

Press Release – April 26, 2019

YES BANK announces Financial Results for the Quarter and Year ended March 31, 2019

Commenting on the results and financial performance, Mr. Ravneet Gill, Managing Director and CEO of YES Bank said “I am excited to be part of this dynamic institution and on behalf of the entire leadership team reaffirm our commitment of building India’s finest and most admired financial services company. Further, I take this opportunity to thank all our stakeholders for their sustained support which has held the institution in great stead.

In this phase of our journey, we will lay emphasis on granularity, sustainability and digitalisation while maintaining highest standards on compliance and prudence in risk. I am confident that our robust Transaction Banking, Retail and Digital platforms will allow us to accelerate granularity in our businesses. Our digital innovation is cutting edge and will help us differentiate our product proposition and embrace a broader client universe. Importantly we will continue expanding our Corporate business which is the foundation on which YES Bank has been built.”

1. KEY HIGHLIGHTS for Q4FY19 and FY19

✓ Retail continues to drive Growth:

- Advances grew by 18.7% y-o-y to ₹ **2,41,500** Crores
- **Retail Advances** grew **62.3%** y-o-y and **8.6%** sequentially to **16.7%** of Advances from 12.2% last year

✓ Stable Funding and Improving Liquidity Profile:

- **Deposits** grew by **13.4%** y-o-y and 2.2% sequentially to ₹ **2,27,610** Crores. **Credit Deposit ratio improves** to 106% as on March 31 2019 from 109% in Dec 2018.
- CASA ratio at **33.1%**, CASA + Retail TD improved to **58.8%** from 57.5% last quarter. Retail TDs grew by 40.2% y-o-y and 8.3% q-o-q
- Daily avg. **LCR** sequentially **improved to 110.9%** from 102.3%. LCR as of March 31, 2019 at **113.2%**

✓ Proactive build-up in Contingent Provisions:

- The Bank has created Contingency Provision of ~₹ 2,100 Crores pursuant to a review of the credit portfolio
- Credit cost guidance of upto 125 bps for FY20.

✓ Leadership position in Digital Payments:

- **Highest market share** in UPI **P2M** transactions with **~8x growth** in Volumes in FY19
- Consistently ranked **# 1 IMPS Remitter Bank** by NPCI in the peer group for FY19
- Payments through API Banking continues to grow exponentially with **850+ customers** on boarded

✓ Board Approvals:

- **Dividend:** Board has recommended a Dividend of ₹ **2.0 per share** (100%) for FY19 (*subject to shareholders' approval*)
- Board has recommended renewal of an aggregate limit of \$1Bn for raising equity capital subject to shareholders approval (*with a post issuance dilution cap of 10%*)

2. PROFIT & LOSS

- NII grew 16.3% y-o-y to ₹ 2,506 Crores in Q4FY19; and 26.8% y-o-y to ₹ 9,809 Crores in FY19. NIMs at 3.1% and 3.2% for Q4FY19 and FY19 respectively
- **Non-Interest Income** at ₹ 532 Crores for Q4FY19 and at ₹ 4,590 Crores for FY19 led by 28.1% y-o-y growth in Corporate Trade & CMS Fees and 24.4% y-o-y growth in Retail Banking Fees in FY19
- **Operating Expenses** at ₹ 1,714 Crores for Q4FY19 and at ₹ 6,264 Crores for FY19
- **Pre-Provisioning Operating Profit** grew 5% y-o-y at ₹ 8,135 Crores in FY19
- **Net Provisions** at ₹ 3,662 Crores for Q4FY19 and at ₹ 5,778 Crores for FY19 including **Contingent Provisions** of ~ ₹ 2,100 Crores, specific loan loss provisions of ₹ 1,270 Crores, Investment MTM Provision of ₹ 243 Crores and Other Provisions of ~₹ 48 Crores.
- Given the above, **Net Loss of ₹ 1,507 Crores for Q4FY19**. FY19 PAT at ₹ 1,720 Crores.
- Return ratios for FY19: **RoA at 0.9% and RoE at 11.4%** prior to taking into consideration Contingent Provisioning
- **Book Value** at ₹ 116.2 per share as on March 31, 2019

