

Press Release – July 26, 2018

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

**1. KEY HIGHLIGHTS for Q1FY19**

- ✓ **Sustained Earnings Delivery with improving efficiency:**
  - Net Profit at ₹ 1,260.4 Crores, grew 30.5% y-o-y on the back of healthy growth in NII & Other Income
  - Cost to Income ratio improved to 37.3% from 42.1% in Q1FY18
  - RoEs improved to 19.4% from 17.4% in Q1FY18
- ✓ **Robust Advances growth with increasing granularity:**
  - Advances grew by 53.4% y-o-y across domestic Corporate, IBU, MSME and Retail businesses
  - IBU Assets crossed US\$ 3 Bn growing by 219% y-o-y
  - Retail Banking Advances grew 105.2% y-o-y to 14.0% of Total Advances, contributing 47% of incremental growth during the quarter
- ✓ **Healthy Asset Quality delivery: Steady decline in Total Stressed Assets Book**
  - GNPA at 1.31% and NNPA declined to 0.59% from 0.64% sequentially. Credit costs at 15 bps
  - PCR improved to 55.3% from 50.0% sequentially
  - Total Stressed book (NNPA + Net Security Receipts + Std. Restructured Exposure) declined steadily to 1.52% from 1.73% sequentially
  - Demonstrated resolution track record capability by achieving significant recoveries in NPA and Security Receipts book
- ✓ **Ratings Upgraded to AAA** by CARE from AA+ for Infrastructure Bonds and Tier II Bonds (Basel III)

**Commenting on the results and financial performance, Mr. Rana Kapoor, Managing Director & CEO, YES BANK said, “YES BANK has again delivered sustained performance across balance sheet growth, profitability and asset quality. Further, the growth has been well segmented across Corporate, IBU, SME and particularly Retail Business which grew 105% y-o-y taking Retail Banking proportion in total advances to 14.0%. The exponential growth momentum in Retail demonstrates the leverage created across people, branches and technology over the past few years and is further expected to increase granularity in Bank’s asset and liabilities over the quarters to come. The Bank has also received approval from SEBI to commence its ‘Mutual Fund Business’ which will complement and further augment Bank’s Retail Liabilities and Wealth Management product offerings.**

The other key highlight of the quarter was Bank’s continued resilience in Asset Quality and resolution capabilities as demonstrated through recoveries in NPA and Security Receipts book resulting in decline in total Stressed Assets to 1.52% aggregate.

YES Bank’s sustained performance and inherent franchise strength has also been corroborated by Bank’s recent rating upgrade to AAA by CARE which will provide further impetus to Bank’s superior performance, overall Cost of Funds reduction and enable it to capture market share at an increasing pace.”

## 2. PROFIT & LOSS: Sustained Earnings Delivery with improving efficiency

- **Net Profit** grew by 30.5% y-o-y to ₹ 1,260.4 Crores
- **Net Interest Income** grew by 22.7% y-o-y to ₹ 2,219.1 Crores and **Non-Interest Income** grew by 49.6% y-o-y to ₹ 1,694.1 Crores with NIMs at 3.3%
- **Provisions** stood at ₹ 625.7 Crores of which:
  - ₹ 379.9 Crores is NPA provisioning which includes ₹ 149.0 Crores towards increase in Provision Coverage to 55.3%
  - ₹ 92.7 Crores is towards MTM losses on Bonds. MTM losses of ₹ 278.0 Crores will be amortized during FY19 under the RBI dispensation
- **Operating Profit** posted robust growth of 44.0% y-o-y to ₹ 2,454.7 Crores
- Consistent return ratios with **RoA** stable at 1.6%. **RoE** increased to 19.4% from 17.4% in Q1FY18
- **Book Value** at ₹ 114.1 per share as on June 30, 2018

## 3. BALANCE SHEET: Robust Advances growth with increasing granularity

- Total Assets grew by 49.7% y-o-y to ₹ 3,32,549.3 Crores. IBU Assets grew by 219% y-o-y to US\$ 3.2 Bn
- Deposits grew by 42.0% y-o-y to ₹ 2,13,394.5 Crores
- **CASA ratio** at 35.1%, on the back of 35.7% y-o-y growth. **SA** (₹ 46,597.5 Crores) and **CA** (₹ 28,332.5 Crores) deposits posted strong growth of 26.9% and 53.1% y-o-y respectively. **CASA + Retail FDs** as a % of Total Deposits stands at a healthy 56.7%
- **Advances** grew by 53.4% y-o-y to ₹ 2,14,720.1 Crores on the back of robust growth across Corporate, IBU, MSME and Retail businesses. Retail Banking Advances grew by 105.2% y-o-y to 14.0% of Advances (*up from 10.5% as on June 30, 2017*). Segmental mix below:

