ₹ 3,22,982 Crores last quarter
- **LCR** at **127.1%** as on September 30, 2019- above the regulatory requirements

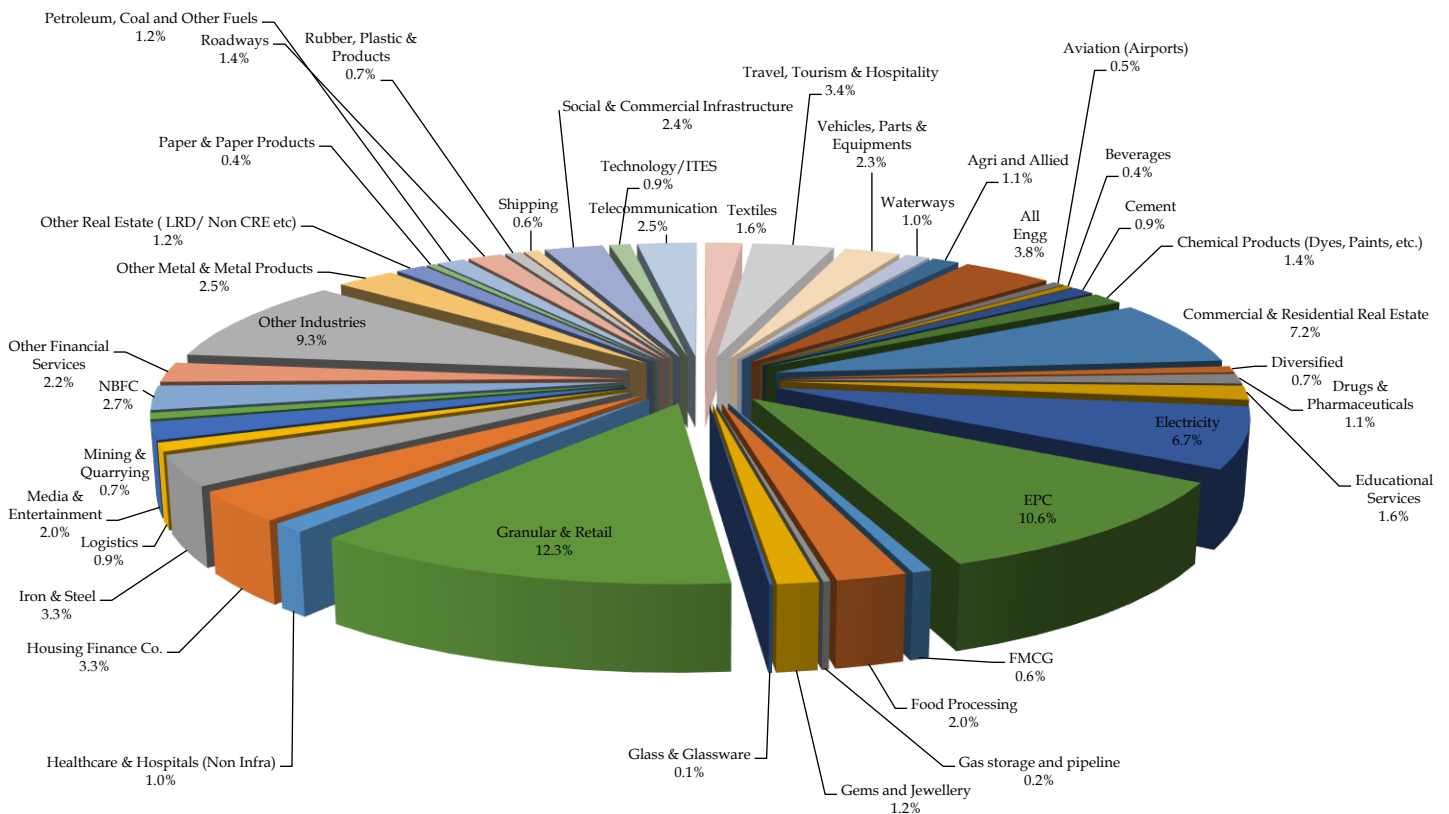
5. ASSET QUALITY

S.No	Particulars (%)	September 30, 2019
1	Credit Cost (bps)	69 bps
2.1	GNPA	7.39% (₹ 17,134 Crores)
2.2	NNPA	4.35% (₹ 9,757 Crores)
2.3	PCR	43.1%
3	Net Non-Performing Investments*	0.24% (₹ 558 Crores)
4	Net Security Receipts*	0.71% (₹ 1,641 Crores)
5	Std. Restructured Exposure*	0.10% (₹ 221 Crores)
TOTAL (2.2 + 3 + 4 + 5)		5.39%