3. BALANCE SHEET:

- Total Assets grew 21.9% y-o-y and 1.8% sequentially to ₹ 3,80,826 Crores.
- Deposits grew 13.4% y-o-y and 2.2% sequentially to ₹ 2,27,610 Crores.
- Retail and Corporate TDs grew by 40.2% and 16.1% y-o-y respectively and 8.3% and 4.2% sequentially
- **CASA ratio at 33.1%; CASA + Retail FDs at 58.8%** of Total Deposits
- **Advances** grew by 18.7% y-o-y and reduced 1.0% sequentially to ₹ 2,41,500 Crores.
- Retail Banking Advances grew 62.3% y-o-y to 16.7% of Advances (*up from 12.2% as on March 31, 2018*). Segmental mix below:

Business Segment	As on Mar 31, 2019	As on Mar 31, 2018	Growth (y-o-y)	As on Dec 31, 2018	Growth (q-o-q)
A) Corporate Banking	65.6%	67.9%	14.7%	67.8%	-4.3%
of which IBU Advances	7.8%	7.1%	31.0%	8.5%	-8.5%
B) Retail & Business Banking of which:	34.4%	32.1%	27.1%	32.2%	6.0%
i) Medium Enterprises*	7.8%	9.7%	-4.5%	7.8%	-0.8%
ii) Small and Micro Enterprises	9.9%	10.3%	15.0%	9.2%	7.6%
iii) Retail Banking	16.7%	12.2%	62.3%	15.2%	8.6%
Total	100.0%	100.0%	18.7%	100.0%	-1.0%

- **Total Capital Adequacy at 16.5%#** with Total Capital Funds at ₹ 50,459 Crores. Tier I Ratio and CET I ratio at 11.3%# and 8.4%# respectively
- Risk Weighted Assets stood at ₹ 3,05,578 Crores. RWA/ Total Assets at 80.2% (*from 81.7% as on March 31, 2018*)

After Proposed Dividend of ₹2.0 per share for FY19

4. ASSET QUALITY

(A) Asset Quality as of March 31, 2019:

S.No	Particulars (%)	March 31, 2019	Remarks
1	Credit Cost (bps)	Q4FY19 @ 137bps FY19 @ 209bps	Includes Contingent Provision of ~92 bps made during FY19
2.1	GNPA	3.22% (₹ 7,883 Crores)	Gross Slippages of ₹ 3,481 Crores in Q4FY19 of which ₹ 552 Crores was on account of an Airline company exposure that was performing as on March 31, 2019 and ₹ 529 Crores on account of Stressed Infrastructure Conglomerate
2.2	NNPA	1.86% (₹ 4,485 Crores)	
2.3	PCR	43.1%	
3	Net Security Receipts	0.71% (₹ 1,727 Crores)	Sale of one NPA account in Q4FY19 to an ARC on all cash basis (₹ 195 Crores exposure against which cash received ₹ 117 Crores and nil SRs)
4	Std. Restructured Exposure	0.08% (₹ 208 Crores)	
TOTAL (2.2 + 3 + 4)		2.65%	

(B) Exposure to a Stressed Infrastructure Conglomerate

The Bank has an aggregate outstanding funded exposure* of ₹ 2,528 Crores as of 31 March 2019 of which ₹ 2,442 Crores has been classified as NPA. ₹ 86 Crore continues to be classified as 'Standard' in line with the NCLAT order dated February 25, 2019. The Bank has a provision of 15% against this Standard exposure.

**Bank also has additional Non-Fund based exposure of ₹ 89 Crores to the Stressed Infrastructure Conglomerate as noted above*

(C) Credit Cost Guidance

Post Contingency provision, Bank expects FY20 Credit Costs upto 125bps with expected further normalization in FY21.