| Business Segment                        | As on Jun 30, 2018 | As on Jun 30, 2017 | Growth (y-o-y) | As on Mar 31, 2018 | Growth (q-o-q) |
|---|--------------------|--------------------|----------------|--------------------|----------------|
| <b>A) Corporate Banking</b>             | 67.6%              | 68.1%              | 52.2%          | 67.9%              | 5.0%           |
| of which IBU Advances                   | 8.8%               | 4.3%               | 214.5%         | 7.1%               | 31.6%          |
| <b>B) Retail &amp; Business Banking</b> | 32.4%              | 31.9%              | 56.0%          | 32.1%              | 6.5%           |
| of which:                               |                    |                    |                |                    |                |
| i) Medium Enterprises                   | 8.7%               | 9.9%               | 35.6%          | 9.7%               | (5.0%)         |
| ii) Small and Micro Enterprises         | 9.7%               | 11.5%              | 28.7%          | 10.2%              | (0.4%)         |
| iii) Retail Banking                     | 14.0%              | 10.5%              | 105.2%         | 12.2%              | 21.3%          |
| <b>Total</b>                            | 100.0%             | 100.0%             | 53.4%          | 100.0%             | 5.5%           |

- **Total Capital Adequacy** at 17.3% with Total Capital Funds at ₹ 46,983.7 Crores. Tier I Ratio and CET I ratio healthy at 12.8% and 9.5% respectively (*including profits & adjusted for prorated dividend & IFR*)
- Risk Weighted Assets stood at ₹ 2,71,351.3 Crores. RWA to Total Assets improved to 81.6% (*from 83.4% as on June 30, 2017*) given incremental lending to higher rated Corporates

#### 4. ASSET QUALITY: Decline in Total Stressed Assets Book

##### (A) Details of Asset Quality Parameters:

| S. No                      | Particulars (%)            | Q1FY19                              | Q4FY18                              | Q1FY18                              | Remarks   |
|----------------------------|----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| 1                          | Credit Cost (bps)          | 15                                  | 13                                  | 18                                  | Credit Cost guidance for FY19 at 50-70 bps  |
| 2.1                        | GNPA                       | 1.31%<br>(₹ 2,824.5 Cr)             | 1.28%<br>(₹ 2,626.8 Cr)             | 0.97%                               | Gross Slippage of ₹ 560.3 Crores of which ₹ 314.8 Crores is expected to be fully recovered before 30/09/2018 (Supported by Liquid/Marketable Securities)  |
| 2.2                        | NNPA                       | 0.59%<br>(₹ 1,262.6 Cr)             | 0.64%<br>(₹ 1,312.7 Cr)             | 0.39%                               |   |
| 2.3                        | PCR                        | 55.3%                               | 50.0%                               | 60.0%                               | PCR increased to 55.3% in Q1FY19 in line with Bank's guidance to increase PCR to >=60% by Sep'18  |
| 3                          | Net Security Receipts      | 0.82%<br>(₹ 1,771.2 Cr)             | 0.92%<br>(₹ 1,884.7 Cr)             | 0.69%                               | No Sale to ARC in Q1FY19<br>During the quarter one Security Receipt Investment with carrying value of ₹ 103.1 Crores was fully redeemed in line with Bank's expectation of redemptions/recoveries of 30-40% during FY19 |
| 4                          | Std. Restructured Exposure | 0.12%<br>(₹ 249.4 Cr)               | 0.16%<br>(₹ 337.6 Cr)               | 0.55%                               | Breakup of 0.12% (₹ 249.4 Cr) - Erstwhile fully implemented<br>S4A (₹ 137.5 Crs - 3 accounts); 5-25 (₹ 106.8 Crs - 2 accounts); SDR (Nil) and Other Restructure book (₹ 5.1 Crs - 2 accounts)                           |
| <b>TOTAL (2.2 + 3 + 4)</b> |                            | <b>1.52%</b><br><b>(₹ 3,283 Cr)</b> | <b>1.73%</b><br><b>(₹ 3,535 Cr)</b> | <b>1.64%</b><br><b>(₹ 2,299 Cr)</b> |   |

