

Press Release – January 18, 2018

YES BANK announces Financial Results for the Quarter and Nine Months ended December 31, 2017

### 1. KEY HIGHLIGHTS FOR Q3FY18

- **Balance Sheet crossed ₹ 2.5 Lakh Crores and Advances crossed ₹ 1.5 Lakh Crores**
- **Total Capital Funds at ₹ 43,596.3 Crores**, increase of 62.3% y-o-y. Healthy Capital Adequacy with Total CRAR at 19.5%, Tier I at 14.7% and CET I at 10.7%
- Robust **growth of 46.5% in Advances**, with increasing granularity. **Retail Banking advances** doubled in last one year to **11.8%** of Total Advances. Combined with MSME has grown to 32.3% from 31.1% y-o-y
- Asset Quality continues to be stable. Credit Cost at 18 bps for Q3FY18 and 64 bps for 9MFY18
- 1<sup>st</sup> company to establish MTN programme on Global Securities Market of India International Exchange at the GIFT City IFSC
- **Included into S&P BSE Sensex**. Also, included in MSCI ESG Global Indices based on strong performance on Environmental, Social & Governance parameters

### 2. PROFIT & LOSS (P&L): Operating and Net Profitability – Sustained Delivery

- **Net Profit of ₹ 1,076.9 Crores** in Q3FY18; y-o-y growth of **22.0%**
- **Net Interest Income of ₹ 1,888.8 Crores** for Q3FY18; y-o-y growth of **26.8%**
- **Non-Interest Income of ₹ 1,422.3 Crores** for Q3FY18; y-o-y growth of **39.9%**
- **Total Net Income of ₹ 3,311.1 Crores** in Q3FY18 y-o-y growth of **32.1%**
- **Operating Profit of ₹ 2,001.8 Crores** for Q3FY18; y-o-y growth of **37.7%**
- NIMs healthy at **3.5%** for Q3FY18. **Cost to Income Ratio at 39.5%**
- Satisfactory return ratios with **RoA at 1.7%** and **RoE at 18.0%**. **Book Value at ₹ 106.8** per share

### 3. BALANCE SHEET: Rapidly increasing market share with granularity

- Total Assets grew by **36.2%** y-o-y to **₹ 2,65,432.0 Crores**, crosses significant growth milestone of ₹ 2.5 Lakh Crores
- Deposits grew by **29.7%** y-o-y to **₹ 1,71,731.4 Crores**
- **CASA ratio at 38.0%**, an increase of **4.7%** in one year, on the back of **48.0%** y-o-y growth
- **SA (₹ 42,684.8 Crores)** and **CA (₹ 22,604.2 Crores)** deposits posted strong growth of **45.4%** and **53.0%** y-o-y respectively
- **CASA + Retail FDs** as a % of Total Deposits stands at a healthy **60.9%**
- **Advances** crossed 1.5 lakh crores to **₹ 1,71,514.9 Crores**, **growing by 46.5% y-o-y**, on the back of robust growth in both Corporate and Retail businesses. Retail Banking Advances grew by **101.7%** y-o-y to **11.8%** of Advances (*up from 8.6% as on Dec 31, 2016*)
- **Total Capital Adequacy at 19.5%**. Total Capital Funds stand at **₹ 43,596.3 Crores**
- Tier I Ratio and CET I ratio healthy at **14.7%** and **10.7%** respectively
- Risk Weighted Assets stood at **₹ 2,23,680.1 Crores**. RWA to Total Assets stable at 84.3%

#### 4. **ASSET QUALITY: Continues to demonstrate resilience**

- GNPA at 1.72% and NNPA at 0.93% as at December 31, 2017. (For September 30, 2017, GNPA was 1.82% and NNPA was 1.04%)
- Credit Cost for Q3FY18 stands at 18 bps and for 9MFY18 stands at 64 bps
- Provision Coverage Ratio improved to 46.4% as on December 31, 2017, from 43.3% as on September 30, 2017

**Commenting on the results and financial performance, Mr. Rana Kapoor, Managing Director & CEO, YES BANK said,** “YES Bank has delivered another quarter of satisfactory performance with sustained earnings delivery and accelerated growth momentum with the Bank achieving a Balance Sheet size beyond ₹ 2.5 Lakh Crores and Advances Book in excess of ₹ 1.7 Lakh Crores. Granularity in the Balance-sheet continues to improve with Retail Banking Advances more than doubling in a year to 11.8% of outstanding book and CASA Ratio of 38.0%. YES Bank’s Asset Quality continues to demonstrate resilience with Stable Asset quality parameters that includes meaningful repayments from accounts previously observed under RBI RBS review for FY17.

