

Press Release – October 20, 2016

YES BANK announces Financial Results for the Quarter ended September 30, 2016

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

- **Net Profit of ₹ 801.5 Crores in Q2FY17;** y-o-y growth of **31.3%**
- **Total Net Income of ₹ 2,334.0 Crores in Q2FY17** y-o-y growth of **35.2%**
- **Net Interest Income of ₹ 1,446.2 Crores for Q2FY17;** y-o-y growth of **30.5%** on back of robust growth in Advances & CASA. **NIM** expanded to **3.4%** in **Q2FY17** from 3.3% a year ago
- **Non Interest Income of ₹ 887.9 Crores for Q2FY17;** y-o-y growth of **43.6%**
- **RoA expanded to 1.8%** from 1.7% and **RoE increased to 21.4%** from 19.4% y-o-y
- **Book Value at ₹ 364.5 per share as on September 30, 2016**

2. BALANCE SHEET: Key Highlights

- **CASA ratio at 30.3%, crossing 30% for the first time. 4.8% improvement in one year** from 25.5% a year ago on the back of **53.2%** growth y-o-y. **SA deposits** posted robust growth of **53.6%** y-o-y
- **CASA+Retail FDs** as % of Total Deposits stands at a healthy **56.5%** as at Sept 30, 2016 (52.5% as on Sep 30, 2015)
- **Advances grew by 37.7% y-o-y to ₹ 1,10,216.2 Crores** as at Sept 30, 2016
- **Total Capital Adequacy** as per Basel III is robust at **15.0%** with Tier I ratio at **10.1%** (*including profits and excluding prorated dividend*).

Total Capital Funds at **₹ 23,117.2 Crores** as of Sept 30, 2016.

3. ASSET QUALITY: Key Highlights

- **Credit Costs at 11 bps** for Q2FY17
- Gross Non Performing Advances **(GNPA) at 0.83%** (₹ 916.7 Crores) and Net Non Performing Advances **stable at (NNPA) at 0.29%** (₹ 323.0 Crores) as at Sept 30, 2016
- **Provision Coverage Ratio (PCR)** stands at **64.8%** as at Sept 30, 2016
- **Standard Restructured Advances** as a proportion of Gross Advances at **0.46%** (₹ 511.5 Crores) as at Sept 30, 2016, down from 0.71% (₹ 569.3 Crores) as at Sept 30, 2015. No additional restructuring during the quarter.
- **Security Receipts (SRs)** stand at **0.23%** (₹ 258.9 Crores) of Gross Advances as at Sept 30, 2016. During the quarter the Bank sold one account to an Asset Reconstruction company.
- **Standard SDR Advances** outstanding at **0.03%** (₹ 34.3 Crores) of Gross Advances as at Sept 30, 2016 from a single SDR account. No additional SDR during the quarter.
- **5:25 refinancing exposure** of **0.09%** (₹ 103.1 Crores) of Gross Advances as at Sept 30, 2016 from single account that was refinanced through 5:25 route during the quarter.

Financial Highlights from Q2FY17 Results:

P & L Highlights					
(₹ in Crore)	Q2FY17	Q2FY16	Growth % (y-o-y)	Q1FY17	Growth % (q-o-q)
Net Interest Income	1,446.2	1,108.5	30.5%	1,316.6	9.8%
Non Interest Income	887.9	618.1	43.6%	900.5	(1.4%)
Total Net Income	2,334.0	1,726.6	35.2%	2,217.1	5.3%
Operating Profit	1,386.0	1,019.1	36.0%	1,306.8	6.1%
Provision	161.7	103.9	55.6%	206.6	(21.8%)
Profit after Tax	801.5	610.4	31.3%	731.8	9.5%
Basic EPS (Rs.)	19.0	14.6	30.4%	17.4	9.4%
Key P & L Ratios					
	Q2FY17	Q2FY16		Q1FY17	
Return on Assets [#]	1.8%	1.7%		1.7%	
Return on Equity [#]	21.4%	19.4%		20.7%	
NIM	3.4%	3.3%		3.4%	
Cost to Income Ratio	40.6%	41.0%		41.1%	
Non Interest Income to Total Income	38.0%	35.8%		40.6%	

