

Press Release – April 26, 2018

YES BANK announces Financial Results for the Quarter and Year ended March 31, 2018

1. KEY HIGHLIGHTS

- **Strong Earnings Delivery:** Healthy growth in NII leading to PAT growth of **29.0%** (₹ 1,179.4 Crores) in Q4FY18 and **26.9%** (₹ 4,224.6 Crores) in FY18
- **Large Bank Growth Phase Milestones:** Crossed significant milestones of **₹ 3 Lakh Crores** in Total Assets, and **US\$ 2.5 Bn** in IBU Total Assets. Advances and Deposits in excess of **₹ 2 Lakh Crores** each
- **Well segmented and granular growth:** Advances growth of **53.9%** y-o-y spread across Corporate, MSME and Retail businesses. **Core Retail Banking advances** doubled in last one year, now at **12.2%** of Total Advances, coupled with healthy growth of 34.4% in MSME
- **Healthy Asset Quality delivery:** Improvement in both **GNPA (1.28%** from 1.72% sequentially) and **NNPA (0.64%** from 0.93% sequentially). Credit costs contained at 76 bps for FY18
- **Leadership position in Digital Space continues:** Ranked **#2** in performance on Digital payments across Public, Private, Foreign & Payment Banks by Ministry of Electronics & Information Technology (MeitY) for FY18
- **Dividend of ₹ 2.7** per share (135%) recommended by Management & Board (*subject to shareholders' approval*)

Commenting on the results and financial performance, Mr. Rana Kapoor, Managing Director & CEO, YES BANK said, “FY18 has been a landmark year in YES Bank’s ‘Large Bank Growth Phase’ with the Bank crossing significant milestones in size, outreach & granularity while continuing to deliver on satisfactory earnings. Well segmented and granular growth across Corporate, MSME and Retail businesses has resulted in Advances crossing ₹ 2 Lakh Crores, clearly demonstrating breadth of product offerings, and depth of relationships, across segments and sectors. Further Bank’s IBU (GIFT City) business continues to expand, with total assets crossing US\$ 2.5 Bn within 3 years of operations. YES Bank also successfully completed its maiden MTN issuance of US\$ 600 Mn in the past quarter to support diversified funding for this growth.

As we step into the 4th year (FY18-19) of this current 5 year Large Bank Growth Phase (upto March 31, 2020), we remain well positioned to deliver on growth & earnings while preserving asset quality, and continuing to invest in Digital and technology initiatives towards making YES BANK a cutting edge Digital home country Indian Bank.”

2. PROFIT & LOSS: Growth translating to Robust Earnings delivery

- **Net Profit** grew by 29.0% y-o-y (₹ 1,179.4 Crores) for Q4FY18 and 26.9% y-o-y (₹ 4,224.6 Crores) in FY18
- **Net Interest Income** grew by 31.4% y-o-y (₹ 2,154.2 Crores) for Q4FY18, and 33.5% y-o-y (₹ 7,737.1 Crores) in FY18
- **NIMs** stand healthy at 3.4% for Q4FY18 and 3.5% for FY18 (up from 3.4% in FY17).
- **Non-Interest Income** grew by 13.0% y-o-y (₹ 1,421.0 Crores) for Q4FY18, and 25.7% y-o-y (₹ 5,223.8 Crores) in FY18
- Stable Cost to Income ratio at 40.3% for Q4FY18 and 40.2% for FY18 (improves from 41.4% for FY17)
- Consistent return ratios with **RoA** at 1.6% and **RoE** at 18.8% for Q4FY18. For FY18, RoA at 1.6% and RoE at 17.7%
- **Book Value** at ₹ 111.8 per share

3. BALANCE SHEET: Robust growth across relationship & business segments & increasing granularity







- Total Assets grew by 45.3% y-o-y to ₹ 3,12,445.6 Crores. IBU Assets grew by 166.0% y-o-y to US\$ 2.8 Bn
- Deposits grew by 40.5% y-o-y to ₹ 2,00,738.1 Crores
- **CASA ratio** at 36.5%, on the back of 41.1% y-o-y growth. SA (₹ 44,350.5 Crores) and CA (₹ 28,825.7 Crores) deposits posted strong growth of 35.3% and 51.0% y-o-y respectively. **CASA + Retail FDs** as a % of Total Deposits stands at a healthy 57.2%
- **Advances** grew by 53.9% y-o-y to ₹ 2,03,533.9 Crores on the back of robust growth across Corporate, MSME and Retail businesses. Retail Banking Advances grew by 99.1% y-o-y to 12.2% of Advances (up from 9.4% as on March 31, 2017). Segmental mix below:

