

# Investor Presentation

Q2FY22 Results



# Contents

## YES BANK Quarterly Update

YES BANK – Franchise

Annexure



# Key Highlights for the Quarter



## Sustained Improvement in performance across key indicators

### Earnings



- **Profits at INR 225 Cr in Q2FY22 up 9.0%Q-o-Q**
  - Core Operating Profit<sup>1</sup> up **38.0% Q-o-Q**; led by expanding NIM & continued traction in Retail & Transaction Banking fees
  - Prudent provisioning of **INR 336 Cr** on a single telecom exposure; aggregate coverage<sup>2</sup> at **~10.0%**

### Asset Quality



- **GNPA ratio at 15.0%** vs. 15.6% last quarter; **Overdue Book (31 -90 days)** lower by **~INR 6,000 Cr Q-o-Q**
  - Fresh **Slippages** lower Q-o-Q at **INR 1,783 Cr**, of which Corporate slippages at **INR 750 Cr** vs. INR 1,258 Cr last quarter
  - Resolution Momentum continues **with INR 987 Cr of Cash Recoveries & INR 969 Cr of upgrades** in Q2FY22
  - Incremental Credit Costs on Fresh Slippages & on a single telecom exposure significantly offset by provision write backs and bad debt recoveries

### Growth & Capital



- **Pick up in Balance sheet growth momentum while continuing to improve quality and granularity**
  - **Balance Sheet** grew ~ **6% Q-o-Q** with **C/D ratio at 97.8%** v/s. 100.2% last quarter; lower than 100% for first time since Dec 2017
  - **Retail : Corporate Mix** improved by **100bps Q-o-Q** to **54:46**
  - **CASA ratio 29.4%** v/s. 27.4% last quarter
  - **CET 1 at 11.5%: Total CRAR at 17.6%**

### Achievements



- Newly launched Corporate Net Banking Platform won the **India Domestic Transaction Banking Initiative of the Year in the Asian Banking & Finance Wholesale Banking Awards 2021, Singapore**
- Among the **100 Best Emerging Market Performers** as assessed by VE, part of **Moody's ESG**
- Partnered with **Amazon Pay, for UPI services**- will enable issuance of "@yapl" handle to Amazon customers and also allow the Bank to acquire merchants (online & offline)

CRISIL upgrades rating to BBB+; short term rating to A1 and CARE upgrades outlook to Positive

1 Excluding Gain on Sale of Investments & MTM Provisions on Investments

2 Including through valuation adjustment on bonds



# Strategic Objectives & Guidance Tracker



Key Strategic Objectives	FY2020 (YBL Reconstruction Scheme)	FY2021	Q1FY22	Q2FY22	Status	FY22 Guidance
CASA Ratio	26.6%	26.1%	27.4%	29.4%	On Track	> 30%
Retail & MSME: Corporate Mix	44%:56%	51%:49%	53%:47%	54%:46%	On Track	60%:40% Medium Term (FY23-25) Targets
Advances Y-o-Y Growth	-29%	-3%	-1%	4%	Pick up in Momentum	>15% growth
Wholesale Banking Y-o-Y Growth	-38%	-12%	-13%	-10%		~10% growth
Retail & SME Y-o-Y Growth	-3%	13%	23%	29%	On Track	~20% growth
C/D ratio	162.7%	102.4%	100.2%	97.8%	Achieved	< 100%
Recoveries	~ INR 5,000 Cr		INR 602 Cr	INR 987 Cr	On Track	> INR 5,000 Cr
Upgrades <sup>1</sup>			INR 1723 Cr	INR 969 Cr		
RoA	-7.1%	-1.3%	0.3%	0.3%	On Track	1 - 1.5% Medium Term (FY23-25) Targets

<sup>1</sup> Includes Covid & MSME Restructuring of ~INR 600 Cr in Q1FY22 & ~INR 330 Cr in Q2FY22

# Performance Highlights (1/2)

All figures in INR Cr

## Profit & Loss

	Q2FY22	Q-o-Q	Y-o-Y
<b>Net Interest Income</b>	<b>1,512</b>	<b>8%</b>	<b>-23%</b>
Non Interest Income	778	-10%	30%
Operating Expenses	1,612	5%	22%
<b>Operating Profit</b>	<b>678</b>	<b>-7%</b>	<b>-46%</b>
<b>Core Operating Profit<sup>1</sup></b>	<b>648</b>	<b>38%</b>	<b>-45%</b>
Profit After Tax	225	9%	74%

## Balance Sheet

Total Assets	288,523	6%	15%
Net Advances	172,839	6%	4%
<b>Total Deposits</b>	<b>176,672</b>	<b>8%</b>	<b>30%</b>
<b>Shareholders Funds</b>	<b>33,608</b>	<b>1%</b>	<b>-9%</b>

## Key Ratios

	Q2FY22	Q1FY22	Q2FY21
<b>Core C/I<sup>1</sup></b>	<b>71%</b>	<b>77%</b>	<b>53%</b>
Core JAWS <sup>1, 2</sup>	8%	26%	21%
<b>CET 1</b>	<b>11.5%</b>	<b>11.6%</b>	<b>13.5%</b>
<b>Average LCR</b>	<b>118%</b>	<b>132%</b>	<b>100%</b>
Book Value per share (INR)	13.4	13.3	14.7
<b>Credit Deposit Ratio</b>	<b>98%</b>	<b>100%</b>	<b>123%</b>

Bank has made certain reclassifications to comply with recent RBI circular dated August 30, 2021. Accordingly, the bank has regrouped/ reclassified previous period figures wherever necessary to make the financial disclosures comparable (Details in Annexure 1)

## Improvement across parameters



NII grew by **8% Q-o-Q**  
NIMs at **2.2%**, improved by ~10bps sequentially



Core Operating Profit <sup>1</sup> at **INR 648 Cr** up **38.0% Q-o-Q**

**Customer Deposits<sup>3</sup>** at INR **171,633 Cr**; up **7.6% Q-o-Q**



**CASA Ratio** at **29.4%** v/s. 27.4% in Q1FY22; growth rate at ~2x of overall deposits  
**~244K** CASA A/Cs opened vs. 152K last quarter

**Retail + MSME advances mix at 54%**



Gross Retail Disbursements of INR **8,478 Cr**  
SME Disbursements<sup>4</sup> at INR **4,576 Cr**  
Wholesale Banking Disbursements at INR **3,736 Cr**

<sup>1</sup> Excluding Gain on Sale of Investments & MTM Provisions on Investments  
<sup>2</sup> Q-o-Q Growth Rate of Total Income - Q-o-Q Growth Rate of Operating Cost

<sup>3</sup> Excluding Certificate of Deposits  
<sup>4</sup> Includes Limit Setup