##### (B) Other Asset Quality highlights:

###### (i) Details of exposure to NCLT List 1 accounts (only 0.01% of Gross Advances)

During the quarter Bank recovered ₹ 184 Crore from one account (classified under NCLT List 1). Consequently, Bank has residual exposure to only one account with an exposure of ₹ 23.4 Crores (Funded exposure only), classified as NPA and provisioning coverage of 50%. We expect to fully recover this exposure

###### (ii) Details of exposure to NCLT List 2 accounts (0.31% of Gross Advances)

- Total exposure of ₹ 654.7 Crores across 7 accounts
- Entire Funded exposure from the above, aggregating to ₹ 568.0 Crores (across 3 accounts), is classified as NPA and has provision Coverage of 43%
- Adequate provisioning on these exposures with 50-60% collectability

**(iii) Minimal impact of RBI circular dated Feb 12, 2018:** As stated earlier in Q4FY18 Result's Media Release, Bank reiterates minimal impact of RBI's Feb 12 Circular on its portfolio

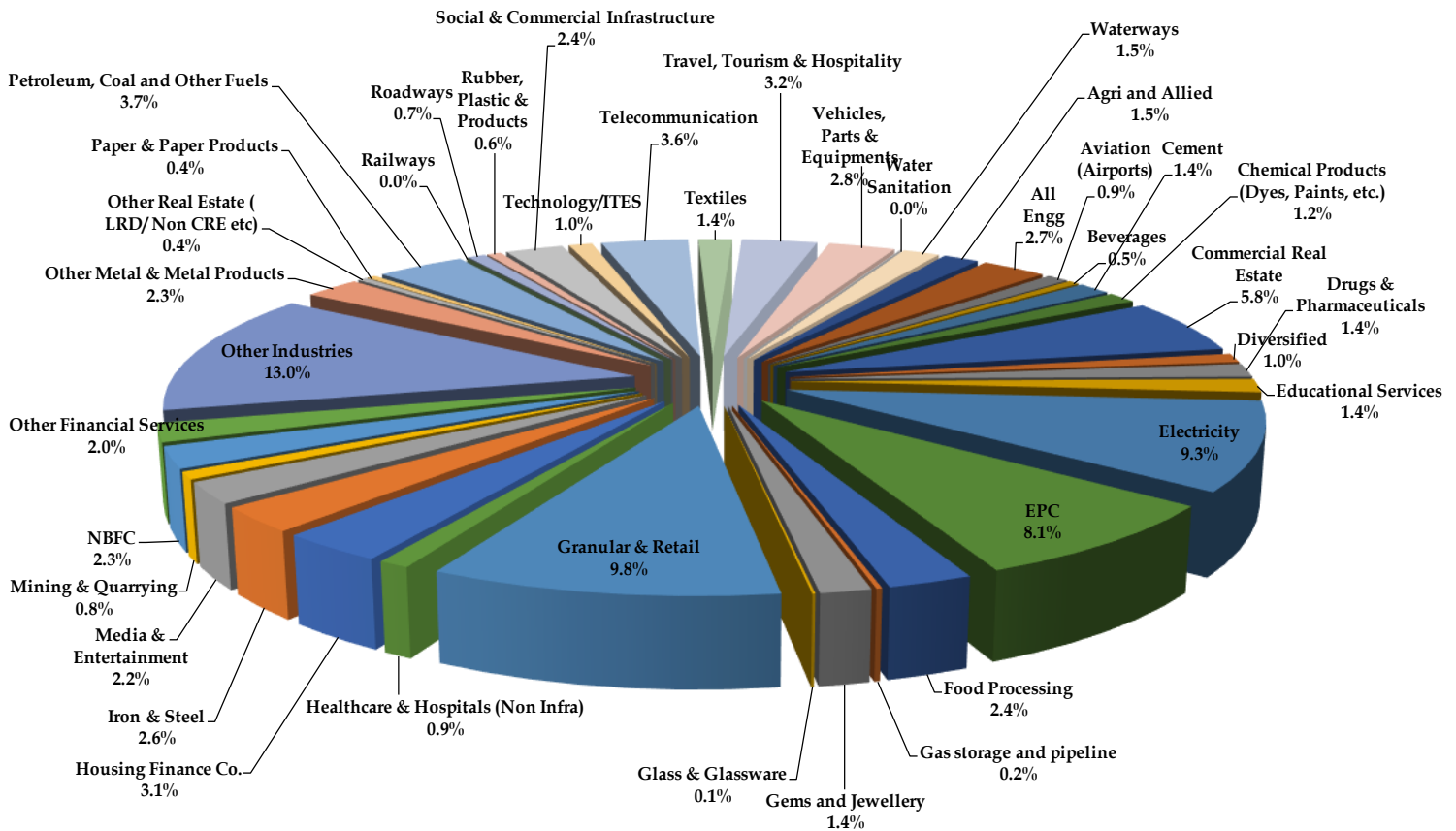
## 5. SENSITIVE SECTOR DISCLOSURE

| Sector/ Rating*                                   | % of Total Exposure as on June 30, 2018 | % of Total Exposure as on March 31, 2018 |
|---|---|--|
| <b>(A.1) Non Renewable Electricity Generation</b> | <b>2.5 %</b> (all operational)          | <b>2.7 %</b> (all operational)           |
| (A.2) Exposure to SEBs                            | Nil                                     | Nil                                      |
| <b>(B) Iron &amp; Steel</b>                       | <b>2.6 %</b>                            | <b>2.0 %</b>                             |
| A or above rated                                  | 2.0 %                                   | 1.5 %                                    |
| <b>(C) Telecom</b>                                | <b>3.6%</b>                             | <b>2.2%</b>                              |
| A and above rated                                 | 3.3%                                    | 1.9%                                     |
| <b>(D) Gems &amp; Jewellery</b>                   | <b>1.4%</b>                             | <b>1.4%</b>                              |
| A and above rated                                 | 1.0%                                    | 0.9%                                     |

\*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)



## 6. DIGITAL BANKING: Digital dominance continues

- Leadership position within the new age payments:
  - Winner for **Instant Payment products (UPI, IMPS, USSD & BHIM) in National Payments Excellence Awards 2017** announced by NPCI in May 2018
    - **UPI: Market share of 50%** in UPI Merchant Payments volumes. Processed more than **14 Crores transactions** amounting to ~ ₹ 29,000 Crores in Q1FY19. Total registrations have crossed **5 Crores**, Merchant partner base of **1.5 Lakhs**
