

Independent Auditor's Report

To the Board of Directors of YES Bank Limited

Report on the Financial Results

1. We have audited the accompanying annual financial results of YES Bank Limited ('the Bank') for the year ended 31 March 2017, attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('the SEBI Regulations'). Further, disclosures relating to 'Pillar 3 under Basel III Capital Regulations' as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2017 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures for each of the three quarters have only been reviewed and not been subjected to audit.

Management's Responsibility for the Financial Results

2. These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results which are the responsibility of the Bank's management and have been approved by the Board of Directors in their meeting held on 19 April 2017. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements, which have been prepared in accordance with provisions of Section 29 of the Banking Regulation Act, 1949 along with the applicable accounting standards specified under Section 133 of the Companies Act, 2013 ('the Act'), read with rule 7 of the Companies (Accounts) Rules, 2014, and other accounting principles generally accepted in India, including, circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time and in compliance with Regulation 33 of the SEBI Regulations.

Auditor's Responsibility

3. We conducted our audit in accordance with Standards on Auditing ('the Standards') specified under Section 143 (10) of the Act. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Independent Auditor's Report (Continued)

YES Bank Limited

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, these financial results:
- i) are presented in accordance with the requirements of Regulation 33 of the SEBI Regulations in this regard; and
 - ii) give a true and fair view of the net profit for the year ended 31 March 2017 in accordance with the framework as explained in paragraph 2 above.

Other Matters

5. The annual financial results of the Bank for the year ended 31 March 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 27 April 2016.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner

Membership No: 046882

Mumbai
19 April 2017

YES BANK Limited

Regd. Office : Nehru Centre, 9th Floor, Discovery of India Building, Dr. A. B. Road, Worli, Mumbai - 400 018, India