# Performance Highlights (2/2)



All figures in INR Cr

	Q4FY21	Q1FY22	Q2FY22
Non Performing Exposures <sup>1</sup>	Gross NPA	28,610	28,506
	Other Non Performing Exposures	10,425	10,315
	<b>Total Gross Non Performing Exposures</b>	<b>39,034</b>	<b>38,821</b>
	Total Provisions held	25,992	26,198
	<b>Net Non Performing Exposures</b>	<b>13,042</b>	<b>12,738</b>
	Cumulative Technical Write-off #	17,208	17,065
	<i>Net additions during the Quarter</i>	9,728	(143)
	<b>Provision Coverage for above<sup>3</sup></b>	<b>76.8%</b>	<b>77.4%</b>
Standard Restructured Loans <sup>2</sup>	<b>Total Gross Restructured Loans</b>	1,244	4,976
Overdue Book	<b>61-90 days overdue loans</b>	4,661	3,398
	<i>Of which Retail</i>	234	790
	<b>31-60 days overdue loans</b>	9,042	8,167
	<i>Of which Retail</i>	1,057	1,715

## Asset quality trends continue to improve

**GNPA ratio at 15.0%, vs 15.6% last quarter**

**NNPA ratio at 5.5% vs. 5.8% last quarter**

Fresh **Slippages** lower at **INR 1,783 Cr** vs. INR 2,233 last quarter of which:

- Corporate slippages at **INR 750 Cr** vs. INR 1,258 Cr last quarter

**Prudent Provisioning of INR 336 Cr on a single telecom exposure**

(Aggregate coverage\* at ~10.0%)

**Increase in Total Gross Restructured Loans** on account of Covid 2.0 & MSME 2.0 during the quarter

**Overdue Loans** in 31-90 days bucket lower by **~INR 6,000 Cr Q-o-Q**

1. NPA, NPI & ARC  
2. Erstwhile, MSME 1.0 & 2.0, DCCO related & Covid 1.0 & 2.0;  
3. Including technical w/o;

# Only Corporate  
\* Including through valuation adjustment on bonds

# Profit and Loss Statement



All figures in INR Cr

- **Profits at INR 225 Cr in Q2FY22 - Highest since December 2018**
- **Operating Profits at INR 678 Cr**
  - **Core Operating Profits<sup>1</sup> up 38.0% Q-o-Q**
  - **Net Interest Income at INR 1,512 Cr up 8% Q-o-Q;**
  - **NIM at 2.2% up 10 bps Q-o-Q;**
  - **Sustained Reduction** in cost of deposits while continuing to garner liabilities
  - **Core C/I<sup>1</sup> improved to 71.3%** from 76.6% last quarter

Profit and Loss Statement	Quarter Ended			Growth	
	Q2FY22	Q1FY22	Q2FY21	Q-o-Q	Y-o-Y
Net Interest Income	1,512	1,402	1,973	8%	-23%
Non Interest Income	778	869	597	-10%	30%
Core Non Interest Income <sup>1</sup>	748	606	521	23%	44%
<b>Total Income</b>	<b>2,290</b>	<b>2,271</b>	<b>2,571</b>	<b>1%</b>	<b>-11%</b>
<b>Operating Expense</b>	<b>1,612</b>	<b>1,538</b>	<b>1,320</b>	<b>5%</b>	<b>22%</b>
Human Resource Cost	706	645	612	9%	15%
Other Operating Expenses	906	893	708	1%	28%
<b>Operating Profit / (Loss)</b>	<b>678</b>	<b>733</b>	<b>1,251</b>	<b>-7%</b>	<b>-46%</b>
Core Operating Profit / (Loss) <sup>1</sup>	<b>648</b>	<b>470</b>	<b>1,174</b>	<b>38%</b>	<b>-45%</b>
Provisions	377	457	1,078	-17%	-65%
Profit Before Tax	301	276	173	9%	74%
Tax Expense	75	69	43	9%	74%
<b>Net Profit/(Loss)</b>	<b>225</b>	<b>207</b>	<b>129</b>	<b>9%</b>	<b>74%</b>
Yield on Advances	8.0%	8.2%	9.4%		
Cost of Funds	5.4%	5.7%	6.4%		
Cost of Deposits	5.1%	5.4%	6.2%		
NIM	2.2%	2.1%	3.1%		
Cost to Income	70.4%	67.7%	51.3%		
Core Cost to Income <sup>1</sup>	<b>71.3%</b>	<b>76.6%</b>	<b>52.9%</b>		

<sup>1</sup> Excluding Gain on Sale of Investments & MTM Provisions on Investments  
 NM = Not measurable

# Break Up of Non Interest Income

All figures in INR Cr

- **Core Fee Income drivers show significant traction**
  - **Highest ever Retail Banking Fees** at **INR 444 Cr up 30% Q-o-Q** driven by highest ever disbursements at **INR 8,478 Cr**
  - **Transaction banking Fees up 11% Q-o-Q** aided by
    - CMS thruput (~**96% from digital modes**) **up 21% QoQ**, of which API Banking vol. grew **31% QoQ** and API thruput increased by **25%**
    - Tech. led solutioning in E-Com & Fintech space led to **18% QoQ** growth in value & **48%** growth in vol.

	Quarter Ended			Growth	
	Q2FY22	Q1FY22	Q2FY21	Q-o-Q	Y-o-Y
<b>Non Interest Income</b>	<b>778</b>	<b>869</b>	<b>597</b>	<b>-10%</b>	<b>30%</b>
<b>Corporate Trade &amp; Cash Management</b>	<b>157</b>	<b>141</b>	<b>142</b>	<b>11%</b>	<b>10%</b>
<b>Forex, Debt Capital Markets &amp; Securities</b>	<b>148</b>	<b>364</b>	<b>183</b>	<b>-59%</b>	<b>-19%</b>
<i>Of which realised/ unrealised gain on Sale of Investments</i>	<i>30</i>	<i>263</i>	<i>77</i>	<i>-89%</i>	<i>-61%</i>
<b>Corporate Banking Fees</b>	<b>29</b>	<b>20</b>	<b>(25)</b>	<b>44%</b>	<b>NM</b>
<b>Retail Banking Fees</b>	<b>444</b>	<b>342</b>	<b>297</b>	<b>30%</b>	<b>49%</b>
Trade & Remittance	56	54	67	4%	-17%
Facility/Processing Fee	78	55	59	41%	33%
Third Party Sales	39	25	29	53%	34%
Interchange Income	143	109	88	32%	63%
General Banking Fees	128	99	55	29%	134%



# Break up of Operating Expenses

All figures in INR Cr

- **Operating Expenses for Q2FY22 higher by 5% Q-o-Q**
  - Significant pick up in business volumes
  - Step up in provisions towards variable compensation of employees
- **Core Revenue<sup>1</sup> growth at ~13% Q-o-Q** continues to outpace Opex growth

	Quarter Ended			Growth	
	Q2FY22	Q1FY22	Q2FY21	Q-o-Q	Y-o-Y
Payments to and provisions for employees	706	645	612	9%	15%
Rent, Taxes and Lighting	111	105	113	7%	-1%
Loan Sourcing Fees and DSA	164	123	55	33%	201%
Depreciation on Bank's property	102	101	85	1%	20%
IT related expenses	105	108	80	-2%	31%
Professional Fees & Commission	75	86	52	-13%	46%
Insurance	49	47	31	4%	56%
Others	298	323	292	-8%	2%
<b>Total</b>	<b>1,612</b>	<b>1,538</b>	<b>1,320</b>	<b>5%</b>	<b>22%</b>

<sup>1</sup> Excluding Gain on Sale of Investments & MTM Provisions on Investments