*Computed as a % of Gross Advances for common denomination

- Gross Slippages of ₹ 5,945 Crores during Q2FY20. Recoveries and Upgrades aggregated to ₹ 867 Crores during the quarter
- Credit Cost of 69 bps during Q2FY20; H1FY20 Credit Costs at 100 bps
- In Q2FY20, the Bank has seen material reduction in gross outstanding exposures of:
 - ~ ₹ 2,300 Crores to Electricity Companies, and
 - ~ ₹ 1,750 Crores to NBFC/ HFCs

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 new age payments for Digital India

Dominating the New Age Payment space

- YES BANK won the **DigiDhan Mission Digital Payments Award 2018-19** for ‘Overall Performance in Digital Payments’ at the **MeitY Startup Summit 2019** amongst **56** competing banks for fueling digital transactions across retail and corporate customers using new age payment technologies
- **UPI: Consistently ranked as 1st** for processing **UPI based Merchant** transactions **since inception**
 - Transaction vol. **cross 100 Crore** for the quarter; up **265%** y-o-y by vol. and **263%** by value
 - Market share of **~40%** in Q2FY20 by volume
 - Processed **180+ Crore** transactions amounting to nearly **₹ 3 lakh Crores** in H1FY20; crossed transaction volume and value for entire FY19
- **IMPS: Consistently ranked 1st** as **Remitter** Bank, by **NPCI** in peer bank category
 - Transaction volume **increased 80% y-o-y** reaching **~6 Crore transactions** for the quarter
- **AePS: One of the Leading Acquirer** Bank on AEPS
 - **~41%** by Market Share in terms of transaction value in Sep’19
 - Processed **10+ Crore** transactions in Q2FY20 with transaction vol. increasing **189%** y-o-y
- **API Banking: Platform throughputs** increased **183%** y-o-y by volume and **186%** y-o-y by value
 - **1,200+ Corporates on-boarded**, up from 1,000+ corporates last quarter
- Individual **Inward remittance** under **Rupee Drawing Arrangement** increased **86%** by volume; and **63%** by value y-o-y
- **NACH E Mandate: Largest market share** at **58%** in Corporate Customer acquisition

Pioneering New Age Technology to deliver superior offerings

- **YES Mobile: 55.4%** y-o-y growth in registered user base; financial transactions grew by **61.3%** and **52.5%** y-o-y in value and volume respectively
- **Debit Cards: Over 2 crore** transactions amounting to **₹ 3,000 Crores** processed till H1FY20
- **YES ROBOT - Personal Banking Assistant: Witnessed ~1 Crore** interactions life till date. Soon be available across **Alexa, Google Assistant** and **Siri** to provide the Bank’s services on IoT platforms

Partner to Digital India

- Banker to **22 smart cities** of which **15 cities** employ YES BANK’s digital banking solutions
- **Sole UPI bankers** for the entire state for **Maha IT tax payments’** collection
- Partnering with **Panchayat & Rural Development Dept. for Govt. of West Bengal** to empower members of **SHGs as BC agent** for DMT & AePS
- Launched **inward remittance under RDA** through **UPI**

7. EXPANSION & KNOWLEDGE INITIATIVES

- The Bank’s branch network stood at **1,123** and ATM/ BNA/ CRM network stood at **1,459**
- YES BANK raised **₹ 1,930 crores** through the **Qualified Institution Placement (QIP)** route. The issue saw strong response from foreign as well as from domestic QIBs

- YES BANK was ranked **No. 3 MLA** (Mandated Lead Arranger) in **Bloomberg League table** rankings, in the **domestic currency** category for the quarter ended September 30, 2019
- YES BANK launched **Smart Edge** for **MSMEs**: a first-of-its-kind surrogate lending model that doesn't require financial statements and performs credit appraisal on basis of GST returns and operative Bank accounts, which in turn can be used to avail **secured working capital limits** from **₹ 1 - 3 Crore** in form of Overdraft (OD), Letter of Credit (LC) & Bank Guarantees (BG)
- **YES SCALE** innovation program has launched **YES SCALE Bizconnect**, a first of its kind app by a Bank, designed to **digitize operations of MSME** Associations through curated technology and banking solutions. Also launched **YES SCALE Business Solutions**, a bespoke solutioning model for **Educational Institutes, Logistics & Healthcare** among others
- YES BANK partnered with **Microsoft** to strengthen its first of its kind, **AI enabled chatbot, YES ROBOT**, with advanced **NLP** engine **LUIS** (Language Understanding Intelligent Service) and other cognitive services, capable of understanding and resolving the evolving banking needs of customers without the need for human intervention
- YES BANK signed an **MoU with Startup Punjab**, which will enable the Bank to extend a plethora of services, product offerings and mentorship guidance to startups