Business Segment	As on Mar 31, 2018	As on Mar 31, 2017	Growth (y-o-y)	As on Dec 31, 2017	Growth (q-o-q)
A) Corporate Banking	67.9%	67.7%	54.1%	67.7%	19.0%
of which IBU Advances	7.1%	4.6%	138.8%	6.1%	37.6%
B) Retail & Business Banking	32.1%	32.3%	53.3%	32.3%	18.1%
of which:					
i) Medium Enterprises	9.7%	10.5%	41.6%	9.9%	16.7%
ii) Small and Micro Enterprises	10.3%	12.3%	28.3%	10.6%	14.5%
iii) Retail Banking	12.2%	9.4%	99.1%	11.8%	22.4%
Total	100.0%	100.0%	53.9%	100.0%	18.7%

- **Total Capital Adequacy** at 18.4% with Total Capital Funds at ₹ 46,975.7 Crores. Tier I Ratio and CET I ratio healthy at 13.2% and 9.7% respectively
- In FY18, Bank raised ₹ 5,415 Crores of Basel III AT I, and ₹ 7,000 Crores of Basel III Tier II Capital Funds aggregating to ₹ 12,415 Crores of Total Capital Funds. This is the highest hybrid capital raise in any FY since the inception of the Bank reflecting on excellent domestic market appetite for YES Bank capital qualifying Bonds
- Risk Weighted Assets stood at ₹ 2,55,343.3 Crores. RWA to Total Assets improved to 81.7% (from 86.6% as on March 31, 2017) given incremental lending to higher rated Corporates

4. ASSET QUALITY: Highly Satisfactory Asset Quality parameters & Improving outlook

(A) Details of Asset Quality Parameters:

S. No	Particulars (%)	Q4FY18	Q3FY18	Q4FY17	Remarks
1	Credit Cost (bps)	13 	18	19	Credit Cost for FY18 at 76 bps
2.1	GNPA	1.28%  (₹ 2,626.8 Cr)	1.72%	1.52%	Gross Slippage of ₹ 380.2 Crores of which ₹ 28.2 Crores from 1 account previously classified under 'Standard SDR'
2.2	NNPA	0.64%  (₹ 1,312.7 Cr)	0.93%	0.81%	
2.3	PCR	50.0% 	46.4%	46.9%	Bank plans to increase PCR to >60% by Sep'18
3	Net Security Receipts	0.92%  (₹ 1,884.7 Cr)	1.06%	0.73%	2 previous period (Q2FY18) NPA accounts (loan value ₹ 589.4 Crores) sold with corresponding aggregate SR carrying value of ₹ 179.1 Crores. Aggregate redemption/recoveries in security receipts of ₹ 55.2 Crores in Q4FY18 Bank expects redemptions/recoveries of 30-40% over the next 6-12 months
4	Std. Restructured Exposure	0.16%  (₹ 337.6 Cr)	0.42%	0.71%	Breakup of 0.16% (₹ 337.6 Cr) - Erstwhile fully implemented S4A (₹ 139 Crs - 3 accounts); 5-25 (₹ 107 Crs - 2 accounts); SDR (Nil) and Other Restructure book (₹ 91 Crs - 3 accounts)
TOTAL (2.2 + 3 + 4)		1.73% (₹ 3,535 Cr)	2.41% (₹ 4,147 Cr)	2.25% (₹ 2,997 Cr)	

(B) Improving Asset Quality Outlook:

- I. Adequate provisioning on exposures to select accounts referenced in List 1 & 2 RBI IBC NCLT notification (~40 accounts systemically identified in June '17 (12) & September 17 (28) respectively)
 - (i) Details of exposure to List 1 accounts (0.16% of Gross Advances)
 - Total exposure of ₹ 319 Crores (Funded exposure only) on 2 accounts, both classified as NPA with a provision coverage of 50%
 - Bank expects recovery of 60-65% of exposures to List 1 accounts, latest by Q2FY19
 - (ii) Details of exposure to List 2 accounts (0.32% of Gross Advances)
 - Total exposure of ₹ 650 Crores across 7 accounts
 - Entire Funded exposure from the above, aggregating to ₹ 568 Crores (across 3 accounts), is classified as NPA and has provision Coverage of 43%
 - Adequate provisioning on these exposures with 50-60% collectability
- II. Minimal impact of RBI circular dated Feb 12, 2018 - Resolution of Stressed Assets Revised Framework
 - (i) No Immediate impact:
 - Nil Slippage during the quarter from restructured book on account of Feb 12, 2018 RBI Circular.
 - No impact on the outstanding restructured book (0.16% of Gross Advances) as on March 31, 2018 as schemes of Restructuring have been fully implemented

(ii) Minimal Potential impact:

- Exposures to accounts where the Bank expects a delay in implementation of resolution plan triggering a potential reference to NCLT as per Feb 12, 2018 RBI notification (*For Borrowers with aggregate debt of > ₹2,000 Crores*):

S. No	Aggregate Debt of probable Borrower	YES Bank Exposure*
1	> 5,000 Crores	Nil
2	2,000 - 5,000 Crores	280 Crores

* Classified as Standard as on March 31, 2018 and excluding exposures already referred under NCLT List 1&2

- The Bank has further proactively reviewed its portfolio for borrowers with aggregate debt of ₹ 1,000 - 2,000 Crores & ₹ 100 - 1,000 Crores in FY18, and expects a minimal impact for any accounts being potentially referred to NCLT

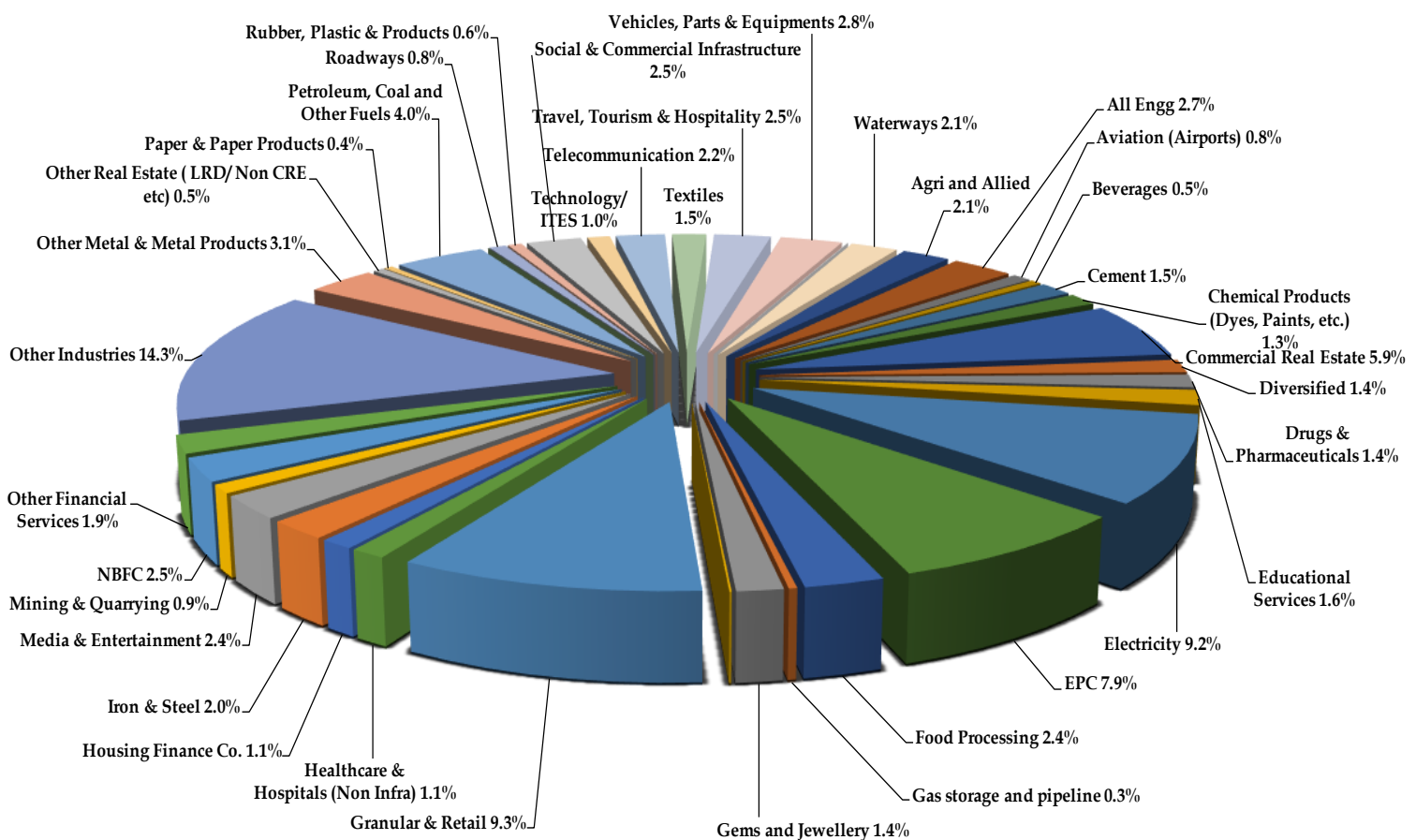
5. SENSITIVE SECTOR DISCLOSURE: Decreased from 9.3% to 8.3% sequentially