# Provisions and P&L

All figures in INR Cr

- Provisions for Standard Advances includes ~**INR 336 Cr** against a single telecom standard exposure
- Incremental Credit Costs on Fresh Slippages & a single telecom exposure significantly offset by bad debt recoveries of **INR 577 Cr** and provision write backs

	Quarter Ended			Growth	
	Q2FY22	Q1FY22	Q2FY21	Q-o-Q	Y-o-Y
<b>Operating Profit</b>	<b>678</b>	<b>733</b>	<b>1,251</b>	<b>-7%</b>	<b>-46%</b>
Provision for Taxation	75	69	43	9%	74%
Provision for Investments	(52)	0	(84)	NM	-37%
Provision for Standard Advances	561	28	1,048	1917%	-46%
Provision for Non Performing Advances	(139)	405	37	NM	NM
Other Provisions	8	23	76	-64%	-89%
<b>Total Provisions</b>	<b>453</b>	<b>525</b>	<b>1,121</b>	<b>-14%</b>	<b>-60%</b>
<b>Net Profit / (Loss)</b>	<b>225</b>	<b>207</b>	<b>129</b>	<b>9%</b>	<b>74%</b>
Return on Assets (annualized)	0.32%	0.30%	0.20%		
Return on Equity (annualized)	2.69%	2.49%	1.56%		
Earnings per share-basic (non-annualized)	0.09	0.08	0.06		

NM = Not Measurable

# Balance Sheet

All figures in INR Cr

- **Balance Sheet** grew **6% Q-o-Q**, while continuing to improve
  - **C/D ratio at 97.8%** v/s. 100.2% last quarter
  - **CASA ratio 29.4%** v/s. 27.4% last quarter
- **Secular growth across segments led by granular business including customer induced Non SLR investments:**
  - Gross Retail Disbursements of **INR 8,478 Cr**
  - SME Disbursements<sup>1</sup> of **INR 4,576 Cr**
  - Wholesale Banking Disbursements of **INR 3,736 Cr**
  - **New Non SLR Investments – INR 1,678 Cr**

	30-Sep-20	30-Jun-21	30-Sep-21	Growth % (Q-o-Q)	Growth % (Y-o-Y)
<b>Assets</b>	<b>249,814</b>	<b>272,527</b>	<b>288,523</b>	<b>6%</b>	<b>15%</b>
Advances	166,923	163,654	172,839	6%	4%
Investments	40,470	46,598	56,167	21%	39%
<b>Liabilities</b>	<b>249,814</b>	<b>272,527</b>	<b>288,523</b>	<b>6%</b>	<b>15%</b>
Shareholders' Funds	36,791	33,378	33,608	1%	-9%
<b>Total Capital Funds</b>	<b>47,044</b>	<b>40,106</b>	<b>40,294</b>	<b>0.5%</b>	<b>-14.3%</b>
Deposits	135,815	163,295	176,672	8.2%	30%
Borrowings	63,378	62,857	63,849	2%	1%

1 Includes Limit Setup

# Break up of Advances & Deposits



All figures in INR Cr

## ▪ Sustained Granularization of Balance Sheet:

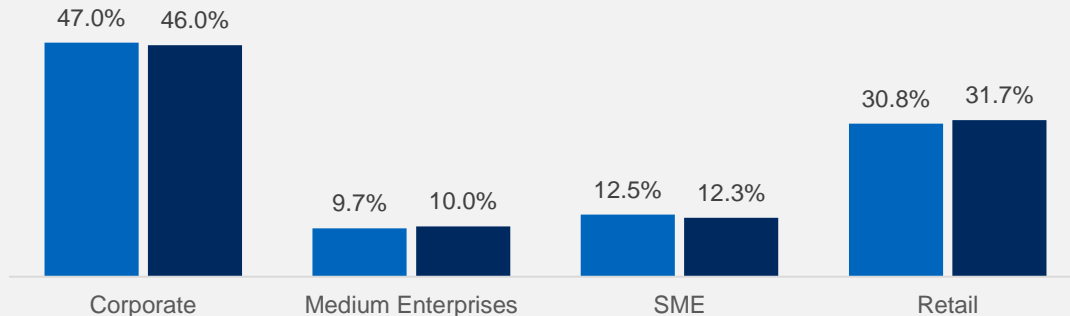
- CASA +Retail TDs at **61.8% v/s 60.5%** in Q1FY22
- Average daily CA grew by **54.4% Y-o-Y**
- Average daily SA grew by **49.7% Y-o-Y**
- **~244K** CASA Accounts opened in Q2FY22
- Retail Advances mix at **31.7%** v/s. 30.8% in Q1FY21

	30-Sep-20	30-Jun-21	30-Sep-21	QoQ Growth (%)	YoY Growth (%)
Current Account Deposits	14,203	19,140	22,725	19%	60.0%
Savings Bank Deposits	19,510	25,650	29,305	14%	50.2%
<b>CASA</b>	<b>33,713</b>	<b>44,790</b>	<b>52,029</b>	<b>16%</b>	<b>54%</b>
<b>CASA Ratio</b>	<b>24.8%</b>	<b>27.4%</b>	<b>29.4%</b>		
Term Deposits (TD)	102,102	118,505	124,642	5%	22%
of which CDs	7,259	3,827	5,031	31%	-31%
<b>Total Deposits</b>	<b>135,815</b>	<b>163,295</b>	<b>176,672</b>	<b>8.2%</b>	<b>30%</b>

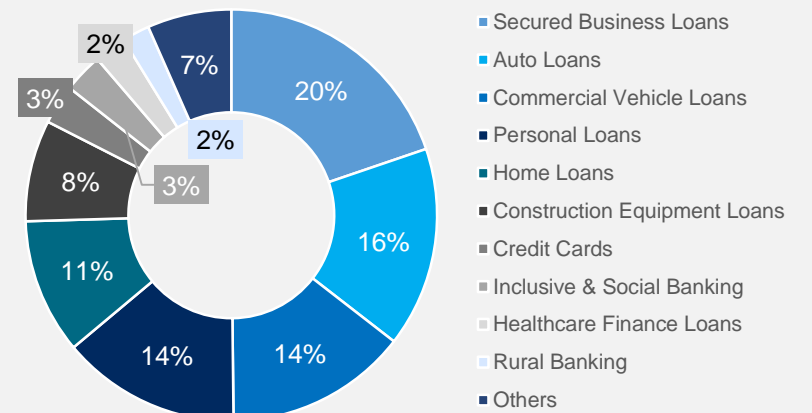
## Advances Book Split

Book Size: INR 172,839 Cr

30-Jun-21 30-Sep-21



## Retail Banking Assets





# NPA Highlights



All figures in INR Cr

- Significant improvement across all segments, acceleration in improvement reflected through
  - **Gross NPA Ratio at 15.0%** vs 15.6% last quarter
  - Fresh **Slippages** lower at **INR 1,783 Cr**
    - Corporate slippages lower at **INR 750 Cr** vs. INR 1,258 Cr last quarter
    - Retail Slippages impacted by Covid Impact; underlying collection efficiency trends have improved
  - **Upgrades** at **INR 969 Cr**
  - **Cash Recovery – INR 987 Cr**
    - Principal Recovery – **INR 357Cr**
    - Interest Recovery – **INR 53 Cr**
    - Recovery from Written Off Accounts – **INR 577 Cr**

