

Press Release – January 19, 2017

YES BANK announces Financial Results for the Quarter ended December 31, 2016

1. PROFIT & LOSS (P&L): Key Highlights

- **Net Profit of ₹ 882.6 Crores in Q3FY17;** y-o-y growth of **30.6%**
- **Total Net Income of ₹ 2,505.8 Crores in Q3FY17** y-o-y growth of **31.7%**
- **Net Interest Income of ₹ 1,507.5 Crores for Q3FY17;** y-o-y growth of **30.3%** on back of growth in Advances & CASA and expansion in NIM
- **Non Interest Income of ₹ 998.3 Crores for Q3FY17;** y-o-y growth of **33.8%**
- **NIM expanded to 3.5%** for Q3FY17 from 3.4% in Q2FY17
- **RoA healthy at 1.8% and RoE increased to 22.3%** from 20.5% y-o-y
- **Book Value at ₹ 384.1 per share as on Dec 31, 2016**

2. BALANCE SHEET: Key Highlights

- **CASA ratio at 33.3%, 6.7% increase in one year** from 26.6% a year ago on the back of **63.3%** growth y-o-y. SA and CA deposits posted growth of **64.3%** and **61.5%** respectively
- **CASA+Retail FDs** as % of Total Deposits stands at a healthy **59.2%** as at Dec 31, 2016 (53.9% as on Dec 31, 2015), **5.4%** increase in one year
- **Advances grew by 38.7% y-o-y to ₹ 117,087.0 Crores** as at Dec 31, 2016
- **Total Capital Adequacy** as per Basel III is robust at **16.9%** with Tier I ratio at **12.2%** (*including profits and excluding prorated dividend*).

Total Capital Funds at **₹ 26,864.8 Crores** as of Dec 31, 2016.

3. ASSET QUALITY: Key Highlights

- **Credit Costs at 8 bps** for Q3FY17
- Gross Non Performing Advances (**GNPA**) at **0.85%** (₹ 1005.9 Crores) and Net Non Performing Advances stable at (**NNPA**) at **0.29%** (₹ 342.4 Crores) as at Dec 31, 2016
- **Provision Coverage Ratio (PCR)** stands at **66.0%** as at Dec 31, 2016
- Standard Restructured Advances as a proportion of Gross Advances at **0.42%** (₹ 500.2 Crores) as at Dec 31, 2016, down from 0.67% (₹ 568.3 Crores) as at Dec 31, 2015. **No additional restructuring during the quarter.**
- Security Receipts (SRs) stand at **0.22%** (₹ 258.8 Crores) of Gross Advances as at Dec 31, 2016. **No sale to ARC during the quarter.**
- Standard SDR Advances outstanding at **0.16%** (₹ 193.5 Crores) of Gross Advances as at Dec 31, 2016 from two SDR accounts, of which **one account was restructured during the quarter.** Investment exposure of SDR accounts at **0.01%** (₹ 11.4 Crores) of Gross Advances.
- 5:25 refinancing exposure of **0.09%** (₹ 103.1 Crores) of Gross Advances as at Dec 31, 2016. **No 5:25 refinancing during the quarter**

Financial Highlights from Q3FY17 Results:

P & L Highlights					
(₹ in Crore)	Q3FY17	Q3FY16	Growth % (y-o-y)	Q2FY17	Growth % (q-o-q)
Net Interest Income	1,507.5	1,157.0	30.3%	1,446.2	4.2%
Non Interest Income	998.3	746.1	33.8%	887.9	12.4%
Total Net Income	2,505.8	1,903.1	31.7%	2,334.0	7.4%
Operating Profit	1,453.8	1,149.6	26.5%	1,386.0	4.9%
Provision	115.4	147.9	(22.0%)	161.7	(28.6%)
Profit after Tax	882.6	675.7	30.6%	801.5	10.1%
Basic EPS (Rs.)	20.9	16.1	29.4%	19.0	9.8%
Key P & L Ratios					
	Q3FY17	Q3FY16		Q2FY17	
Return on Assets [#]	1.8%	1.8%		1.8%	
Return on Equity [#]	22.3%	20.5%		21.4%	
NIM	3.5%	3.4%		3.4%	
Cost to Income Ratio	42.0%	39.6%		40.6%	
Non Interest Income to Total Income	39.8%	39.2%		38.0%	