Sector/ Rating*	% of Total Exposure as on March 31, 2018	% of Total Exposure as on Dec 31, 2017
(A.1) Non Renewable Electricity Generation	2.7 % (all operational)	3.4 % (all operational)
(A.2) Exposure to SEBs	Nil	Nil
(B) Iron & Steel	2.0 %	2.0 %
A or above rated	1.5 %	1.6 %
(C) Telecom	2.2%	2.3%
A and above rated	1.9%	2.1%
(D) Gems & Jewellery	1.4%	1.6%
A and above rated	0.9%	1.1%

*Based on Internal Corporate ratings models mapped to external ratings

Overall Corporate portfolio continues to be well rated with nearly 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)






6. DIGITAL BANKING: Pioneers in Innovation

- YES Bank continues to be a leader within the new age payments space
 - **Ranked #2** in performance on Digital payments across Public, Private, Foreign & Payment Banks by **Ministry of Electronics & Information Technology (MeitY)** for FY18
 - **Largest market share of 72%** in UPI Merchant Payments volumes and 20% market share in the total volumes during FY18. Volumes witnessed exponential growth of 33X in FY18
 - Total YES Bank UPI registrations have crossed **3 Crores**, Merchant partner base of **80,000+**
 - **Top** Remitter Bank within peer group and #2 across Industry, for IMPS transactions as per NPCI, for FY18. Volumes witnessed 155% growth y-o-y
 - Successfully processed 51 lakh AEPS transactions, within just three months of operationalization. Enabled 40,000+ Business Correspondent Agents for successfully providing AEPS services
 - Increase of 197% in Volume and 166% in Value of YES money Domestic Remittance Programme
- Continued focus on Innovation and Superior Product Delivery:
 - YES Mobile registrations have increased by **2.4 times y-o-y** with increase in transaction value & Volumes by **~2X** and **~3.2X y-o-y** respectively
 - **YES ROBOT - Personal Banking Assistant, India's first artificial intelligence enabled banking bot** with On-the-Go banking assistance, GPS assistance, real time indicative loan eligibility for commercial & MSME loans and accessibility from Facebook Messenger and YES BANK website. Successfully answered ~5 lac customer queries since launch.