1 including technical write-offs

Asset Quality Parameters	31-Mar-21	30-Jun-21	30-Sep-21
Gross NPA (%)	15.41%	15.60%	14.97%
Net NPA (%)	5.88%	5.78%	5.55%
Provision Coverage Ratio <sup>1</sup> (%)	78.6%	79.3%	78.9%

Segmental GNPA	31-Mar-21		30-Jun-21		30-Sep-21	
	GNPA	(%)	GNPA	(%)	GNPA	(%)
Retail	1,489	2.9%	1,682	3.3%	1,579	2.8%
SME	784	3.7%	814	3.9%	807	3.7%
Medium Enterprises	391	2.6%	450	2.8%	393	2.2%
Corporate	25,946	26.4%	25,561	27.1%	25,961	26.8%
<b>Total</b>	<b>28,610</b>	<b>15.4%</b>	<b>28,506</b>	<b>15.6%</b>	<b>28,741</b>	<b>15.0%</b>

Movement of NPA	30-Jun-21	Movement				30-Sep-21
	Opening	Additions	Upgrades	Recoveries	Write Offs	Closing
Retail	1,682	888	646	120	225	1,579
SME	814	130	72	55	8	807
Medium Enterprises	450	15	51	21	-	393
Corporate	25,561	750	200	108	42	25,961
<b>Total</b>	<b>28,506</b>	<b>1,783</b>	<b>969</b>	<b>304</b>	<b>276</b>	<b>28,741</b>

# Summary of Labelled & Overdue Exposures

All figures in INR Cr

- **Overdue Loans** in 31-90 days bucket lower by ~INR 6,000 Cr Q-o-Q
- **Increase in Gross Restructured Loans** largely on account of Covid 2.0 (Largely Retail) & MSME 2.0 during the quarter
- **NPI** lower ~INR 1,000 Cr Q-o-Q on account of resolution of **HFC exposure** which was fully provided

In INR Cr	31-Mar-21		30-Jun-21		30-Sep-21	
	Gross	Provisions	Gross	Provisions	Gross	Provisions
<b>NPA</b>	<b>28,610</b>	<b>18,796</b>	<b>28,506</b>	<b>19,051</b>	<b>28,741</b>	<b>19,154</b>
<b>Other Non Performing Exposures</b>	<b>10,425</b>	<b>7,196</b>	<b>10,315</b>	<b>7,147</b>	<b>9,246</b>	<b>6,093</b>
<i>NFB of NPA accounts</i>	1,671	382	1,566	338	1,548	332
<i>NPI</i>	6,586	6,067	6,587	6,067	5,540	5,021
<i>ARC</i>	2,168	747	2,163	742	2,157	740
<b>Total Non Performing Exposures</b>	<b>39,034</b>	<b>25,992</b>	<b>38,821</b>	<b>26,198</b>	<b>37,986</b>	<b>25,248</b>
<i>Technical Write-Off</i>		17,208		17,065		16,602
<b>Provision Coverage incl. Technical W/O</b>		<b>76.8%</b>		<b>77.4%</b>		<b>76.7%</b>
<b>Std. Restructured Advances<sup>1</sup></b>	<b>1,244</b>	<b>75</b>	<b>4,976</b>	<b>476</b>	<b>6,184</b>	<b>615</b>
<i>Erstwhile</i>	138	7	27	1	28	1
<i>DCCO related</i>	861	43	1,408	70	1,403	70
<i>MSME (Covid)</i>	-	-	192	11	844	79
<i>Covid</i>	246	25	3,348	394	3,908	465
<b>Other Std. exposures <sup>2</sup></b>	<b>1,183</b>	<b>492</b>	<b>994</b>	<b>348</b>	<b>940</b>	<b>329</b>
<b>61-90 days overdue loans</b>	<b>4,661</b>		<b>3,398</b>		<b>1,903</b>	
<i>Of which Retail</i>	234		790		361	
<b>31-60 days overdue loans</b>	<b>9,042</b>		<b>8,167</b>		<b>3,639</b>	
<i>Of which Retail</i>	1,057		1,715		672	

<sup>1</sup> Already Implemented as of respective date; Erstwhile category represents Standard Restructured accounts and does not include withdrawn categories such as SDR, S4A etc.

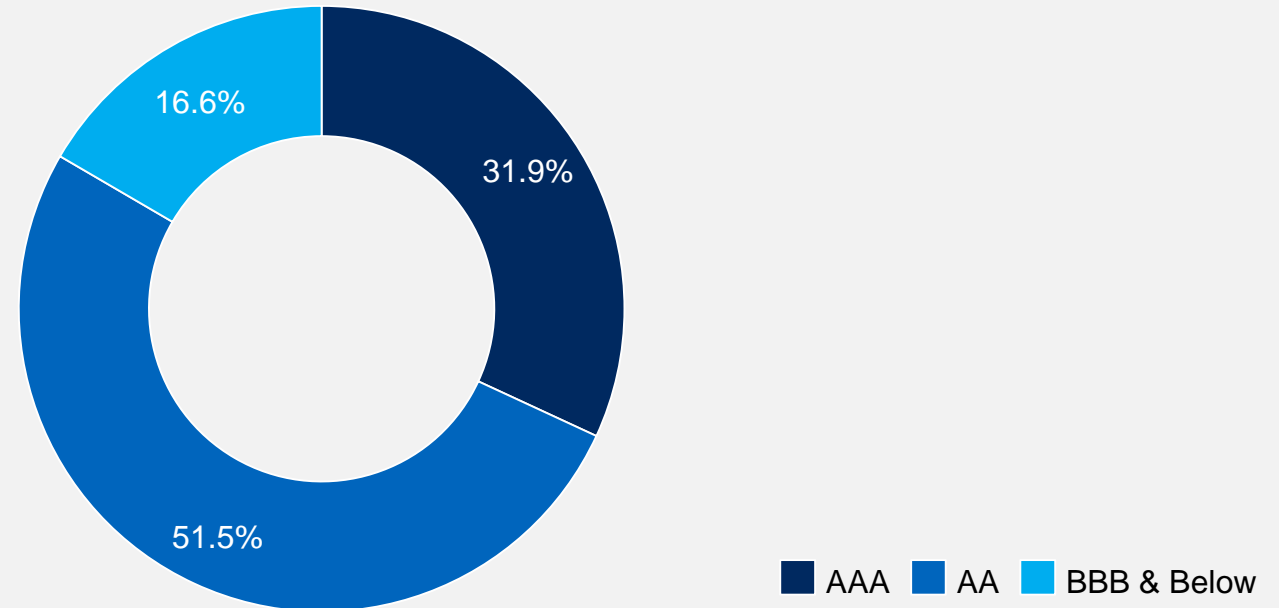
<sup>2</sup> Where provisioning has been made as per requirement of RBI circular on Prudential Framework for Resolution of Stressed Assets dated June 7, 2019

# Corporate Debt Investments

All figures in INR Cr

- Total Investments at **INR 12,610 Cr**
- NPI<sup>1</sup> of **INR 5,452 Cr**, with a provisioning coverage at ~90%
- Standard performing investments at **INR 7,158 Cr** vs. INR 5,422 Cr last quarter
  - 86% of incremental book in AAA & 14% within AA rated
- TLTRO investments during the quarter at **INR 500 Cr** ( part of HTM)
- ~INR **722 Cr** of capital allotted towards valuation adj. on standard AFS corporate bonds aggregating to ~INR 3,500 Cr