 Website: www.yesbank.in
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

Sr No.	PARTICULARS	Standalone					Consolidated	
		FOR THE QUARTER ENDED 31.03.2017	FOR THE QUARTER ENDED 31.12.2016	FOR THE QUARTER ENDED 31.03.2016	FOR THE YEAR ENDED 31.03.17	FOR THE YEAR ENDED 31.03.16	FOR THE YEAR ENDED 31.03.17	FOR THE YEAR ENDED 31.03.16
		(Audited - Refer Note 7)	(Unaudited)	(Audited - Refer Note 7)	(Audited)	(Audited)	(Audited)	(Audited)
1	Interest earned (a)+(b)+(c)+(d)	434,899	421,344	352,830	1,642,464	1,353,344	1,642,500	1,353,344
(a)	Interest/discount on advances/bills	325,911	313,933	254,719	1,220,977	971,148	1,220,977	971,148
(b)	Income on investments	94,231	96,417	91,144	379,684	350,821	379,684	350,821
(c)	Interest on balances with Reserve Bank of India and other inter-bank funds	11,061	7,081	2,156	25,782	11,254	25,782	11,254
(d)	Others	3,696	3,913	4,811	16,021	20,121	16,057	20,121
2	Other Income (Refer Note 5)	125,739	101,652	80,281	415,676	271,215	421,780	272,942
3	TOTAL INCOME (1+2)	560,638	522,996	433,111	2,058,140	1,624,559	2,064,280	1,626,286
4	Interest Expended	270,929	272,411	228,686	1,062,734	896,672	1,062,653	896,541
5	Operating Expenses (i)+(ii)	120,611	105,204	81,878	411,654	297,637	416,861	300,503
(i)	Payments to and provisions for employees	49,683	46,746	35,284	180,504	129,680	184,024	131,978
(ii)	Other operating expenses	70,928	58,458	46,594	231,150	167,957	232,837	168,525
6	Total Expenditure (4+5) (excluding provisions and contingencies)	391,540	377,615	310,564	1,474,388	1,194,309	1,479,514	1,197,044
7	Operating Profit (before Provisions and Contingencies)(3-6)	169,098	145,381	122,547	583,752	430,250	584,766	429,242
8	Provisions (other than Tax expense) and Contingencies (net)	30,973	11,538	18,646	79,341	53,630	79,419	53,630
9	Exceptional Items	-	-	-	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	138,125	133,843	103,901	504,411	376,620	505,347	375,612
11	Tax Expense	46,713	45,580	33,690	171,402	122,675	171,358	122,643
12	Net profit from Ordinary Activities after tax (10-11)	91,412	88,263	70,211	333,009	253,945	333,989	252,969
13	Extraordinary Items (Net of tax)	-	-	-	-	-	-	-
14	NET PROFIT (12-13)	91,412	88,263	70,211	333,009	253,945	333,989	252,969
15	Paid-up equity Share Capital (Face value of ₹ 10 each)	45,649	42,298	42,053	45,649	42,053	45,649	42,053
16	Reserves & Surplus excluding revaluation reserves				2,159,757	1,336,607	2,158,314	1,334,185
17	Analytical ratios :							
(i)	Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii)	Capital Adequacy ratio - Basel III	17.0%	15.6%	16.5%	17.0%	16.5%	17.1%	16.5%
(iii)	Earning per share for the period / year (before and after extraordinary items)							
	- Basic ₹	21.57	20.89	16.71	78.89	60.62	79.12	60.39
	- Diluted ₹	21.05	20.37	16.38	76.77	59.31	77.00	59.08
		(Not Annualized)	(Not Annualized)	(Not Annualized)	Annualized	Annualized	Annualized	Annualized
(iv)	NPA ratios-							
(a)	Gross NPA	201,856	100,585	74,898	201,856	74,898	201,856	74,898
(b)	Net NPA	107,227	34,245	28,447	107,227	28,447	107,227	28,447
(c)	% of Gross NPA	1.52%	0.85%	0.76%	1.52%	0.76%	1.52%	0.76%
(d)	% of Net NPA	0.81%	0.29%	0.29%	0.81%	0.29%	0.81%	0.29%
(v)	Return on assets (average) (annualized)	1.8%	1.8%	1.8%	1.8%	1.7%	1.8%	1.7%

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For B S R & Co. LLP



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₹ in Lakhs)

PARTICULARS	Standalone		Consolidated	
	As at	As at	As at	As at
	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
CAPITAL AND LIABILITIES				
Capital	45,649	42,053	45,649	42,053
Reserves and surplus	2,159,757	1,336,607	2,158,314	1,334,185
Deposits	14,287,386	11,171,953	14,285,744	11,170,418
Borrowings	3,860,667	3,165,898	3,860,667	3,165,898
Other liabilities and provisions	1,152,533	809,830	1,155,594	811,708
Total	21,505,992	16,526,341	21,505,968	16,524,262
ASSETS				
Cash and balances with Reserve Bank of India	695,207	577,616	695,207	577,616
Balances with banks and money at call and short notice	1,259,737	244,226	1,260,259	244,274
Investments	5,003,180	4,883,847	4,998,180	4,878,847
Advances	13,226,268	9,820,993	13,226,268	9,820,993
Fixed assets	68,354	47,072	68,679	47,458
Other assets	1,253,246	952,587	1,257,375	955,075
Total	21,505,992	16,526,341	21,505,968	16,524,262

Notes:

- The results have been taken on record by the Board of Directors of the Bank at its meeting held in Mumbai today. There are no qualifications in the auditor's report for the quarter and year ended March 31, 2017. The information presented above is extracted from the audited financial statements as stated.
- During the year ended March 31, 2017, the Bank has issued 32,711,000 equity shares of ₹ 10 each for cash pursuant to a Qualified Institutions Placement (QIP) at ₹ 1500 per share aggregating to ₹ 490,665 Lakhs.
- During the quarter and year ended March 31, 2017, the Bank allotted 796,725 shares and 3,243,172 shares respectively, pursuant to the exercise of stock options by employees.
- During the year ended March 31, 2017, the Bank has raised ₹ 300,000 Lakhs of Basel III Compliant Additional Tier-1 (AT1) Bonds.
- Other income includes fees and commission earned from guarantees/letters of credit, loans, financial advisory fees, selling of third party products, earnings from foreign exchange transactions and profit/loss from sale of securities.
- The Board of Directors at their meeting proposed a dividend of ₹ 12 per share, subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, Bank has not accounted for proposed dividend as a liability as at March 31, 2017. Proposed Dividend was however accounted for as a liability as at March 31, 2016 in line with the then existing accounting standard. If approved the total liability arising to the Bank would be ₹ 6,593.11 million including dividend tax, (previous year ₹ 5,061.52 million). For computation of Capital Adequacy Ratio as of March 31, 2017, Bank has adjusted proposed dividend for determining Capital Funds.
- The figures of the last quarter in each of the year are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the respective financial year.
- Return on assets is computed using a simple average of total assets at the beginning and at the end of the relevant period.
- The disclosures for NPA referred to in point 17(iv) above correspond to Non Performing Advances.
- The total capital infused and outstanding in Yes Securities (India) Limited (wholly owned subsidiary) as at March 31, 2017 is ₹ 5,000 lakhs.
- As the business of the Bank is concentrated in India; the segment disclosures made pertain to domestic segment.
- In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under Basel III Framework. The Pillar III disclosures have not been subjected to review by the statutory auditors. The Bank has made these disclosures which are available on its website at the following link: https://www.yesbank.in/pdf/basel_iii_disclosure_Mar_31_2017.pdf
- The Bank has applied the Guidance Note on Accounting for Derivative Contracts ('Guidance Note') issued by the Institute of Chartered Accountants of India effective from April 01, 2016 in respect of derivative contracts which are not covered by existing accounting standards or RBI guidelines. For the Bank, this impacts the accounting for cross currency interest rate swaps which are used by the Bank to hedge its foreign currency borrowings and have been designated as cash flow hedges under the Guidance Note. The adoption of the Guidance Note resulted in the recognition of derivative assets of ₹ 528 lakhs, derivative liabilities of ₹ 2,129 lakhs and a cash flow hedge reserve of (₹ 1,601) lakhs as at March 31, 2017. The application of the Guidance Note has no impact on the net profit for the quarter and year ended March 31, 2017 as compared to the previous accounting policy followed by the Bank.
- The figures for the quarter and year ended March 31, 2016 were audited by previous statutory auditors.
- The Bank has refined the allocation methodology and has allocated certain items, that were previously classified as unallocated, to various segments. The same have been applied to segment information for previous periods also.

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For BSR & Co. LLP



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16 In conformity with the RBI circular issued on April 18, 2017 with respect to 'Divergence in Asset classification and Provisioning for NPAs' (ref DBR BP BC No 63/ 21 04 018/2016-17 dated April 18, 2017) and as per approval of the Board of Directors in the meeting held on April 19, 2017, the disclosures prescribed in the circular regarding divergences observed by RBI have been incorporated in the Notes to Audited Financial Statements of the Bank for the year ended 31st March 2017. The Bank has also duly considered the divergences observed recently by RBI in the Audited Financial Statements of the Bank for the year ended 31st March 2017.