On the Digital front, Bank continues to reap benefits from its A.R.T. strategy proven through its leadership position in Merchant Payments for UPI with market share in excess of 75%. Further, the Bank is working on multiple fronts in the Fintech domain towards creating Operational and Cost Efficiencies through AI & Robotics; Big Data Analytics for Customer Acquisition & Cross-selling and Open Innovation to create Enterprise Solutions for our Corporate Customers by leveraging YES BANK’s state-of-the-art API Banking platform”

**Financial Highlights from Q3FY18 Results:**

P & L Highlights					
(₹ in Crores)	Q3FY18	Q3FY17	Growth % (y-o-y)	Q2FY18	Growth % (q-o-q)
Net Interest Income	1,888.8	1,489.3	26.8%	1,885.1	0.2%
Non Interest Income	1,422.3	1,016.5	39.9%	1,248.4	13.9%
Total Net Income	3,311.1	2,505.8	32.1%	3,133.5	5.7%
Operating Profit	2,001.8	1,453.8	37.7%	1,906.7	5.0%
Provision	421.3	115.4	265.1%	447.1	-5.8%
Profit after Tax	1,076.9	882.6	22.0%	1,002.7	7.4%
Basic EPS (₹)	4.7	4.2	12.5%	4.4	7.2%
Key P & L Ratios					
	Q3FY18	Q3FY17		Q2FY18	
Return on Assets#	1.7%	1.8%		1.7%	
Return on Equity#	18.0%	22.3%		17.5%	
NIM	3.5%	3.5%		3.7%	
Cost to Income Ratio	39.5%	42.0%		39.2%	
Non Interest Income to Total Income	43.0%	40.6%		39.8%	

Balance Sheet Highlights					
(₹ in Crore )	31-Dec-17	31-Dec-16	Growth % (y-o-y)	30-Sep-17	Growth % (q-o-q)
Advances	171,514.9	117,087.0	46.5%	148,675.3	15.4%
Deposits	171,731.4	132,375.8	29.7%	157,989.8	8.7%
CASA	65,289.0	44,126.4	48.0%	58,724.6	11.2%
Shareholders' Funds	24,554.3	16,247.1	51.1%	23,414.2	4.9%
Total Capital Funds*	43,596.3	26,864.8	62.3%	35,690.3	22.2%
<b>Total Balance Sheet</b>	<b>265,432.0</b>	<b>194,828.0</b>	<b>36.2%</b>	<b>237,394.1</b>	<b>11.8%</b>
Key Balance Sheet Ratios					
Capital Adequacy*	19.5%	16.9%		17.8%	
CET I Ratio*	10.7%	9.9%		11.4%	
Tier I Ratio *	14.7%	12.2%		13.2%	
Book Value (₹)	106.8	76.8		102.2	
Gross NPA	1.72% (₹ 2,974.3 Crs)	0.85%		1.82%	
Net NPA	0.93% (₹ 1,595.1 Crs)	0.29%		1.04%	
Provision Coverage Ratio	46.4%	66.0%		43.3%	
Credit Costs (in bps)	18	8		29	
Restructured Advances %	0.05% (₹ 90.3 Crs)	0.42%		0.08%	
Security Receipts (Net) %	1.06% (₹ 1,834.2 Crs)	0.22%		0.94%	
Standard SDR's**	0.21% (₹ 361.9 Crs)	0.17%		0.32%	
5-25 Refinancing	0.06% (₹ 112.0 Crs)	0.09%		0.15%	
S4A	0.09% (₹ 153.5 Crs)	0.01%		0.01%	

# Annualized

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

\*\*including exposures under Outside SDR scheme of RBI

## PORTFOLIO & ASSET QUALITY DISCLOSURES

### 1. Segmentation of Advances:

Business Segment	As on Dec 31, 2017	As on Sep 30, 2017	As on Dec 31, 2016
<b>A) Corporate Banking</b>	<b>67.7%</b>	<b>67.4%</b>	68.9%
<b>B) Retail &amp; Business Banking</b>	<b>32.3%</b>	<b>32.6%</b>	31.1%
of which:			
i) Medium Enterprises	9.9%	9.9%	10.7%
ii) Small and Micro Enterprises	10.6%	11.3%	11.8%
iii) Retail Banking	11.8%	11.4%	8.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	100.0%