8. AWARDS & RECOGNITIONS

- YES BANK adjudged **Winner, Cyber Security** in **The Banker's Tech Projects Awards 2019** for successfully introducing and implementing **robust security procedures** in corporate internet banking
- YES BANK received the **India Domestic Cash Management Bank of the Year, India Domestic Trade Finance Bank of the Year, India Domestic Project Finance Bank of the Year and India SME Bank of the Year** at the **Asian Banking and Finance Awards** ceremony
- YES BANK became **the only Indian Bank - amongst 130 banks** globally to become 'Founding Signatories' of the Principles for Responsible Banking (**PRB**). The Principles for Responsible Banking, jointly developed by YES BANK, the UN Environment Finance Initiative (**UNEP FI**) and **29 other banks**, were officially launched at the UN General Assembly, ahead of the UN Climate Action Summit in New York. The 'Founding Signatories' collectively hold **USD 47 Trillion** in assets, representing one third of the global banking sector

YES Bank's analyst conference call, scheduled on Nov 1, 2019 at 5:30 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 a high quality, customer centric and service driven Bank. Since inception in 2004, YES BANK has grown into a 'Full Service Commercial Bank' providing a complete range of products, services and technology driven digital offerings, catering to corporate, MSME & retail customers. YES BANK operates its Investment banking, Merchant banking & Brokerage businesses through YES SECURITIES and its Mutual Fund business through YES Asset Management (India) Limited, both wholly owned subsidiaries of the Bank. Headquartered in Mumbai, it has a pan-India presence across all 28 states and 9 Union Territories in India including an IBU at GIFT City, and a Representative Office in Abu Dhabi.

For further information, please contact:

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Annexure

Financial Highlights from Q2FY20 Results:

P & L Highlights					
(₹ in Crores)	Q2FY20	Q2FY19	Growth % (y-o-y)	Q1FY20	Growth % (q-o-q)
Net Interest Income	2,186	2,418	-9.6%	2,281	-4.2%
Non-Interest Income	946	1,473	-35.8%	1,273	-25.7%
Total Net Income	3,132	3,891	-19.5%	3,554	-11.9%
Operating Profit	1,458	2,366	-38.4%	1,959	-25.6%
Provision	1,336	940	42.2%	1,784	-25.1%
Profit Before Tax	122	1,426	-91.4%	175	-30.2%
Profit after Tax	109*	965	NM	114	NM
Basic EPS (₹)	0.4*	4.2	NM	0.5	NM
Key P & L Ratios					
Return on Assets#	0.1%*	1.1%		0.1%	
Return on Equity#	1.6%*	14.4%		1.7%	
NIM	2.7%	3.3%		2.8%	
Cost to Income Ratio	53.4%	39.2%		44.9%	
Non-Interest Income to Total Income	30.2%	37.9%		35.8%	

Balance Sheet Highlights					
(₹ in Crores)	30-Sep-19	30-Sep-18	Growth % (y-o-y)	30-Jun-19	Growth % (q-o-q)
Advances	224,505	239,627	-6.3%	236,300	-5.0%
Deposits	209,497	222,838	-6.0%	225,902	-7.3%
Shareholders' funds	27,790	27,331	1.7%	26,495	4.9%
Total Capital Funds	51,030	51,292	-0.5%	50,569	0.9%
Total Balance Sheet	346,576	371,647	-6.7%	371,161	-6.6%
Key Balance Sheet Ratios					
Capital Adequacy	16.3%	17.0%		15.7%	
CET-I Ratio	8.7%	9.0%		8.0%	
Tier I Ratio	11.5%	11.9%		10.7%	
Book Value (₹)	109.0	118.4		114.3	
Gross NPA	7.39%	1.60%		5.01%	
Net NPA	4.35%	0.84%		2.91%	
Provision Coverage Ratio	43.1%	47.8%		43.1%	
Credit Costs (in bps)	69	18		32	
Restructured Exposure%	0.10% (₹ 221 Cr)	0.08%		0.08%	
Security Receipts (Net)%	0.71% (₹ 1,641 Cr)	0.85%		0.71%	
CASA Ratio	30.8%	33.8%		30.2%	
Daily Average LCR	113.8%	99.4%		117.3%	

Annualized

* Basis Adjusted PAT excluding one-time DTA impact of ₹ 709 Crores in Q2FY20

NM: Not Measurable