(D) Others

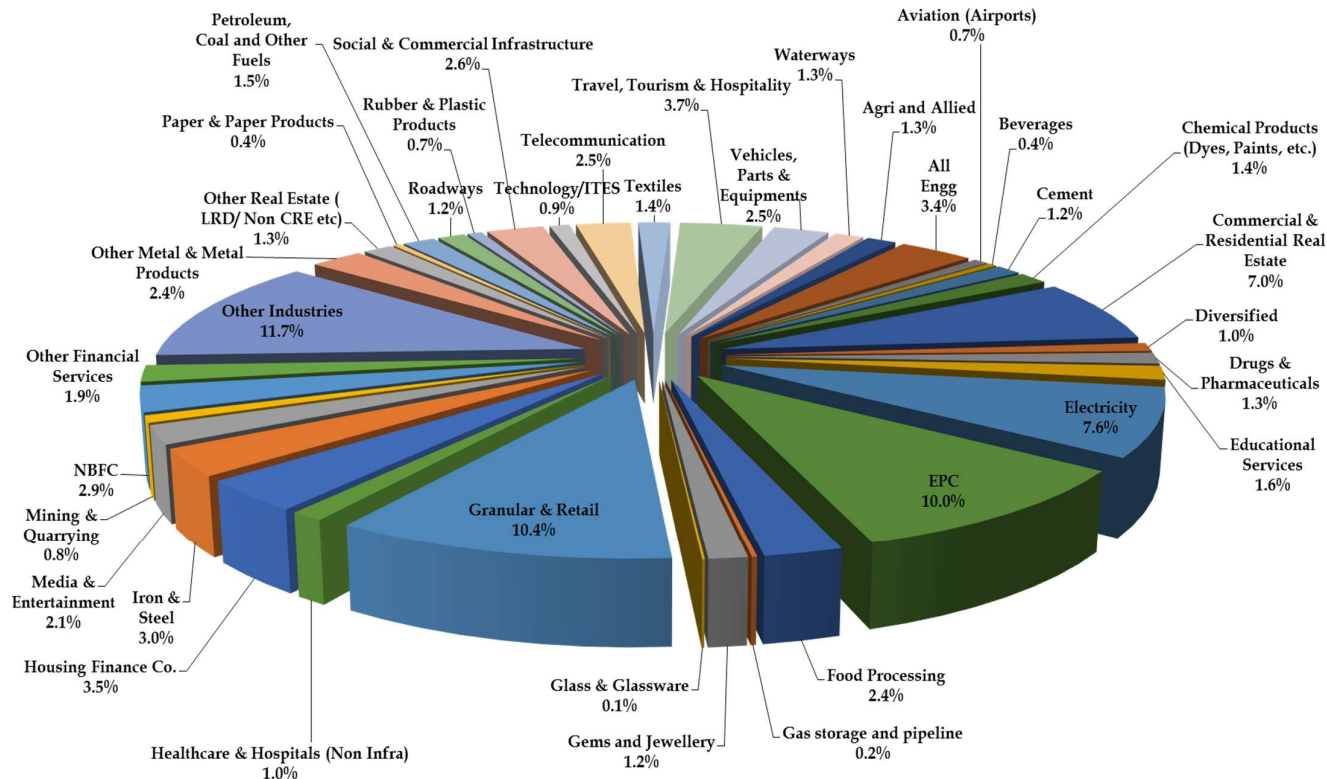
- >90% of the Top 20 individual borrower exposures by value are **Externally Rated A or better**
- SMA 2** outstanding exposures (*accounts > ₹5 Crores and as per RBI CRILC reporting*) as on March 31, 2019 at 0.98% of Gross Advances
- HFCs** at 3.5% of which ~88% presently externally rated **A or better**
- NBFCs** at 2.9% of which ~70% presently externally rated **A or better**
- Commercial & Residential Real Estate** at 7.0% of which 0.27% are **SMA 2**
- The Bank has no disclosure requirements under the RBI regulations on disclosures of divergences in asset classification and provisioning, pursuant to the conclusion of its FY18 RBI Annual Supervisory Process.