Balance Sheet Highlights					
(₹ in Crore)	30-Sep-16	30-Sep-15	Growth % (y-o-y)	30-Jun-16	Growth % (q-o-q)
Advances	110,216.2	80,015.1	37.7%	105,942.0	4.0%
Deposits	128,023.8	99,344.3	28.9%	122,581.1	4.4%
CASA	38,784.0	25,318.3	53.2%	36,288.3	6.9%
Shareholders' funds	15,370.2	12,867.6	19.4%	14,536.9	5.7%
Total Capital Funds*	23,117.2	17,455.1	32.4%	22,394.3	3.2%
Total Balance Sheet	187,308.8	144,783.5	29.4%	177,228.9	5.7%
Key Balance Sheet Ratios					
Capital Adequacy (Basel III)*	15.0%	14.9%		15.5%	
Tier I Ratio (Basel III)*	10.1%	10.9%		10.3%	
Book Value (₹)	364.5	307.3		345.2	
Gross NPA	0.83% (₹ 916.7 Cr)	0.61%		0.79%	
Net NPA	0.29% (₹ 323.0 Cr)	0.20%		0.29%	
Provision Coverage Ratio	64.8%	67.7%		64.2%	
Restructured Advances %	0.46%	0.71%		0.49%	
Security Receipts (Net) %	0.23%	0.27%		0.19%	
Credit Costs (in bps)	11	13		15	

Annualized

* including profit, excluding prorated dividend

Mumbai, October 20, 2016: The Board of Directors of YES BANK Ltd. took on record the Q2FY17 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 parameters of growth and profitability through relentless pursuit of opportunities in both Corporate and Retail businesses, and sustained resilience in asset quality.

The Bank achieved an important milestone with CASA ratio crossing 30% for the first time to 30.3%. It demonstrates improving productivity and efficiency of our Retail Liabilities/Branch Banking growth engines. Further, Bank’s commitment towards building a strong retail franchise got a comprehensive push with the launch of Credit Cards during the quarter. The complete suite of Retail product offerings will continue to provide accelerated momentum to our Retail franchise.

YES BANK has continued its uncompromising commitment towards quality, sustainability and innovation which is evident through multiple prestigious awards garnered by the Bank at international platforms across Digital Innovation, Business Sustainability and Cash Management. ”

Q2FY17 Performance highlights

Profit & Loss Account

- **Net Interest Income (NII):** NII for Q2FY17 increased by 30.5% y-o-y to ₹ 1,446.2 Crores on account of strong growth in advances and CASA deposits. Net interest Margin (NIM) at 3.4% for Q2FY17 up from 3.3% for Q2FY16.
- **Non Interest Income:** Non Interest Income increased by 43.6% y-o-y to ₹ 887.9 Crores in Q2FY17.
- **Total Net Income:** Total Net Income increased by 35.2% y-o-y to ₹ 2,334.0 Crores in Q2FY17.
- **Operating and Net profit:** Operating profit for Q2FY17 increased by 36.0% y-o-y to ₹ 1,386.0 Crores. Net Profit in Q2FY17 was up 31.3% y-o-y to ₹ 801.5 Crores.
- **Shareholders’ Returns:** In Q2FY17, RoAs expanded to 1.8% from 1.7%, and RoE increased to 21.4% from 19.4% y-o-y.

Balance Sheet

- **Deposits:** Total Deposits grew by 28.9% y-o-y to ₹ 1,28,023.8 Crores as at Sept 30, 2016. The Bank’s Total Assets grew by 29.4% y-o-y to ₹ 1,87,308.8 Crores as at Sept 30, 2016. The Bank’s CD ratio stood at 86.1% as at Sept 30, 2016.