Balance Sheet Highlights					
(₹ in Crore)	31-Dec-16	31-Dec-15	Growth % (y-o-y)	30-Sep-16	Growth % (q-o-q)
Advances	117,087.0	84,396.2	38.7%	110,216.2	6.2%
Deposits	132,375.8	101,437.2	30.5%	128,023.8	3.4%
CASA	44,126.4	27,019.4	63.3%	38,784.0	13.8%
Shareholders' funds	16,247.1	13,561.3	19.8%	15,370.2	5.7%
Total Capital Funds*	26,864.8	19,525.2	37.6%	23,117.2	16.2%
Total Balance Sheet	194,828.0	147,754.0	31.9%	187,308.8	4.0%
Key Balance Sheet Ratios					
Capital Adequacy*	16.9%	16.1%		15.0%	
Tier I Ratio *	12.2%	10.9%		10.1%	
Book Value (₹)	384.1	323.3		364.5	
Gross NPA	0.85% (₹ 1,005.9 Cr)	0.66%		0.83%	
Net NPA	0.29% (₹ 342.4 Cr)	0.22%		0.29%	
Provision Coverage Ratio	66.0%	66.5%		64.8%	
Restructured Advances %	0.42%	0.67%		0.46%	
Security Receipts (Net) %	0.22%	0.25%		0.23%	
Credit Costs (in bps)	8	14		11	
Standard SDR's	0.17%	-		0.03%	
5-25 Refinancing	0.09%	-		0.09%	

Annualized

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

Mumbai, January 19, 2017: The Board of Directors of YES BANK Ltd. took on record the Q3FY17 results at its meeting held in Mumbai today.

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 across key financial parameters of Growth and Profitability driven by expansion in NIMs to 3.5%, while maintaining healthy Asset Quality. During the quarter, the Bank further augmented its Digital offerings and partnerships in line with the Government of India’s push towards a Less-Cash economy.

YES BANK continues to garner low cost deposits at a healthy pace on the back of its superior service and technology driven experience with CASA ratio increasing to 33.3% as on Dec 31, 2016. Bank’s comprehensive product offerings continue to enable a healthy and granular Advances growth of 38.7% y-o-y. Further, to aid growth momentum, Bank raised ₹ 3,000 Crores of Basel III compliant AT1 bonds, reflecting faith of marquee investors in our robust business and financial model.

The healthy mix of institutional, administrative and behavioural reforms such as GST, Demonetisation will widen the scope for Banking Sector and YES BANK remains well positioned given its comprehensive Corporate, Retail and Digital product offerings to further propel its market share for balance sheet as well as payments.”

Q3FY17 Performance highlights

Profit & Loss Account

- **Net Interest Income (NII):** NII for Q3FY17 increased by 30.3% y-o-y to ₹ 1,507.5 Crores on account of strong growth in advances and CASA deposits. Net interest Margin (NIM) expanded to 3.5% from 3.4% in Q2FY17
- **Non Interest Income:** Non Interest Income increased by 33.8% y-o-y to ₹ 998.3 Crores in Q3FY17.
- **Total Net Income:** Total Net Income increased by 31.7% y-o-y to ₹ 2,505.8 Crores in Q3FY17.
- **Operating and Net profit:** Operating profit for Q3FY17 increased by 26.5% y-o-y to ₹ 1,453.8 Crores Net Profit in Q3FY17 was up 30.6% y-o-y to ₹ 882.6 Crores.
- **Shareholders’ Returns:** In Q3FY17, RoAs stood at 1.8%. RoE increased to 22.3% from 20.5% y-o-y.

Balance Sheet

- **Deposits:** Total Deposits grew by 30.5% y-o-y to ₹ 132,375.8 Crores as at Dec 31, 2016. The Bank’s Total Assets grew by 31.9% y-o-y to ₹ 194,828.0 Crores as at Dec 31, 2016. The Bank’s CD ratio stood at 88.5% as at Dec 31, 2016.

Current and Savings Account (CASA) deposits grew by 63.3% y-o-y to ₹ 44,126.4 Crores increasing the CASA ratio to 33.3% as at Dec 31, 2016 up from 26.6% as at Dec 31, 2015. Further, **SA deposits** grew by 64.3% y-o-y to ₹ 29,348.1 Crores and CA deposits grew by 61.5% to ₹ 14,778.3 Crores as on Dec 31, 2016.