17 Previous period figures have been regrouped /reclassified wherever necessary to conform to current period classification

SEGMENTAL RESULTS

(₹ in Lakhs)

Sr No	PARTICULARS	Standalone					Consolidated	
		FOR THE QUARTER ENDED 31.03.2017	FOR THE QUARTER ENDED 31.12.2016	FOR THE QUARTER ENDED 31.03.2016	FOR THE YEAR ENDED 31.03.17	FOR THE YEAR ENDED 31.03.16	FOR THE YEAR ENDED 31.03.17	FOR THE YEAR ENDED 31.03.16
		(Audited - Refer Note 7)	(Unaudited)	(Audited - Refer Note 7)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment revenue							
(a)	Treasury	147,484	138,287	102,994	536,757	357,558	536,757	357,558
(b)	Corporate Banking	364,129	331,846	284,096	1,321,538	1,085,414	1,321,573	1,085,414
(c)	Retail Banking	55,858	49,460	33,295	196,508	112,317	196,508	114,045
(d)	Other Banking Operations	8,032	3,314	4,457	16,498	9,172	22,602	9,172
(e)	Unallocated	11	2	8	7	10	8	10
	TOTAL	575,514	522,909	424,850	2,071,308	1,564,471	2,077,448	1,566,199
	Add / (Less): Inter Segment Revenue	(14,876)	87	8,261	(13,168)	60,088	(13,168)	60,088
	Income from Operations	560,638	522,996	433,111	2,058,140	1,624,559	2,064,280	1,626,287
2	Segmental Results							
(a)	Treasury	69,841	66,291	47,920	254,038	167,992	254,038	167,992
(b)	Corporate Banking	117,219	103,829	83,567	407,483	312,517	407,599	312,648
(c)	Retail Banking	(17,429)	(16,272)	(13,057)	(67,143)	(40,049)	(67,143)	(40,514)
(d)	Other Banking Operations	5,865	2,583	3,312	11,141	4,951	12,212	4,951
(e)	Unallocated	(37,371)	(22,588)	(17,841)	(101,108)	(68,791)	(101,359)	(69,466)
	Profit before Tax	138,125	133,843	103,901	504,411	376,620	505,347	375,612
3	Segment Assets							
(a)	Treasury	7,817,700	7,282,243	6,337,399	7,817,700	6,337,399	7,817,700	6,337,399
(b)	Corporate Banking	11,677,318	10,474,581	8,997,728	11,677,318	8,997,728	11,677,350	8,997,728
(c)	Retail Banking	1,909,124	1,601,801	1,110,510	1,909,124	1,110,510	1,909,124	1,112,906
(d)	Other Banking Operations	2,638	1,503	1,200	2,638	1,200	6,654	1,200
(e)	Unallocated	99,212	122,670	79,504	99,212	79,504	95,140	75,029
	Total	21,505,992	19,482,798	16,526,341	21,505,992	16,526,341	21,505,968	16,524,262
4	Segment Liabilities							
(a)	Treasury	4,370,902	3,935,997	3,715,068	4,370,902	3,715,068	4,370,902	3,715,068
(b)	Corporate Banking	8,732,631	7,936,329	7,064,291	8,732,631	7,064,291	8,730,964	7,062,701
(c)	Retail Banking	5,773,999	5,563,579	4,206,361	5,773,999	4,206,361	5,773,999	4,208,294
(d)	Other Banking Operations	11,677	10,713	12,912	11,677	12,912	14,668	12,912
(e)	Unallocated	411,377	411,466	149,050	411,377	149,050	411,471	149,050
	Capital and Reserves	2,205,406	1,624,714	1,378,660	2,205,406	1,378,660	2,203,963	1,376,238
	Total	21,505,992	19,482,798	16,526,341	21,505,992	16,526,341	21,505,968	16,524,262

SEGMENT	PRINCIPAL ACTIVITIES
Treasury	Includes investments, all financial markets activities undertaken on behalf of the Bank's customers, proprietary trading, maintenance of reserve requirements and resource mobilisation from other banks and financial institutions.
Corporate Banking	Includes lending, deposit taking and other services offered to corporate customers.
Retail Banking	Includes lending, deposit taking and other services offered to retail customers.
Other Banking Operations	Includes para banking activities like third party product distribution, merchant banking etc.

Place: Mumbai
Date: April 19, 2017

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BY

For BSR & Co. LLP

For YES BANK Limited

Rana Kapoor
Managing Director & CEO



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