7. SOCIAL MEDIA

According to The Financial Brand (March 2018), YES BANK is:

- Highest followed **Bank Brand** on Twitter with over **3.3 million** followers & on Instagram with **644,000** followers
- 2nd highest followed **Global Bank Brand** on **Facebook** with more than **7.3 million Page followers**

					
Followers		Page Likes		Followers	
1) YES BANK	3,312k	1) State Bank of India	15,237k	1) YES BANK	644K
2) State Bank of India	3,197k	2) YES BANK	7,335k	2) State Bank of India	428k
3) ICICI Bank	419k	3) ICICI Bank	5,467k	3) Axis Bank	93.5k
4) HDFC Bank	271.5k	4) Axis Bank	3,637k	4) HDFC Bank	43.6k
5) Axis Bank	246k	5) HDFC Bank	2,635k	5) ICICI Bank	20k
6) Kotak Mahindra Bank	207k	6) Kotak Mahindra Bank	1,225k	6) Kotak Mahindra Bank	-

Data as on 31st March, 2018

8. EXPANSION & KNOWLEDGE INITIATIVES

- Employee strength as on March 31, 2018 stood at **18,238**
- Branch network stood at **1,100** branches as on March 31, 2018 an increase of 50 branches during the quarter. ATM Network stood at **1,724** which includes **565** Bunch Note Acceptors/Cash Recyclers
- YES BANK raised **USD 600 Million** For 5 Year Tenor under its USD 1 Billion MTN Program
 - It is the largest debut International bond issuance by an Indian bank
 - First bank out of GIFT City, Gandhinagar to launch MTN issuance, and continues to be the largest amongst the operational IBUs with Balance Sheet size crossing **USD 2.5 Billion**
 - The Bond is listed on India INX, Singapore Stock Exchange and London Stock Exchange.
- Received **RBI approval** to open **Representative Offices** in **London** and **Singapore**. This is in continuation with YES Bank's international foray to expand services to the NRI population and Indian origin business at these locations and to also be positive for International Business development
- **Only Indian bank** to be awarded '**Prime**' status by **OEKOM Research AG** in their latest **ESG assessment**. OEKOM provides ESG research for assets totaling more than EUR 1.5 trillion. With the 'Prime' status being awarded, YES BANK has been placed in the top-12% of a peer group consisting of 249 banks worldwide
- Renewal of authorization granted by RBI for import of Gold and Silver till March 2019. YES BANK has imported 60 tonnes of gold in FY18 (34 tonnes in FY17)
- Board of Directors vide meeting dated April 26, 2018 approved and recommend to the shareholders for their approval, the following items:
 - An aggregate limit of US\$ 1 Bn upto which the Board of Directors through the Capital Raising Committee could consider and approve proposals for issuance of equity shares through ADR/GDR/QIP or any other appropriate route, in single or multiple tranches (with a post issuance dilution cap of 10%)
 - An aggregate limit of ₹ 30,000 Crore upto which the Board of Directors through the Capital Raising Committee could consider and approve proposals for issuance of debt securities including but not limited to non-convertible debentures, MTN, Bonds on private placement basis, in single or multiple tranches (*as per Section 42 of the Companies Act 2013*)
 - Increase in Borrowing limit to ₹ 1.1 Lakh Crore (*as per provisions of Section 180 (1)(c) of the Companies Act 2013*)
 - Reappointment of Main Promoter Mr. Rana Kapoor as MD&CEO for a period of 3 years commencing from September 1, 2018 (*subject to shareholders & RBI approval*)

9. AWARDS & RECOGNITIONS

YES BANK was:

- Awarded **Best Bank for SMEs - India** in the **Asiamoney Best Banks Country Awards - 2018**, in Hong Kong
- Recognized as **Fastest Growing Mid-Sized Bank at Business Today - KPMG India's Best Banks, Awards and Survey - 2018**, Mumbai
- Awarded **"APAC Leader in Digital Transformation"** at **Financial Insights Innovation Awards (FIIA), 2018**, Hong Kong
- Awarded **Fastest Growing Mid-Sized Bank at Businessworld Magna Awards, 2018 - Mumbai**
- Awarded the prestigious **'Golden Peacock Award for Corporate Social Responsibility - 2017'** in the financial services (Private) category at IOD, India's "12th International Conference on Corporate Social Responsibility" 2018 in Bangalore
- Awarded **'Golden Peacock National Training Award'** 2018 at the '28th World Congress on Leadership for Business Excellence & Innovation' & Golden Peacock Awards, organized by Institute of Directors (IOD) in Dubai.
- YES School of Banking, Learning & Development function of YES BANK has been awarded the latest dual international certification in ISO 9001:2015 and ISO 29990:2010 for its L&D practices
- YES Securities was adjudged **'India's Best Investment Bank'** by **Global Finance Magazine 2018 World's Best Investment Bank Awards**, New York