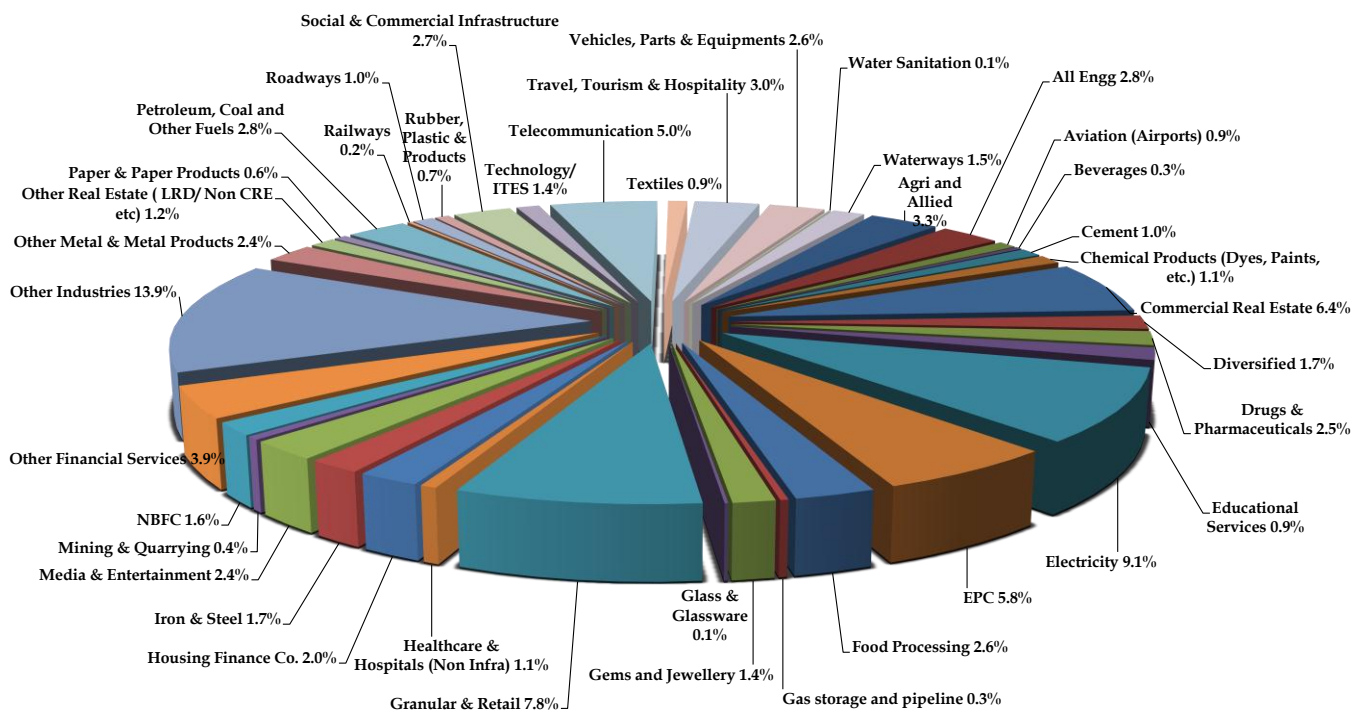
Current and Savings Account (CASA) deposits grew by 53.2% y-o-y to ₹ 38,784.0 Crores increasing the **CASA ratio** to 30.3% as at Sept 30, 2016 up from 25.5% as at Sept 30, 2015. CASA ratio crossed 30% for the first time. Further, **SA deposits** grew by 53.6% y-o-y to ₹ 25,745.3 Crores from ₹ 16,764.0 Crores as at Sept 30, 2015.

- **Advances:** Total Advances grew by 37.7% y-o-y to ₹ 1,10,216.2 Crores as at Sept 30, 2016. Corporate Banking accounted for 67.9% of the Advances portfolio, while Retail & Business Banking (MSME) constituted 32.1%.

Business Segment	As on Sep 30, 2016	As on Sep 30, 2015
A) Corporate Banking (8 segmental relationship groups)	67.9%	68.2%
B) Retail & Business Banking	32.1%	31.8%
of which:		
i) Business Banking (Medium Enterprises)	10.7%	13.3%
ii) Micro & Small Enterprises	12.8%	11.3%
iii) Consumer Banking (Urban and Rural)	8.6%	7.2%
Total	100.0%	100.0%

- **Sectoral Distribution:**

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 Managers, Product Managers and Risk Managers.



▪ **Sensitive sector disclosures:**

Sector/ Rating*	% of Total Exposure
(A) Electricity	9.1 %
AAA/AA rated investments	0.7 %
T&D	1.3 %
Renewable Exposures(Green-Financing)	2.8% of which 2.5% is operational
Non-Renewable	4.3% (all operational)
Exposure to SEBs	Nil
(B) Iron & Steel	1.7 %
A or above rated	1.1 %
(C) EPC	5.8 %
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.

▪ **Asset Quality**

Bank continues to show resilience on all Asset Quality parameters:

1. **NPA – Credit Costs at 11 bps for Q2FY17**

Gross Non Performing Advances (GNPA) as a proportion of Gross Advances was at **0.83%** (₹ 916.7 Crores) while Net Non Performing Advances (NNPA) as a proportion of Net advances was stable at **0.29%** (₹ 323.0 Crores) as at Sept 30, 2016. Bank's specific loan loss Provision Coverage was at 64.8% as at Sept 30, 2016.