Rating wise break up of Standard Performing Investments (Corporate AFS & CP's)<sup>2</sup>

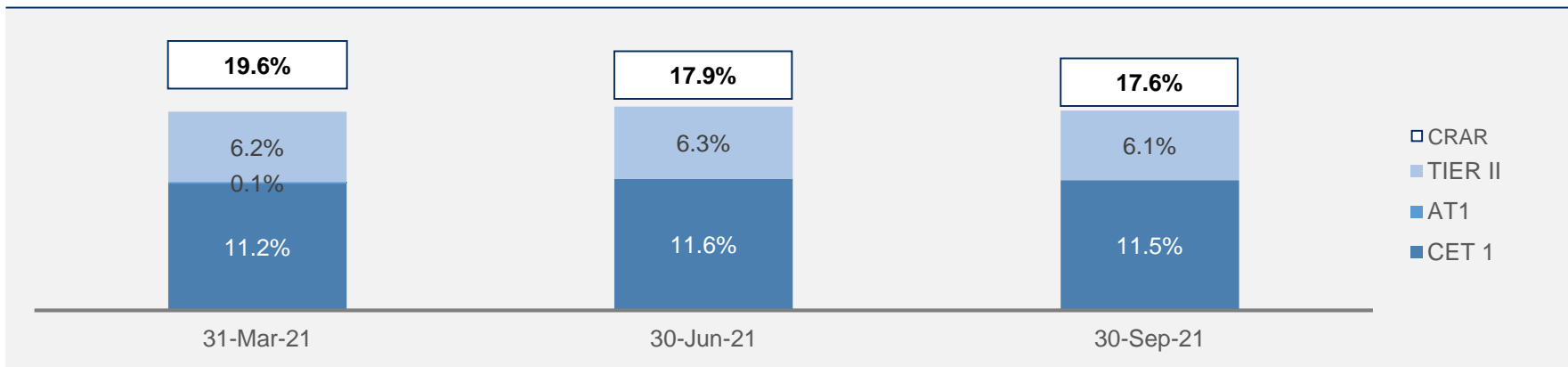


<sup>1</sup> Excludes Equity / Preference Shares

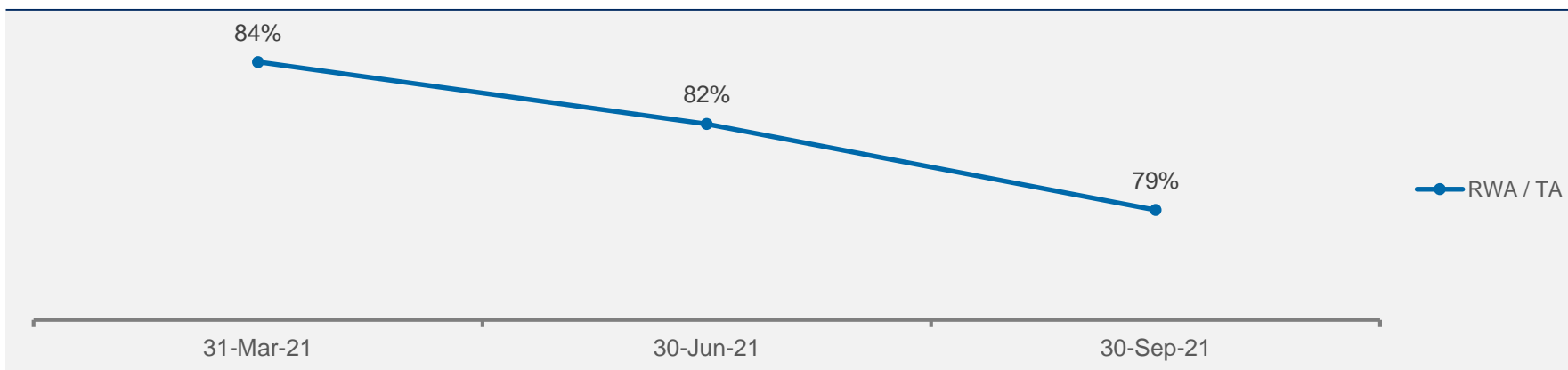
<sup>2</sup> Standard exposures based on External Ratings

# Capital Sufficiency: CET 1 ratio at 11.5%

## 1 Bank's Capital Adequacy Ratio<sup>1</sup>



## 2 RWA to Total Assets



<sup>1</sup> Includes Profits

CET 1 Ratio comfortable at 11.5%

Recoveries and Operating Profits to sufficiently cover for future slippages and growth

Deferred tax asset of ~INR 6,340 Cr deducted from net-worth for computing CET 1, representing ~280 bps, to further aid Bank's CET 1 over time





# Contents



YES BANK Quarterly Update

**YES BANK – Franchise**

Annexure

# YES BANK – Snapshot



- India's 7<sup>th</sup> Largest Private Sector Bank<sup>1</sup>
- Rebuilt the foundation in FY21** while, improving performance across key parameters, despite severe headwinds of Covid-19 & moratorium imposed on the bank; **focus shifted to growth & profitability.**

## Physical Presence



## Digital Presence

UPI Market Share: **~44%** of **~3 billion** monthly transactions are powered by YES BANK

AePS\* Market Share: **~ 17%** of **~200 million** monthly 'off-us' transactions are powered by YES BANK across **1 mn+ BC outlets**

API Banking Leadership: **~ 4000** set ups done for customers so far

## Sonic Branding



Launched a **new sonic identity & musical logo (MOGO)** A sound of assurance **#TheNewSoundOfYES**

## Excellence

Newly launched **Corporate Net Banking Platform** won the **India Domestic Transaction Banking Initiative of the Year in the Asian Banking & Finance Wholesale Banking Awards 2021, Singapore**

Launched niche solution of **"YES ARTH"** the **Accounting Reconciliation Transaction Hub** which focuses on facilitating Government fund flow management

YES BANK has tied up with 5 out of 8 approved fintech entities as **sponsor bank** for RBI's cohort on cross border payments