▪ **Sensitive sector disclosures:**

Sector/ Rating*	% of Total Exposure
(A) Electricity	9.8 %
AAA/AA rated investments	0.4 %
T&D	1.3 %
Renewable Exposures(Green-Financing)	4.3% of which 2.2% is operational
Non-Renewable	3.9% (all operational)
Exposure to SEBs	Nil
(B) Iron & Steel	1.8 %
A or above rated	1.3 %
(C) EPC	6.1 %
A or above rated	3.8 %

*Based on Internal ratings mapped to external ratings

All three sectors showing steady improvement in economic conditions driven by Government of India policy interventions and improving global factors

▪ **Asset Quality**

Bank continues to show resilience on all Asset Quality parameters:

1. **NPA – Credit Costs at 8 bps for Q3FY17**

Gross Non Performing Advances (GNPA) as a proportion of Gross Advances was at **0.85%** (₹ 1,005.9 Crores) while Net Non Performing Advances (NNPA) as a proportion of Net advances was at **0.29%** (₹ 342.4 Crores) as at Dec 31, 2016. Bank's specific loan loss Provision Coverage was at 66.0% as at Dec 31, 2016.

2. **Standard Restructured Advances at 0.42%**

The total Standard Restructured Advances as a proportion of Gross Advances was at **0.42%** (₹ 500.2 Crores) as at Dec 31, 2016, down from 0.67% (₹ 568.3 Crores) as at Dec 30, 2015. **No additional restructuring during the quarter.** The restructured loans have been performing in line with expectations and the Bank does not anticipate any material slippages in this book.

3. **Security Receipts at 0.22%**

Net Security Receipts (SRs) stood at **0.22%** of Gross Advances (₹ 258.8 Crores, comprising 11 borrowers) as on Dec 31, 2016. **No sale to ARC during the quarter.**

4. **Standard SDR Exposure at 0.17%**

Strategic Debt Restructuring outstanding exposure of **0.16%** (₹ 193.5 Crores) to Gross Advances as on Dec 31, 2016 from 2 accounts, of which **one account was restructured through SDR route during the quarter.** Total outstanding Investments in SDR stand at **0.01%** (₹ 11.4 Crores) of Gross Advances as on Dec 31, 2016.

5. **5:25 Refinancing Advances at 0.09%**

5:25 refinanced Advances at 0.09% (Rs 103.1 Crores) of Gross advances as on Dec 31, 2016. **No additional account was refinanced through 5:25 during the quarter.**

6. **Rating Profile** - Bank's Corporate Exposures continue to remain well rated with over **75% portfolio rated 'A' or better.** (Based on Internal ratings mapped to external ratings).

- **Capital Funds** (including profits, excluding prorated dividend): As per Basel III, Tier I Capital of ₹ 19,328.4 Crores stood at 12.2%, and total CRAR stood at 16.9% as at Dec 31, 2016. Total Capital funds are at ₹ 26,864.8 Crores as at Dec 31, 2016.

During the quarter Bank successfully raised Basel III compliant AT1 Bonds of ₹ 3,000 Crores at 9.5% coupon. These Bonds were rated AA by CARE and INDIA Ratings (a Fitch Company)

Risk Weighted Assets stood at ₹ 158,995.7 Crores as at Dec 31, 2016. RWA to Total Assets at 81.6% as on Dec 31, 2016

- **Liquidity Coverage Ratio:** During Q3FY17, the Bank continued with the LCR maintenance at well above 70% regulatory requirement with monthly average Liquidity Coverage ratio of 88.0%, reflecting a healthy liquidity position.

YES BANK Rating Profile

Bank continues to maintain strong credit ratings across International and Domestic Rating agencies

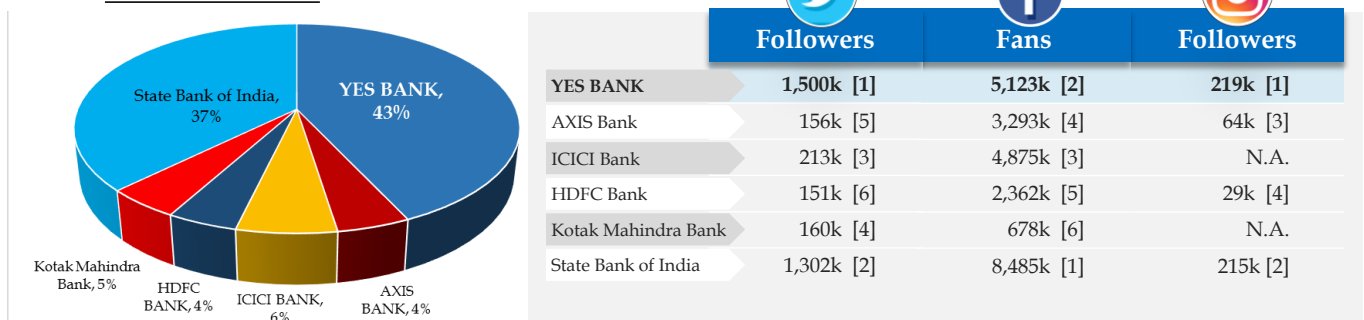
- YES BANK was upgraded by **MSCI ESG Research** to **AAA Rating** from AA rating. The MSCI ESG Report has highlighted YES BANK's key strengths in **Financial Product Safety, Corporate Governance, and Financial System Instability**, and has also highlighted that there are **no significant risks for the Bank from an ESG perspective**
- Moody's maintained Bank's Long-term international rating of Baa3 which is in line with the Sovereign Rating of India.
- During the quarter, Domestic Rating agencies CARE and India Ratings assigned AA rating for Bank's Basel III compliant Additional Tier I instrument
- 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.