5. SENSITIVE SECTOR DISCLOSURE

Sector/ Rating*	% of Total Exposure as on March 31, 2019	% of Total Exposure as on December 31, 2018
(A.1) Non-Renewable Electricity Generation <i>(All operational)</i>	1.9%	2.1%
(A.2) Exposure to SEBs	Nil	Nil
(B) EPC	10.0%	9.7%
<i>A or above rated</i>	6.7%	8.2%
(C) Iron & Steel	3.0%	2.7%
<i>A or above rated</i>	2.2%	1.9%
(D) Telecom	2.5%	2.6%
<i>A or above rated</i>	2.2%	2.4%
(E) Gems & Jewelry	1.2%	1.3%
<i>A or above rated</i>	0.7%	0.9%

**Based on Internal Corporate ratings 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: A Commanding lead in new age payments

YES Bank continues to outperform peers in the new age payments space

- **UPI: Highest** Market share in UPI Merchant Payments volumes as per NPCI.
 - Processed ~ **64 Crore** transactions amounting to ~₹ **97,000 Crores** in Q4FY19
 - 8X YoY growth in vol.; **143 Crore** transactions processed in FY19
- **IMPS:** Consistently **ranked 1st as Remitter Bank**, by NPCI in the peer group for FY19. Bank has witnessed more than 80% y-o-y growth in Volumes in FY19
- **AePS:** One of the **Leading acquirer** bank of AEPS. Successfully processed ~**5.5 Crore** transactions and enabled **340,000+** Business Correspondent in Q4FY19
 - 11X YoY growth in vol; **15.5 Crore** transactions processed in FY19
- **API Banking** for powering smart alliances
 - 850+ Set ups done for customers
 - Platform throughput by value and volume increased by **2.25X and 1.3X YoY** respectively
 - Individual Inward remittance: Market Share ~**10% (CY18)**; Throughput by value grew **125% for the bank vs. 14% for the industry**

Driving relationships with **superior offerings**

- **YES Mobile:** Transaction value & volumes both grew by ~**2.3X** YoY
- **Debit Cards:** Total cards in force at **2.44 Mn.** In Q4FY19 total transactions grew **50% YoY** to cross **95 lakhs** and total spends grew **51% YoY** to reach ~₹ **1,400 Crores** for the quarter
- **Yes ROBOT - Personal Banking Assistant:** Successfully integrated M-commerce platform to enable ticket booking, food ordering, cab booking etc. through the channel. The chatbot continues to gain popularity with the bot witnessing over 63 lakh interactions in FY19

Empowering **Digital India**

- YES Bank launched a first-of-its-kind joint initiative with the Government of Maharashtra to **digitally empower 20,000+ ration shop owners** to increase revenue opportunities by extending last mile banking services to **700,000+ citizens**. YES Bank will onboard ~**40%** of all Fair Price Shops in Maharashtra, to provide banking services such as small-value cash deposits into any Bank Account including Domestic Remittances and withdrawal from any Bank Account via Aadhaar Enabled Payment System (AEPS).
- YES Bank launched a first-of-its kind joint venture with Government of Maharashtra under the '**Yellow Revolution Programme**' to increase eggs production. YES BANK has implemented an end-to-end supply chain automation solution linked to digital payments which is expected to benefit **3,50,000 Self Help Groups** and various aggregators.
- YES Bank partnered with U.T. administration of DIU to launch Bharat QR to **digitize Diu's retail outlets** brining cashless shopping convenience to ~**30,000 citizens** & tourists visiting the UT.
- YES Bank launched **Asmita Bazaar**, a rural market place where produce is sourced directly from the farmers and sold to corporates. The platform is powered through Program Manager New Indictrans and manages the payments in an automated manner.

7. EXPANSION & KNOWLEDGE INITIATIVES

- Employee strength as on March 31, 2019 stood at **21,136**.
- As on March 31, 2019, branch network stood at **1,120** branches and ATM Network stood at **1,456** which includes **596** Bunch Note Acceptors/Cash Recyclers.
- YES Bank's Rating's Outlook from Moody's was revised from Negative to **Stable**.
- YES Bank signed a MoU with **MG Motors**, a British automotive company, to enter into a strategic financing partnership providing **Banking & Finance solutions** for MG Motors and its entire auto value chain. Yes Bank will also develop exclusive **Digital Banking solutions** for MG Motor India.