Total Assets  
₹ 288,523 Cr

Advances  
₹ 172,839 Cr

Deposits  
₹ 176,672 Cr

CD Ratio  
97.8%

CASA Ratio  
29.4%

BVPS  
₹ 13.4

YES Bankers  
**22,800+**

Net Profit  
₹ 225 Cr

NIM's  
2.2%

CRAR Ratio  
17.6%

Advances Mix  
Retail : Corporate  
**54%:46%**

ATM's /CRM's/BNA's  
**1,243**

Average LCR  
**117.6%**

**~ 573** employees hired incrementally in FY 22

Relationship

Wholesale Banking

SME Banking

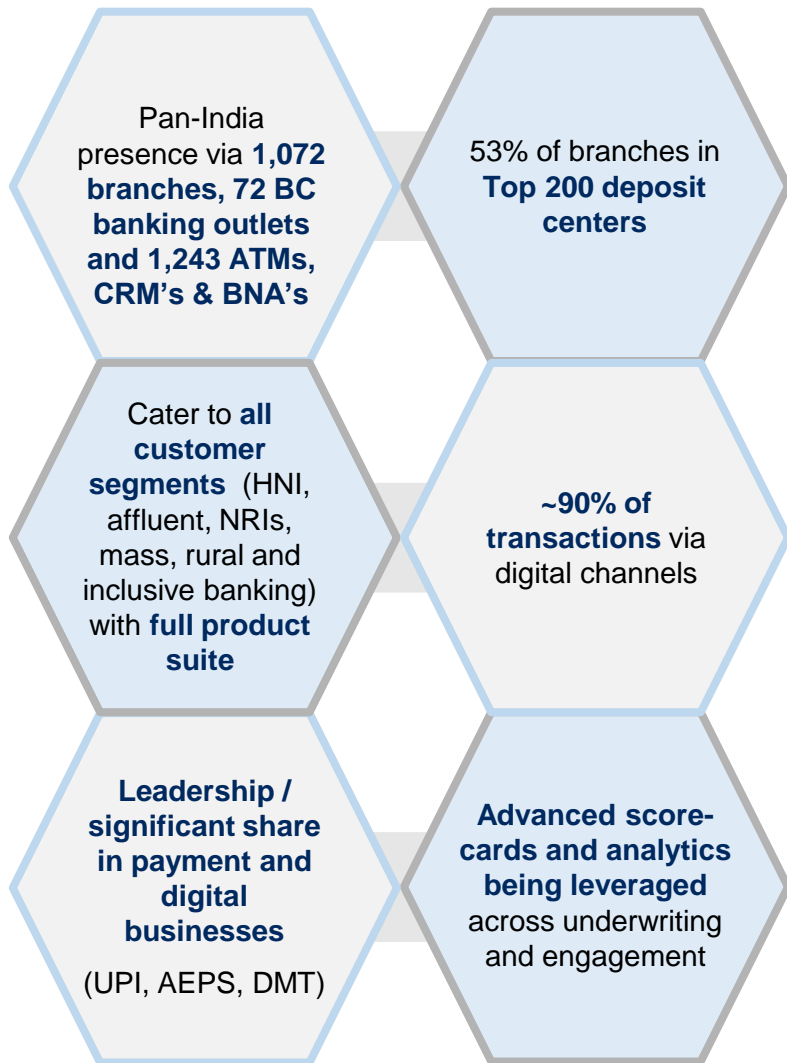
Retail Banking

Strategy

Approach With Execution Focused Management; Digital & Technology Key Enablers

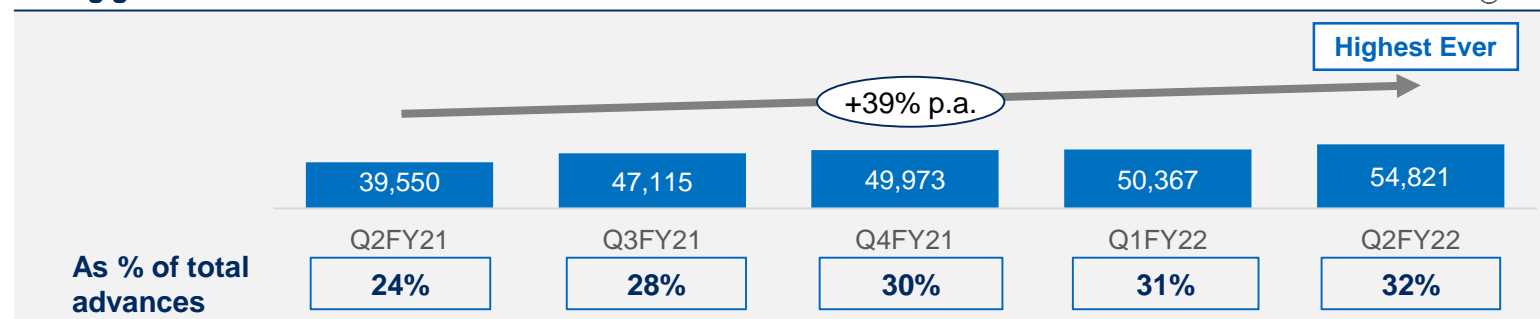
Complete array of financial products and solutions covering credit, deposit, transaction banking and digital propositions