### 2. Sensitive Sector disclosures (Decreased from 9.3% to 7.7% sequentially)

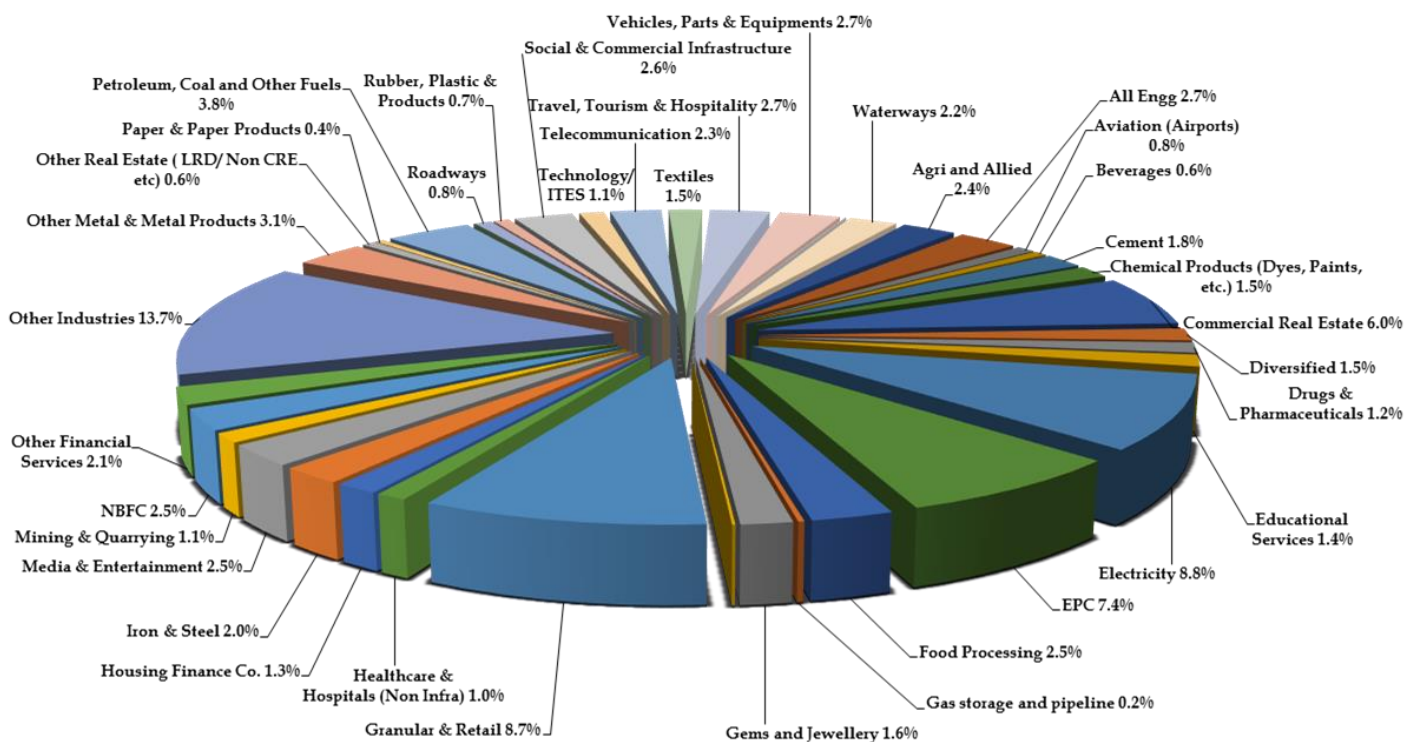
Sector/ Rating*	% of Total Exposure as on Dec 31, 2017	% of Total Exposure as on Sep 30, 2017
<b>(A.1) Non Renewable Electricity Generation</b>	<b>3.4 % (all operational)</b>	<b>3.4 % (all operational)</b>
(A.2) Exposure to SEBs	Nil	Nil
<b>(B) Iron &amp; Steel</b>	<b>2.0 %</b>	<b>2.0 %</b>
A or above rated	1.6 %	1.6 %
<b>(C) Telecom</b>	<b>2.3%</b>	<b>3.9%</b>
A and above rated	2.1%	3.7%

\*Based on Internal Corporate ratings models mapped to external 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) Credit Cost and Movement of NPA