    - **IMPS: Top Remitter Bank** within peer group based on transaction vol. as per NPCI, 105% growth y-o-y
    - **AePS: One of the Leading acquirer bank of AEPS.** Processed ~**2 Crore successful transactions in 3 months.** ~**1.45 Lakh Business Correspondent** agents enabled for delivering service
- Continued focus on Innovation:
  - **AIIMS Rishikesh Go Live:** AIIMS became India's first completely Cashless Campus by the way of YES Bank powered AIIMS Cashless Payments Cards, UPI led payments and POS led payments
  - Launched **BHIM Aadhaar pay** as an acceptance medium for Rajasthan Government's E-Mitra outlets for facilitating Government to Citizen (G2C) services
- Enhancing customer engagement through Superior Product Delivery:
  - **YES Mobile** registrations have increased by **113%** y-o-y with a mirroring increase in transaction value & volumes by **186%** and **247%** y-o-y respectively
  - **Robust growth in Debit Card transactions:**
    - **7.5 Million** Debit Card transactions in Q1FY19 y-o-y growth of **40%**. Total Debit Card spends grew 45% y-o-y to ₹ 1,095 Crores during Q1FY19. Further, Spend per Debit Card has increased by 29% y-o-y to ₹ 1,903 per quarter
    - Spends on YES Bank RuPay cards have increased **222%**
    - E-Com transactions growth of **52%** y-o-y
  - **YES ROBOT - Personal Banking Assistant, India's first artificial intelligence enabled banking bot** - Continues to gain popularity with customers as it engaged in over ~**10 lakh** interactions in Q1FY19
- Digital India Initiatives:
  - **Asmita Project** for Women & Child Welfare Department's subsidy disbursement went live on March 08, 2018 by the Honorable Chief Minister of Maharashtra; 25,000+ SHG members and 7 lakh girls are expected to benefit from the app
  - **Integrated Child Development Scheme (ICDS) Maharashtra** - Mobile application developed for capturing daily attendance of Anganwadi workers and their monthly payment processing; *resulting in drastic reduction of the entire billing cycle from 2-3 months to ~ 1 week*

## 7. EXPANSION & KNOWLEDGE INITIATIVES

- Employee strength as on June 30, 2018 stood at **19,597**, an increase of 1,359 employees in the quarter
- As on June 30, 2018, branch network stood at **1,105** branches and ATM Network stood at **1,741** which includes **561** Bunch Note Acceptors/Cash Recyclers
- YES Bank was Upgraded to '**AAA**' with Stable Outlook by Care Ratings:
  - Upgraded to highest Care AAA Rating from Care AA+ for Infrastructure Bonds and Tier II Bonds (Basel III) with Stable Outlook.
  - Upgraded to Care AA+ Rating from Care AA for Perpetual and Additional Tier I Bonds (Basel III); Stable Outlook which is the highest across all bank