# Retail Bank: *Full spectrum retail bank growing with strong momentum*

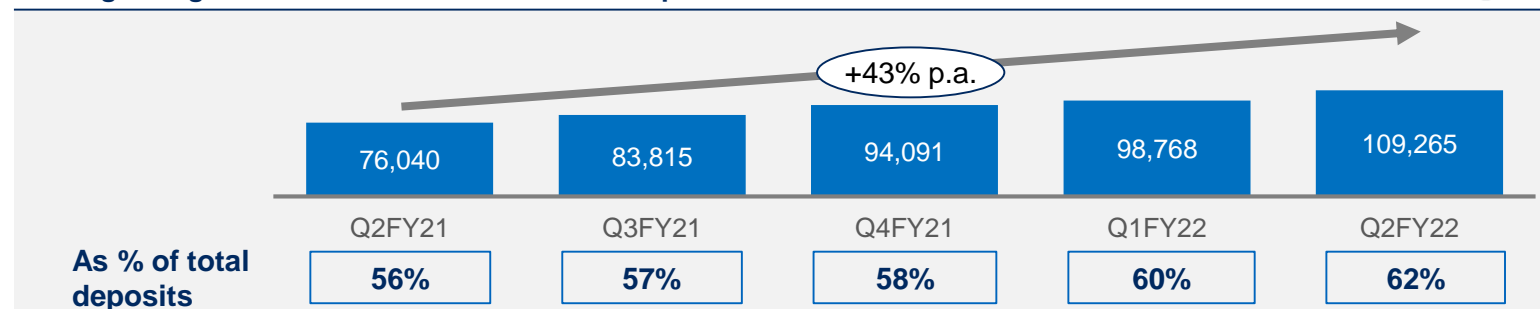


All figures in INR Cr

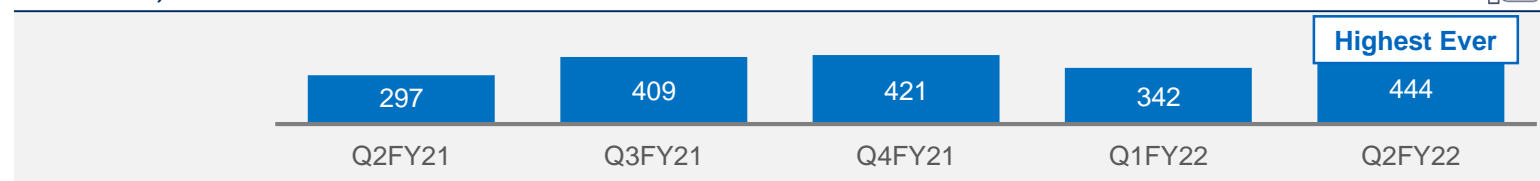
## Strong growth in Retail Advances



## ...along with growth in CASA and Retail Term Deposits



## In addition, continued momentum within Retail Fee Income

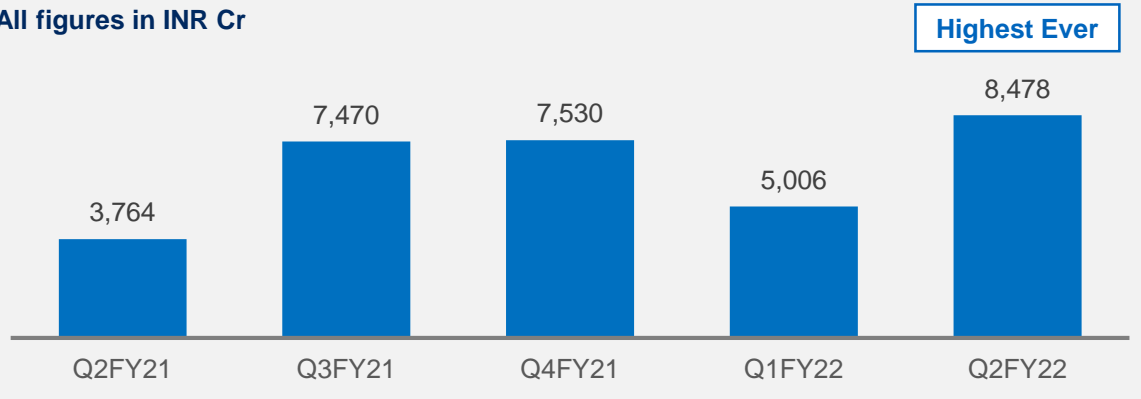


# Retail Assets: *Fast growing diversified book*

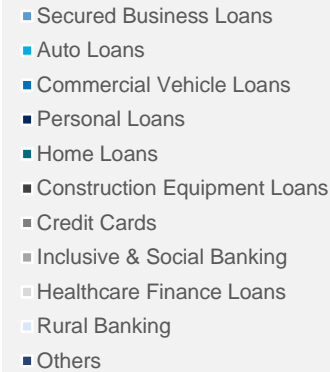


## 1 Retail asset disbursements momentum continues

All figures in INR Cr



## 3 Diversified retail book<sup>1</sup>



**Preferred financier status** with leading Auto OEMs

**Dedicated, verticalized structures** to focus on individual products & improved governance (e.g. Product head, NSM, Credit Head)

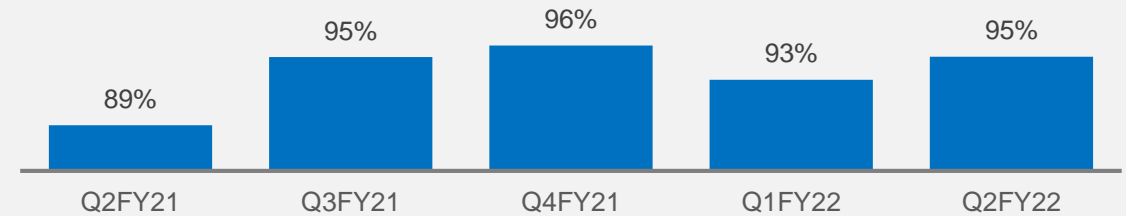
## 2 On the back of purposeful digital investments



**Loan in seconds (LIS) platform** and front-end automation initiatives (**Yes Robot**) have resulted in **lower TAT along with higher productivity**

## 4 Strong focus on book quality & collections

Retail Assets collections efficiency



- High share of secured loans in Retail Assets book - 86% with healthy LTV ratios:
  - Avg. LTV for Affordable Home Loan ~69%
  - Avg. LTV for LAP ~57%

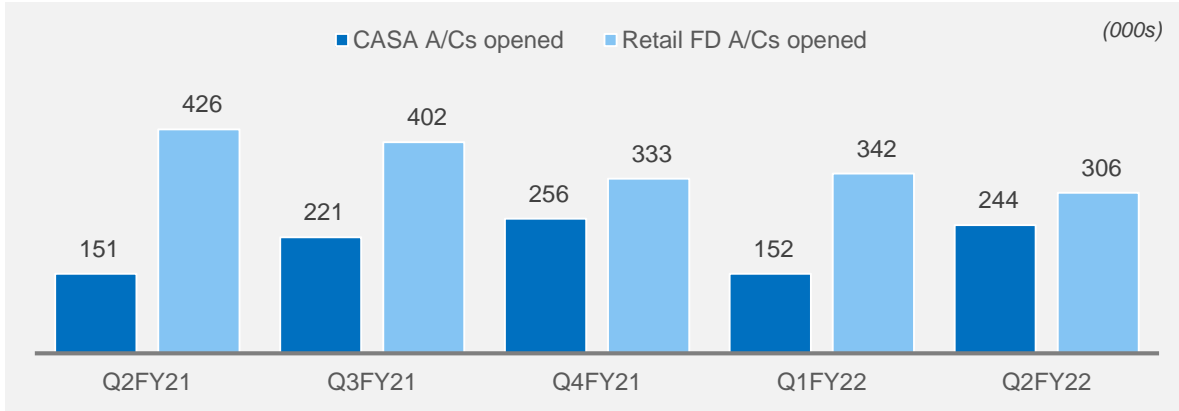
<sup>1</sup> Split basis gross retail advances



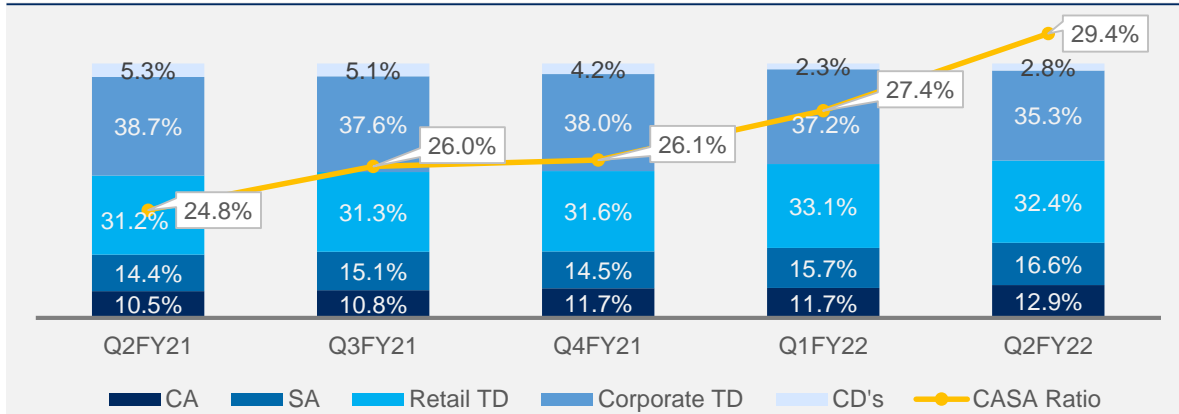
# Retail Deposits: *Strong growth, improving deposit mix, despite reduction in rates*