Mr. Rana Kapoor, MD&CEO, YES BANK, was:

- Awarded the prestigious **CNBC Asia's India Talent Management Award 2018** at the CNBC IBLA Awards, New Delhi 2018
- Recognized by Advertising Agencies Association of India (AAAI) as an **Outstanding Contributor to the Media and Communication Industry & Indian Brand Builder** at the 13th edition of Goafest 2018
- Awarded the **'The Extraordinaire - Business Innovator'** award while YES BANK was recognized as **'The Extraordinaire - Brand'** at the Brand Vision Summit 2018 held in Mumbai

The Press Conference of YES Bank's results will commence at 3 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 April 26, 2018 at 5 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 Q4FY18 & FY18 Results:

P & L Highlights						
(₹ in Crores)	Q4FY18	Q4FY17	Growth % (y-o-y)	FY18	FY17	Growth % (y-o-y)
Net Interest Income	2,154.2	1,639.7	31.4%	7,737.1	5,797.3	33.5%
Non Interest Income	1,421.0	1,257.4	13.0%	5,223.8	4,156.8	25.7%
Total Net Income	3,575.2	2,897.1	23.4%	12,960.9	9,954.1	30.2%
Operating Profit	2,135.4	1,691.0	26.3%	7,748.1	5,837.5	32.7%
Provision	399.6	309.7	29.0%	1,553.8	793.4	95.8%
Profit after Tax	1,179.4	914.1	29.0%	4,224.6	3,330.1	26.9%
Basic EPS (₹)	5.1	4.3 ⁺	19.2%	18.4 ⁺	15.8 ⁺	16.8%
Key P & L Ratios						
	Q4FY18	Q4FY17		FY18	FY17	
Return on Assets [#]	1.6%	1.8%		1.6%	1.8%	
Return on Equity [#]	18.8%	21.8%		17.7%	21.5%	
NIM	3.4%	3.6%		3.5%	3.4%	
Cost to Income Ratio	40.3%	41.6%		40.2%	41.4%	
Non Interest Income to Total Income	39.7%	43.4%		40.3%	41.8%	

Balance Sheet Highlights					
(₹ in Crore)	31-Mar-18	31-Mar-17	Growth % (y-o-y)	31-Dec-17	Growth % (q-o-q)
Advances	203,533.9	132,262.7	53.9%	171,514.9	18.7%
Deposits	200,738.1	142,873.9	40.5%	171,731.4	16.9%
CASA	73,176.2	51,869.7	41.1%	65,289.0	12.1%
Shareholders' funds	25,758.3	22,054.1	16.8%	24,554.3	4.9%
Total Capital Funds	46,975.7	31,731.2	48.0%	43,596.3	7.7%
Total Balance Sheet	312,445.6	215,059.9	45.3%	265,432.0	17.7%
Key Balance Sheet Ratios					
Capital Adequacy	18.4%**	17.0%		19.5%	
CET I Ratio	9.7%**	11.4%		10.7%	
Tier I Ratio	13.2%**	13.3%		14.7%	
Book Value (₹)	111.8	96.6 ⁺		106.8	
Gross NPA	1.28% (₹ 2,626.8 Crs)	1.52%		1.72%	
Net NPA	0.64% (₹ 1,312.7 Crs)	0.81%		0.93%	
Provision Coverage Ratio	50.0%	46.9%		46.4%	
Credit Costs (in bps)	13	19		18	
Restructured Exposure%*	0.16% (₹ 337.6 Crs)	0.71%		0.42%	
Security Receipts (Net) %	0.92% (₹ 1,884.7 Crs)	0.73%		1.06%	
CASA Ratio	36.5%	36.3%		38.0%	
Daily Average LCR	102.1%	88.1%		96.3%	

Annualized

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

** Adjusted for dividend of ₹2.7 per share

+ Adjusted basis 5:1 Share Split