CARE ratings cited Bank's adequate Capitalization levels, experienced Senior Management, healthy Profitability consistently over the last decade, comfortable Asset Quality relative to other banks, improvement in Funding Profile and comfortable Liquidity position as triggers for Rating Upgrade

- Ranked #1,013 in the Forbes Global 2000 - World's Largest Public Companies list for 2018 and ranked #155 in the Global 2000: Growth Champions list for 2018.
- YES BANK received regulatory approvals from SEBI:
  1. To commence its Mutual Fund business and
  2. For acting as Custodian of Securities

These approvals will complement YES BANK's retail liabilities and wealth management, and Capital Market offerings

- Sustained Leadership position in Clean Energy space by launching:
  - First-ever Green Deposit product - '**Green Future: Deposit**' on World Environment Day for lending towards Sustainable Development Goals (SDGs) aligned sectors
  - **Cleantech Accelerator:** YES SCALE (focused on Smart City Tech, CleanTech, AgriTech, Lifesciences Tech & EduTech), as part of YES BANK's multi-sector accelerator program. The accelerator Accelerator will focus on scaling up startups working on energy efficiency, waste management and water management - paving the way for a cleaner future

### 3. AWARDS & RECOGNITIONS

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

- Winner for outstanding performance in **Instant Payment Products (UPI + IMPS + BHIM + USSD)**, at the **National Payments Excellence Awards (NPCI) 2017** hosted by **National Payments Corporation of India (NPCI)**
- Recognized with three Gold Awards at the **India Content Leadership Award- 2018** for compelling marketing & corporate communications initiatives for its flagship Fintech start-up Business Innovation Programme, **YES FINTECH** and for successfully running **CFO Insights**, a magazine read widely by Chief Financial Officers (CFOs)
- Recognized with the '**Best Implementation of Digital Payments**' award at the 4th edition of prestigious **BW Businessworld Digital India Summit & Awards 2018**
- Adjudged as the '**Best Bank in India**' for Payments, Blockchain Initiative, API Initiative, Financial Supply chain Management Deal, Trade Finance Deal, Automation Application and Trade Finance at **The Asian Banker Transaction Banking Awards 2018**

Accolades for Small & Medium Enterprises Financing:

- Adjudged as the '**Best Bank in India for Small and Medium-Sized Enterprises (SMEs)**' at the **Asiamoney Best Bank Awards 2018**
- Recognized as the '**Best Banking Solutions provider for SMEs**' at Engineering Export Promotion Council (EEPC India) 48th Northern Region Awards for Export Excellence, Dehradun

Multiple recognitions for CSR practices:

- Adjudged as winner in '**Excellent CSR for Women Empowerment**' category of **Social Footprints Awards 2018** for YES BANK's innovative blended finance facility, aimed at promoting environmentally sustainable livelihood among women salt farmers in Gujarat
- Announced as the winner in '**Safe Drinking Water**' category of **Social Footprints Awards 2018** for successful implementation of Water ATMs and Water Health Centers under Water and Livelihood project in India
- Received '**CSR Excellence Award**' for its first-of-its-kind MSME CSR project '**Say YES to Sustainable MSMEs in India**' at the **Apex India Awards**

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

- In the '**Business Category**' for his immense contribution to society, promotion of culture and social initiatives at '**NBT Utsav 2018**' organized by **Navbharat Times**
- As the '**CSR Icon of the Year**' for his immense contribution to sustainable development in India for YES BANK's socio-environmental initiatives at the **Apex India Awards**
- As the '**Sustainability Leader of the Year**' at the **Karlsruhe Sustainable Finance Awards 2018, Germany**
- As '**Professional Entrepreneur of the Year**' by **Entrepreneur Magazine** at the 8<sup>th</sup> Annual Entrepreneur India 2018 Convention in New Delhi.

YES Bank's analyst conference call, scheduled on July 26, 2018 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.