8. AWARDS & RECOGNITIONS

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

- YES BANK recognised with the **Best Technology Bank of the Year, Best use of Data & Analytics for Business Outcome and the Most Customer-Centric Bank using Technology Awards in the Medium Size Banks category** at the Indian Banks' Association (IBA) Banking Technology Innovation Awards
- YES BANK applauded as Winner in "**Innovation in Data Science**" at the 9th edition of Aegis Graham Bell Award 2018, for the industry-first project "**Yes EEE (Engage Enrich Excel)**"
- YES BANK has been selected by *Global Finance* magazine as Best Debt Bank in Asia Pacific for deals announced / completed in 2018

YES Bank's analyst conference call, scheduled on Apr 26, 2019 at 5:30 pm, can be heard at following link, post 10 pm:
<https://www.yesbank.in/about-us/investors-relation/financial-information/financialresults>

This will be followed by Sell Side Analyst Meet at 7:00 pm

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.

Krunal Mehta YES BANK Ph.: + 91 22 3347 9758, Cell : +91 +919867163634 Email:krunal.mehta1@yesbank.in	Jyothi Goswami Adfactors PR Ph.: +91 97024 88388 Email: jyothi@adfactorspr.com
---	--

Annexure

Financial Highlights from Q4FY19 Results:

P & L Highlights					
(₹ in Crores)	Q4FY19	Q4FY18	Growth % (y-o-y)	Q3FY19	Growth % (q-o-q)
Net Interest Income	2,505.9	2,154.2	16.3%	2,666.4	-6.0%
Non Interest Income	531.7	1,421.0	-62.6%	890.9	-40.3%
Total Net Income	3,037.6	3,575.2	-15.0%	3,557.3	-14.6%
Operating Profit	1,323.4	2,135.4	-38.0%	1,990.4	-33.5%
Provision	3,661.7	399.6	816.2%	550.2	565.5%
Profit after Tax	-1,506.6	1,179.4	NM	1,001.8	NM
Basic EPS (₹)	-6.5	5.1	NM	4.3	NM
Key P & L Ratios					
	Q4FY19	Q4FY18		Q3FY19	
Return on Assets [#]	-1.6%	1.6%		1.1%	
Return on Equity [#]	-21.8%	18.8%		14.4%	
NIM	3.1%	3.4%		3.3%	
Cost to Income Ratio	56.4%	40.3%		44.0%	
Non Interest Income to Total Income	17.5%	39.7%		25.0%	

Balance Sheet Highlights					
(₹ in Crore)	31-Mar-19	31-Mar-18	Growth % (y-o-y)	31-Dec-18	Growth % (q-o-q)
Advances	241,499.6	203,533.9	18.7%	243,885.2	-1.0%
Deposits	227,610.2	200,738.1	13.4%	222,758.4	2.2%
CASA	75,253.3	73,176.2	2.8%	74,116.7	1.5%
Shareholders' funds	26,904.2	25,758.3	4.4%	28,402.7	-5.3%
Total Capital Funds	50,459.1	46,975.7	7.4%	53,273.0	-5.3%
Total Balance Sheet	380,826.2	312,445.6	21.9%	373,981.2	1.8%
Key Balance Sheet Ratios					
Capital Adequacy ^{**}	16.5%	18.4%		17.4%	
CET I Ratio ^{**}	8.4%	9.7%		9.1%	
Tier I Ratio ^{**}	11.3%	13.2%		12.0%	
Book Value (₹)	116.2	111.8		122.8	
Gross NPA	3.22%	1.28%		2.10%	
Net NPA	1.86%	0.64%		1.18%	
Provision Coverage Ratio	43.1%	50.0%		44.2%	
Credit Costs (in bps)	137	13		29	
Restructured Exposure ^{***}	0.08% (₹ 208.0 Cr)	0.16%		0.09%	
Security Receipts (Net)%	0.71% (₹ 1,726.7 Cr)	0.92%		0.71%	
CASA Ratio	33.1%	36.5%		33.3%	
Daily Average LCR	110.9%	102.1%		102.3%	

Annualized

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

** March 31, 2019 figures after Proposed Dividend of ₹ 2.0 per share for FY19

NM: Not Measurable