Social Media

According to the recent ranking by The Financial Brand publication:

- YES BANK is ranked amongst the Top 5 Global Bank Brands on Social Media.
- YES BANK is the **Highest Followed Global Bank Brand on Twitter** with over **1.5 million followers**
- YES BANK is also the **second Highest Liked Global Bank Brands on Facebook** with more than **5 million Page Likes**.

Twitter Followers



	 Followers	 Fans	 Followers
YES BANK	1,500k [1]	5,123k [2]	219k [1]
AXIS Bank	156k [5]	3,293k [4]	64k [3]
ICICI Bank	213k [3]	4,875k [3]	N.A.
HDFC Bank	151k [6]	2,362k [5]	29k [4]
Kotak Mahindra Bank	160k [4]	678k [6]	N.A.
State Bank of India	1,302k [2]	8,485k [1]	215k [2]

Note: Data as on Dec 31, 2016

Digital Banking

YES BANK continued investing significantly in new-age mediums and digital technologies to achieve a heightened customer engagement and experience. Some of the Bank's key digital initiatives revolutionizing payments ecosphere are as follows:

- YES BANK is the first Bank to create UPI compliant mobile apps for large E-Commerce players using YES Bank's UPI SDK solution. **Over 5 million YES Bank's UPI partnered Apps** have been downloaded till date.
- YES BANK partnered with **PhonePe**, a Flipkart Group company, to launch **India's first UPI (Unified Payments Interface)** based mobile payments app, in a move aimed at significantly disrupting the digital payments landscape across India.
- Jugnoo, hyperlocal startup, launched **UPI enabled payment solution** Jugnoo Pay in association with YES BANK that currently allows Peer to Peer money transfer directly using users' respective bank accounts with their mobile number as an identifier
- YES BANK with the launch of **SIMsePAY** is providing mobile banking facilities on feature phone to over 6 lac customer through tie-up with 31 cooperative banks. The offering is based on a frugal "**sim-sleeve**" technology, in association with **Taisys Technologies**, who holds global patent for the same, and has implemented the same successfully in other countries including Kenya and China.
- YES BANK is the first bank to implement '**Bots**' technology for Customer Acquisition, Cross Sell and Customer Servicing for various businesses. Chat 'Bots' to be used for transactions, cross-sell and as personal banking assistants.
- YES BANK implemented a **multi-nodal Blockchain transaction** to fully **digitize vendor financing** for **Bajaj Electricals**. YES BANK has used the Hyperledger Fabric supported by IBM to design a vendor financing solution which allows Bajaj Electricals (anchor client) to digitize the process for discounting and disbursal of funds to its vendors by integrating seamlessly with YES BANK's systems.
- YES BANK has collaborated with **FortyTwo42 Labs**, a Global Cyber Security Research Lab setup in India (Vizag and Pune) and Israel (Tel Aviv), as a co-innovation partner for developing next generation **Fintech** and **Cybersecurity Solutions**.
- YES Bank launched "**YES MOBILE 2.0**" mobile Banking app with multiple industry first features, and extensive support for Banking transactions on Apple and Android based SmartWatches.
- **Over 4 million** YES BANK **co-branded Virtual Cards** issued on the MasterCard platform since launch in January 2016, the largest 'Virtual Prepaid Card' program in the world.
- **Over 47 million** YES BANK powered **Freecharge Wallets** issued since launch in September 2015