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## Annexure

### Financial Highlights from Q1FY19 Results:

| P & L Highlights                    |         |                  |                     |         |                     |
|-------------------------------------|---------|------------------|---------------------|---------|---------------------|
| (₹ in Crores)                       | Q1FY19  | Q1FY18           | Growth %<br>(y-o-y) | Q4FY18  | Growth %<br>(q-o-q) |
| Net Interest Income                 | 2,219.1 | 1,808.9          | 22.7%               | 2,154.2 | 3.0%                |
| Non Interest Income                 | 1,694.1 | 1,132.2          | 49.6%               | 1,421.0 | 19.2%               |
| Total Net Income                    | 3,913.3 | 2,941.1          | 33.1%               | 3,575.2 | 9.5%                |
| Operating Profit                    | 2,454.7 | 1,704.2          | 44.0%               | 2,135.4 | 15.0%               |
| Provision                           | 625.7   | 285.8            | 118.9%              | 399.6   | 56.6%               |
| Profit after Tax                    | 1,260.4 | 965.5            | 30.5%               | 1,179.4 | 6.9%                |
| Basic EPS (₹)                       | 5.5     | 4.2 <sup>+</sup> | 29.5%               | 5.1     | 6.4%                |
| Key P & L Ratios                    |         |                  |                     |         |                     |
|                                     | Q1FY19  | Q1FY18           |                     | Q4FY18  |                     |
| Return on Assets <sup>#</sup>       | 1.6%    | 1.8%             |                     | 1.6%    |                     |
| Return on Equity <sup>#</sup>       | 19.4%   | 17.4%            |                     | 18.8%   |                     |
| NIM                                 | 3.3%    | 3.7%             |                     | 3.4%    |                     |
| Cost to Income Ratio                | 37.3%   | 42.1%            |                     | 40.3%   |                     |
| Non Interest Income to Total Income | 43.3%   | 38.5%            |                     | 39.7%   |                     |

| Balance Sheet Highlights            |                        |                     |                     |                  |                     |
|-------------------------------------|------------------------|---------------------|---------------------|------------------|---------------------|
| (₹ in Crore )                       | 30-Jun-18              | 30-Jun-17           | Growth %<br>(y-o-y) | 31-Mar-18        | Growth %<br>(q-o-q) |
| Advances                            | 214,720.1              | 139,971.8           | 53.4%               | 203,533.9        | 5.5%                |
| Deposits                            | 213,394.5              | 150,240.9           | 42.0%               | 200,738.1        | 6.3%                |
| CASA                                | 74,930.0               | 55,215.1            | 35.7%               | 73,176.2         | 2.4%                |
| Shareholders' funds                 | 26,313.9               | 22,387.4            | 17.5%               | 25,758.3         | 2.2%                |
| Total Capital Funds                 | 46,983.7 <sup>**</sup> | 32,541.3            | 44.4%               | 46,975.7         | 0.0%                |
| <b>Total Balance Sheet</b>          | <b>332,549.3</b>       | <b>222,145.2</b>    | <b>49.7%</b>        | <b>312,445.6</b> | <b>6.4%</b>         |
| Key Balance Sheet Ratios            |                        |                     |                     |                  |                     |
| Capital Adequacy                    | 17.3% <sup>**</sup>    | 17.6% <sup>**</sup> |                     | 18.4%            |                     |
| CET I Ratio                         | 9.5% <sup>**</sup>     | 11.9% <sup>**</sup> |                     | 9.7%             |                     |
| Tier I Ratio                        | 12.8% <sup>**</sup>    | 13.8% <sup>**</sup> |                     | 13.2%            |                     |
| Book Value (₹)                      | 114.1                  | 97.9                |                     | 111.8            |                     |
| Gross NPA                           | 1.31% (₹ 2,824.5 Crs)  | 0.97%               |                     | 1.28%            |                     |
| Net NPA                             | 0.59% (₹ 1,262.6 Crs)  | 0.39%               |                     | 0.64%            |                     |
| Provision Coverage Ratio            | 55.3%                  | 60.0%               |                     | 50.0%            |                     |
| Credit Costs (in bps)               | 15                     | 18                  |                     | 13               |                     |
| Restructured Exposure% <sup>*</sup> | 0.12% (₹ 249.4 Crs)    | 0.55%               |                     | 0.16%            |                     |
| Security Receipts (Net)%            | 0.82% (₹ 1,771.2 Crs)  | 0.69%               |                     | 0.92%            |                     |
| CASA Ratio                          | 35.1%                  | 36.8%               |                     | 36.5%            |                     |
| Daily Average LCR                   | 101.0%                 | 88.3%               |                     | 102.1%           |                     |

# Annualized

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

\*\* including profits & adjusted for prorated dividends & IFR

+ Adjusted basis 5:1 Share Split