- Credit Cost at 18 bps for Q3FY18 and 64 bps for 9MFY18
- Gross Non Performing Advances (GNPA) at 1.72% (₹ 2,974.3 Crores) and Net Non Performing Advances (NNPA) at 0.93% (₹ 1,595.1 Crores)
- Provision Coverage Ratio improved to 46.4% as on December 31, 2017, from 43.3% last quarter
- During the quarter Gross Slippages of ₹ 494.9 Crores, which includes ₹ 245.4 Crores Slippage from accounts previously classified under 'SDR', '5:25' and 'NCLT' categories as on September 30, 2017
- Total Recovery of ₹ 228.2 Crores and write-offs of ₹ 12.7 Crores

##### (b) Update on Loans identified as part of the FY17 RBI RBS Review

- Nil Slippage into NPA for accounts classified as 'Standard' as on September 30, 2017 with significant principal loan repayments and with no interest overdues
- Total Repayment of ₹ 450 Crores of which:
  - Repayment of ₹ 282 Crores from one account classified as 'Standard' as on September 30, 2017. This account has now been fully repaid
  - Recovery of ₹ 129 Crores from one account classified as 'NPA' as on September 30, 2017
  - Other recoveries from multiple accounts aggregating to ₹ 39 Crores (₹ 21 Crores NPA and ₹ 18 Crores Standard)

##### (c) Security Receipts at 1.06%

Net Security Receipts (SRs) stood at 1.06% of Gross Advances (₹ 1,834.2 Crores) as on December 31, 2017 against 0.94% as on September 30, 2017. Net increase in SRs for the quarter was ₹ 421.9 Crores. During the quarter, 1 account classified as 'Standard', was sold to ARC

Bank expects redemptions of minimum 30%-40% of its net outstanding Security Receipts portfolio (*within next 15 months by 31 March 2019*)

##### (d) Standard Restructured Advances at 0.05%

The total Standard Restructured Advances as a proportion of Gross Advances was at 0.05% (₹ 90.3 Crores) as at December 31, 2017, down from 0.08% as at September 30, 2017. **No additional restructuring during the quarter.**

##### (e) Standard SDR Exposure at 0.21% (including Outside SDR scheme of RBI)

Standard SDR outstanding exposure of 0.21% (₹ 361.9 Crores) to Gross Advances as on December 31, 2017 against 0.32% as on September 30, 2017. During the quarter one account (₹ 87.6 Crores - 0.05% of Gross advances) was restructured under Outside SDR scheme of RBI

##### (f) 5:25 Refinanced Exposure at 0.06%

Standard 5:25 refinanced exposure stable at 0.06% (₹ 112.0 Crores) of Gross Advances as on December 31, 2017 from two accounts. **No additional account was refinanced through 5:25 route during the quarter**

(g) **S4A Exposure at 0.09%**

Standard S4A exposure outstanding at 0.09% (₹ 153.5 Crores) of Gross Advances as on December 31, 2017. Two accounts restructured through **S4A route** of which one account was classified as SDR as on September 30, 2017 (₹102.3 Crores - 0.06%). Exposure on the other account aggregated to ₹32.4 Crores - 0.02%.

(h) **Bank's exposure to select accounts referenced in RBI IBC/NCLT notification (~40 accounts systemically)**

- Total exposure of ₹ 1,342.4 Crores across only 9 borrowers
  - Total Standard exposure of ₹ 75.2 Crores (0.04% of Gross advances - Nil Funded)
  - Total NPA exposure of ₹ 1,267.2 Crores (0.73% of Gross advances -0.65% Funded)
- Bank carries provision of **51%** on the aggregate funded exposures of NCLT List 1, and, 43% on the aggregate funded exposure of the subsequent NCLT list 2
- One account (₹ 23.4 Crores, as per List 1) which was Standard as on September 30, 2017, slipped into NPA during the quarter. However, the Bank had already provided 50% on this account during Q1FY18.