2. **Standard Restructured Advances at 0.46%**

The total Standard Restructured Advances as a proportion of Gross Advances was at **0.46%** (₹ 511.5 Crores) as at Sept 30, 2016, down from 0.71% (₹ 569.3 Crores) as at Sept 30, 2015. No additional restructuring during the quarter.

Within the 0.46% outstanding Standard Restructured book, two road exposures, aggregating to 0.24% (₹ 263.8 Crores), have commenced operations. The remaining restructured loans have also been performing in line with expectations and the Bank does not anticipate any material slippages in this book.

3. **Security Receipts at 0.23%**

Net Security Receipts (SRs) stood at **0.23%** of Gross Advances (₹ 258.9 Crores, comprising 11 borrowers) as on Sept 30, 2016. During the quarter the Bank sold one account to an Asset Reconstruction company.

4. **Standard SDR Advances at 0.03%**

Strategic Debt Restructuring outstanding exposure of 0.03% (₹ 34.3 Crores) to Gross Advances as on Sept 30, 2016. No additional SDR during the quarter.

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

During the quarter bank refinanced one account through 5:25 route with outstanding exposure of 0.09% (Rs 103.1 Crores) of Gross advances as on Sept 30, 2016.

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 ₹ 15,560.4 Crores stood at 10.1%, and total CRAR stood at 15.0% as at Sept 30, 2016. Total Capital funds are at ₹ 23,117.2 Crores as at Sept 30, 2016.

Risk Weighted Assets stood at ₹ 1,54,604.9 Crores as at Sept 30, 2016. RWA to Total Assets at 82.5% as on Sept 30, 2016

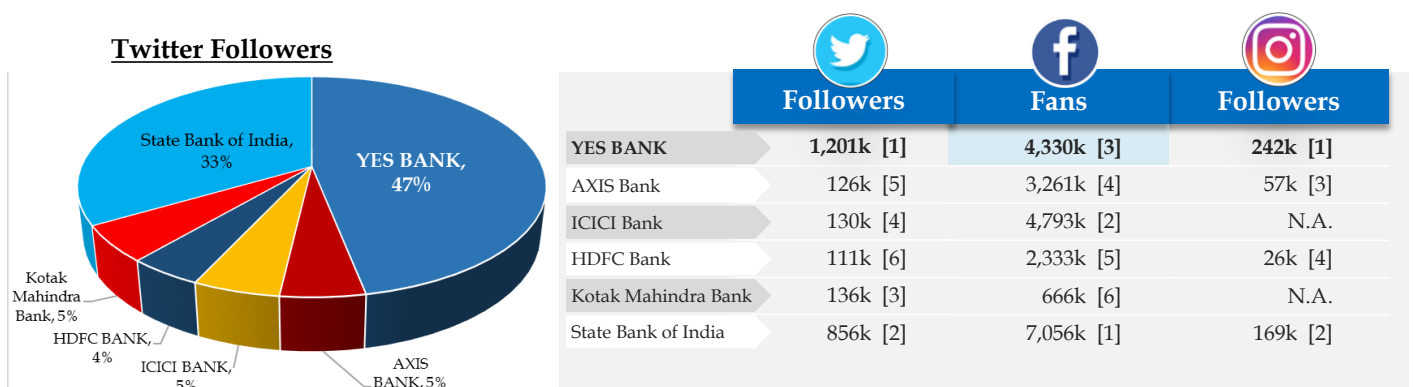
- **Liquidity Coverage Ratio:** During Q2FY17, the Bank continued with the LCR maintenance at well above 70% regulatory requirement with monthly average Liquidity Coverage ratio of 83.9%, reflecting a healthy liquidity position.

YES BANK Credit Rating Profile

- Bank continues to maintain strong credit ratings across International and Domestic Rating agencies.
- Moody's has Long-term international rating of Baa3 which is in line with the Sovereign Rating of India.
- Domestic Rating agencies (ICRA & CARE) 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 Financial Brand publication, YES BANK is ranked amongst the **Top 5 Global Bank Brands on Social Media**.
- As per the same report, YES BANK is the **Highest followed Global Bank Brand on Twitter** with over **1 million followers**, and amongst the **Fastest Growing Global Bank Brands on Facebook** with more than **4 million Page Likes**.
- YES BANK was featured among **Global Facebook Success Stories** for its Best-in-class **Customer Acquisition campaign** for Savings Account on the platform
- YES BANK's IPL campaign was adjudged **Best Social Media Campaign of the Year 2016** at the CMO Asia's Social Media & Digital Marketing Excellence Awards in Singapore