Expansion & Knowledge Initiatives

- Total **headcount** stands at **19,400** as at December 31, 2016, an increase of 869 employees in the quarter and 5,923 incremental employees since December 31, 2015.
- YES BANK has become 1st organization in India to introduce '**Gamification Round**', a game based evaluation round, in addition to group discussions and interviews for hiring at premium B-Schools.
- Branch network stands at **964 branches** as on December 31, 2016, an addition of 14 branches in the quarter. Total ATM network stands at **1,757** as on December 31, 2016, of which 502 are Bunch Note Acceptors (BNA)/Cash Recyclers.
- YES BANK raised **₹ 3,000 Crores** through private placement of **Basel III Compliant Additional Tier-1 (AT1)** Bonds. The Bonds carry a coupon rate of 9.50% p.a.
- YES BANK raised **₹ 330 Crores** (approx USD 50 Million equivalent) from **FMO, the Dutch Development Bank**, through an issue of a 7-year Green Infrastructure Bonds, **on a private placement basis**. FMO invested in YES BANK's bonds through FMO's own sustainable bonds.
- YES BANK has launched first in industry **Customizable Savings Account** that gives the customer, the **POWER TO CHOOSE**. This unique offering enables the customer to create an account that suits his or her lifestyle and banking preferences, while choosing from a range of products and offerings.

Awards & Recognitions

- YES BANK has been recognized as the '**Best Mid-Sized Bank**' in the 21st edition of the Business Today - KPMG India's Best Banks study. This is the **8th year in a row**, where YES BANK has been awarded by Business Today in its annual Banking survey for growing robustly, embracing technology, innovating and reaching out to people at the bottom of the pyramid.
- YES School of Banking (the Learning & Development unit of YES BANK) has been awarded **dual international certification** in ISO 9001:2008 and ISO 29990:2010, making it the **first Learning & Development function** in the **Indian banking sector** to be recognized by this highest level of quality management system.
- YES BANK has won the **Reuters Most Accurate Forecaster Award for 2016** for the Indian economy for providing most accurate predictions of economic indicators in Reuters Poll in January 2016.
- YES BANK, received the Commendation Certificate for **Significant Achievement in Environment Management** at the **CII ITC Sustainability Awards 2016** for innovative approaches, including policy and practice, to reduce the Bank's environmental impact in December, 2016.
- YES BANK was conferred the **SKOCH Resilient India Award (Gold)** for **Innovative Methods of Training** in Bancassurance at the 48th SKOCH Summit in December, 2016 in New Delhi.
- YES BANK won the **Good Corporate Citizen Award 2016** in the '**Banking and Financial Companies**' category by Bombay Chamber of Commerce and Industry for manifesting corporate social responsibility towards civic communities and operational excellence, and embedding social and economic dimensions of sustainability in programmes and practices in October, 2016.

- YES BANK won the prestigious ‘**Golden Peacock Award for Sustainability, 2016**’, for its nature, scope, and effectiveness of social and economic dimension of sustainability programs and practices, at the **Institute of Director’s 16th London Global Convention on Corporate Governance and Sustainability** held in London in December, 2016.
- YES BANK was awarded Certificate of Appreciation in Environment Excellence at the 10th Environment Partnership Summit and **Environment Excellence Award 2016** in Service Industry category by **Indian Chamber of Commerce**, Kolkata in December, 2016.
- YES BANK’s Sustainability Report was Highly Commended as Asia’s Best Integrated Report at the **Asia Sustainability Reporting Awards 2016** by CSR Works International, Singapore in November, 2016
- **Mr. Rana Kapoor**, was felicitated as “**The Extraordinaire: Leadership Par Excellence**” at the Brand Vision Summit 2016 in Mumbai in December, 2016.
- Mr. Rana Kapoor was felicitated with ‘**Banker of the Year for Excellence in Financial Inclusion**’ at the **Rural Summit 2016** organized by MART on December 8 in New Delhi. YES BANK was also recognized for YES SIMsePAY – a unique innovation in digital financial inclusion without Internet, based on a frugal ‘sim-sleeve’ technology.
- Mr. Rana Kapoor was conferred the ‘**LMA - Vardhman Award for Entrepreneur of the Year 2015**’ by Ludhiana Management Association in December, 2016.
- Mr. Rana Kapoor was conferred the NDIM ‘**Business Excellence and Innovative Best Practices Academia Award**’ at the **24th Founder’s Day of New Delhi Institute of Management (NDIM)** held in **October, 2016** in New Delhi.

The Press Conference of YES Bank’s results will commence at 2 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 19, 2017 at 5pm, 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 fifth 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.

YES BANK has a knowledge driven approach to banking, and a superior customer experience for its retail, corporate and commercial banking clients. YES BANK is steadily evolving its HR character as the Professionals’ Bank of India, with the unrelenting vision of “Building the Finest Quality Bank of the World in India” by 2020.

For further information, please contact:

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