**OTHER KEY HIGHLIGHTS**

**1. Liquidity Coverage Ratio:**

During Q3FY18, Bank continued with the LCR maintenance at well above 80% regulatory requirement with daily average Liquidity Coverage ratio of **96.3%**, 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 Financial Brand (January 2018), YES BANK is:

- **Ranked 2<sup>nd</sup>** amongst the **Most Social Banks** in the World.
- Highest followed **Global Bank Brand** on Twitter with over **3.6 million** followers, and on Instagram with **630,000** followers
- 2<sup>nd</sup> highest **Liked Global Bank Brand** on Facebook with more than **7.0 million Page Likes**



#### 4. Digital Banking

**Continuing to Maximize Payments Market share:** Bank's strong focus continues on merchant use cases has resulted in accelerated growth momentum in Digital payments and increasing market share in India's Digital ecosystem:

- YES BANK is **ranked 1<sup>st</sup>** since inception on Merchant Payments for UPI with **75%** market share in December 17 with our overall UPI market share at **15%**
- YES BANK's **UPI transaction** count has increased **33x** from December 16 (0.65 million transactions) to December 17 (22.4 million transactions)
- YES Mobile had over **3 million** transactions worth ~ ₹ 50 Billion within Q3FY18, while it observed a significant increase both in **Value (~6X)** and **Volume (~3.5X)** y-o-y
- YES Bank has gone live on **Aadhaar Enabled Payment System (AEPS)** in partnership with a new age startup, Nearby Technologies, in Nov 17. This has enabled our 2,000 Business Correspondent Agents for Aadhaar based Cash Withdrawals & Cash Deposits

Enhancing customer experience and deepening engagement while increasing productivity and efficiency:

- **YES ROBOT - Personal Banking Assistant** went live on YES BANK official website in December 2017. It has successfully answered over 1.2 lac customer queries in a span of 3 months (since Oct '17 launch). It is **India's first artificial intelligence enabled banking bot** that offers the following:
  - Banking assistance such as funds transfer, check balance, recharges, bill payments and answering frequently asked questions (FAQs) of users
  - **GPS assistance** to locate nearest YES BANK ATM/ Branch
  - Accessible from Facebook Messenger and YES BANK website

#### 5. Expansion & Knowledge Initiatives

- Employee strength as on December 31, 2017 stood at **19,276**
- Branch network stood at **1,050** branches as on December 31, 2017 an increase of 10 branches during the quarter. ATM Network stood at **1,724** which includes **573** Bunch Note Acceptors/Cash Recyclers
- Signed **USD 400 million** co-financing programme with **European Investment Bank**, the world's Largest Development Finance Institution, for financing Renewable Energy Projects in India
- Raised **USD 400 million** through 2 Syndicated Loan Transactions from Taiwan (USD 250 Mn) and Japan (USD 150 million)
- Included in **S&P BSE Sensex**. Selected in **MSCI All Country World Index (ACWI) - ESG Leaders Index** and **MSCI ACWI SRI Index**, based on strong performance on Environmental, Social & Governance (ESG) parameters
- YES BANK has committed to mobilizing **USD 5 Billion** (by 2030) and **USD 1 Billion** (by 2023) towards financing for Solar Energy Projects in India. The announcement was made on 17<sup>th</sup> January at the International Solar Alliance (ISA) conference organized at the World Future Energy Summit in Abu Dhabi

- **Sole arranger** and subscriber to **India’s 1st Social Affordable Housing Bonds** which was issued by Indiabulls Housing Finance for ₹ 1,000 Cr
- **1<sup>st</sup> company** to establish **MTN programme** on Global Securities Market of India International Exchange at the GIFT City IFSC in India
- **YES FINTECH**, the Bank’s fintech accelerator unveiled its 2nd cohort, shortlisting 8 companies from over 500+ applications from 10 countries

## 6. Awards & Recognitions

YES BANK was:

- Awarded **“Bank of the Year - India 2017”** by The Banker Magazine, part of the Financial Times group, UK (*twice in last three years*)
- Awarded **“Accelerator of the Year”** for YES FINTECH by the India Fintech Awards 2017
- Awarded Best Bank in India in the Asiamoney Corporate Client Choice Survey 2017 and Recognized as **Best Bank in India for CSR** in the **Asiamoney Awards 2017**
- Recognized in the Gartner Excellence Awards for its Big Data Analytics use cases
- Awarded **29<sup>th</sup> Qualtech** Prize for Improvement and Innovation in the BFSI Industry for use of Data Analytics by Qimpro Consultants
- Mr. Rana Kapoor, MD & CEO, YES BANK was felicitated with the **IICCI IMPRESA Award** for fostering Indo-Italian business relations
- Mr. Rana Kapoor, MD&CEO, YES BANK, was awarded the **‘Icon of the Year’** at Brands Academy’s flagship “Icon of the Year Awards” in Mumbai

*The Press Conference of YES Bank’s results will commence at 3:15 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 January 18, 2017 at 5:30 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.

For further information, please contact:

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