Note: Data as on Oct 11, 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 1 million YES Bank's UPI partnered Apps** have been downloaded till date.
- 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 has **partnered with Lastmile.mobi**, and used Qualcomm Snapdragon processors to **launch IRIS and EMV ready payment solution**. The device integrates Retail Application, Card & UPI Payments using Aadhaar E-KYC. The launch comes close on the heels of RBI Circular issued on September 29, 2016 advising Banks on using Aadhaar-based Biometric authentication for Card Present transactions.
- YES BANK is ready to **implement 'Location based' personalized offer services** to its select customers on the back of a robust analytics engine. These offers will be available on the YES BANK Mobile app based on the vicinity of the customer location to the merchant.
- **Over 3.1 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 41 million YES BANK powered Freecharge Wallets** issued since launch in September 2015.

Expansion & Knowledge Initiatives

- Total **headcount** stands at **18,531** as at September 30, 2016, an increase of 2,110 employees in the quarter and 5,831 incremental employees since September 30, 2015.
- Branch network stands at **950 branches** as on September 30, 2016, an addition of 50 branches in the quarter. Total ATM network stands at **1,756** as on September 30, 2016, of which 505 are Branch Note Acceptors (BNA)/Cash Recyclers.
- YES BANK signed an agreement with **FMO, the Dutch Development Bank, to raise ₹ 330 crore (approx. USD 50 million equivalent)** through an issue of a 7-year Green Infrastructure Bonds, **on a private placement basis**. FMO will be investing in YES BANK's bonds through FMO's own sustainable bonds.
- YES BANK raised **₹ 2,135 Crores** through issue of Senior Long Term Infrastructure Bonds with a coupon rate of 8% per annum with a tenor of 10 years. The issue was oversubscribed 2.13 times from the base issue size of INR 1000 Crores.
- YES BANK continued to be the **1st and only Indian Bank** on the **Dow Jones Sustainability Indices** for the 2nd year in a row. YES BANK is part of the Emerging Markets Index.

Awards & Recognitions

- YES BANK was adjudged **Strongest Bank in India** (by balance sheet) – 2015 by **The Asian Banker, Hong Kong**. This is the 4th time in the last 5 years that YES BANK has been recognized at these global awards.
- YES BANK has been adjudged the **Global winner in 'Payments'** Category by **The Banker magazine, London** (part of the Financial Times Group) at The Banker Transaction Banking Awards 2016.
- YES BANK won the **Porter Prize 2016 for Leveraging Unique Activities**. The citation recognizes YES BANK's outstanding performance in the industry and to recognize its effective rendering of activities across the value chain that created competitive advantage.
- YES BANK has won **Ethical Corporation Responsible Business Award 2016, London** in the '**Most Effective Domestic Community Investment**' category for its program on providing Access to Clean & Safe Drinking Water.
- YES BANK was the sole Indian Bank to be recognized by **Global Finance magazine** as part of its **Digital Banks of Distinction Awards 2016** in the Corporate/Institutional Banking Category.
- YES BANK became the **FIRST bank** to receive the prestigious '**National Tourism Award**' for the '**Most Responsible Tourism Project/Initiative**' at the National Tourism Awards 2014-15, instituted by the Ministry of Tourism, Govt. of India held in New Delhi.
- Mr. Rana Kapoor, MD&CEO, YES BANK received the **CEO of the Year Award** at **SABRE Asia Pacific Awards 2016, Hong Kong** hosted by The Holmes Report
- Mr. Rana Kapoor was felicitated by Lokmat Group for **Transformational Leadership and Exemplary Contribution to Infrastructure Banking** in India at the Lokmat Infra Conclave, 2016 in Mumbai
- Mr. Rana Kapoor received the GIANTS International Award for Banking at the **44th GIANTS International Day, 2016** held in Mumbai
- Mr. Rana Kapoor was conferred the **Lakshya Business Visionary Award 2016** by National Institute of Industrial Engineering(NITIE), Mumbai
- Mr. Rana Kapoor was felicitated with the '**Entrepreneur of the Year**' award at **Entrepreneur India 2016** held during Aug 23-24 in New Delhi.
- Mr. Rana Kapoor was recognized with the Safari India South Asia Travel Award for '**Best Professional Entrepreneur in Banking**' on Aug 26 at in New Delhi.
- Mr. Rana Kapoor was felicitated with the '**Pioneer in Renewable Energy Funding**' award at the Renewable Energy India Awards held on Sept 6, 2016 in Greater Noida

The Press Conference of YES Bank's results will commence at 12:45 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 October 20, 2016 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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