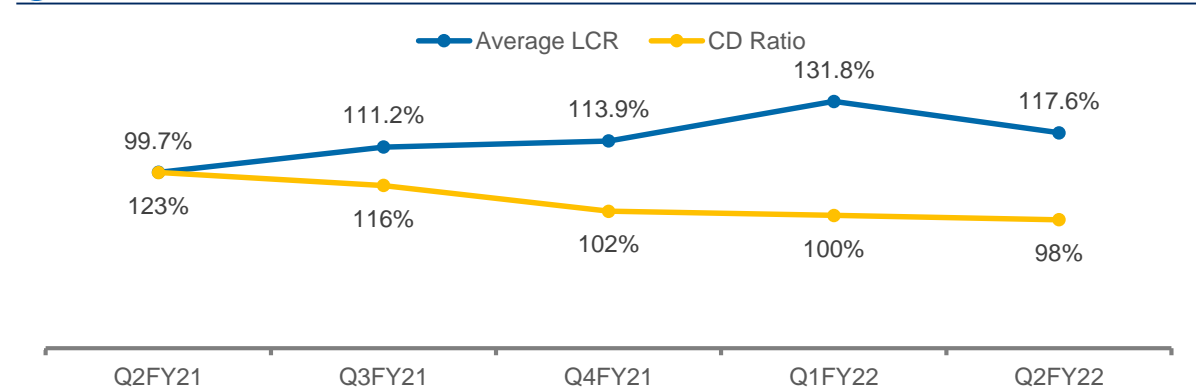
## 1 Strong run-rate in numbers of accounts acquired



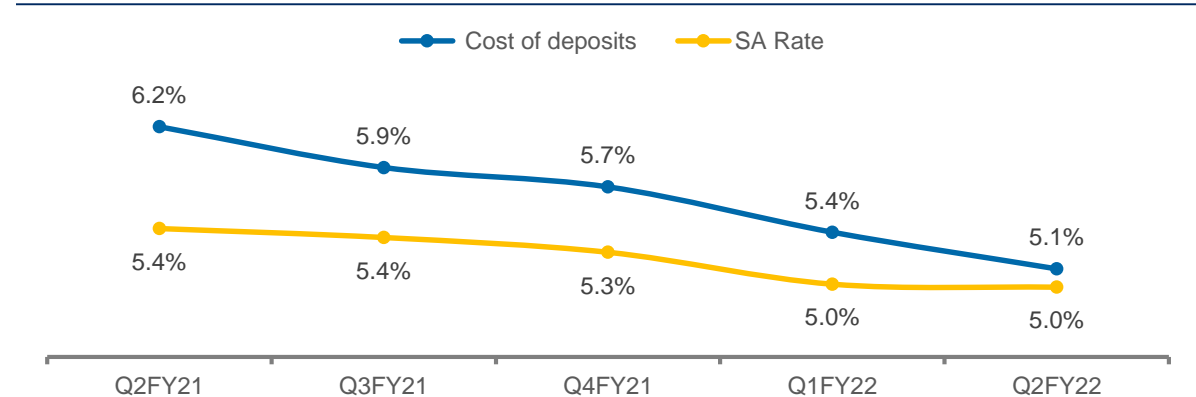
## 2 ... along with healthy deposits book growth<sup>1</sup>



## 3 continuous improvement in CD Ratio and Liquidity



## 4 Growth has come via productivity gains, despite reduction in rates



<sup>1</sup> End of period balances

<sup>2</sup> Average Ticket Size basis average monthly balances

<sup>3</sup> Value of deposits comprises of CASA and Retail TD. Employee count is the total number of YES BANK employees.

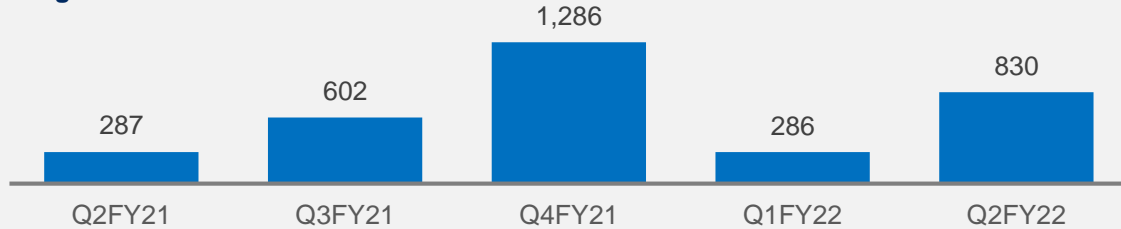
\*Weighted Average SA rate

# Rural Assets: *Deepen the penetration in emerging rural markets & generate Agri PSL*



## 1 Business originations (disbursements) returning towards normalcy

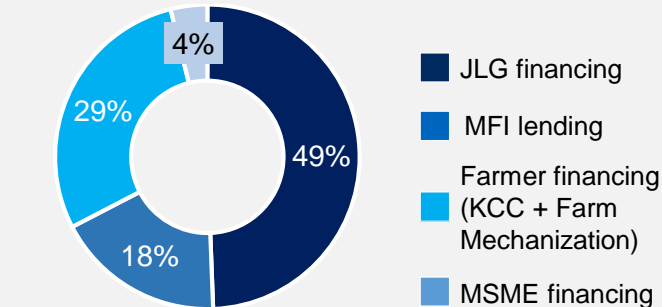
All figures in INR Cr



- 100% book qualifies under **granular PSL lending**
- Product suite to cater to all segments** of semi urban/ rural ecosystem
- Parameterized lending** in the granular book for faster disbursements

## 2 Capturing Rural value chain with geographic diversification

Book Split (value) by segments



Book size : INR 3,463 Cr

- Diversified portfolio** across ~230 districts in 15 states
- Rich pedigree of working with credible BC partners**
- Grid based framework for MFI lending** (Parameters include AUM size, capital adequacy, external rating, delinquency, diversification etc.)

## 3 Robust Farmer financing book & improved collections in JLG book

- High quality farmer financing** book with NPA < 0.35%
- NPA <2% in the book generated post-COVID** (disbursements on or after April 1, 2020; constitute ~80% of total book); inline with the microfinance industry standards.
- Collection efficiency in JLG book improved significantly in Q2; **expected to reach the pre-pandemic levels by December**
- On ground portfolio monitoring/** trigger based monitoring by an independent risk monitoring team

## 4 Analytics for expansion towards paperless processing

- Digital & Analytics to **enhance customer experience / reduce TAT**
  - Digital on-boarding**, dedicated LMS for rule based sanctions & disbursements and **geo-tagged based monitoring**
  - Usage of Bureau data** up to PIN code level for geographical expansions & periodic portfolio scrub to monitor portfolio health
  - Leveraging Fintech/ digitechs for underwriting and risk management

# Small & Micro Enterprises: *Granular book creation with a solution led approach*



## 1 Steady momentum in disbursements<sup>1</sup>

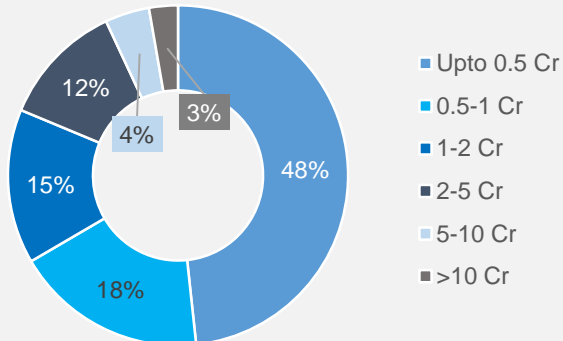
All figures in INR Cr



- **Dedicated teams** for sharper focus in business originations & portfolio management
- **100% business originations** from internal channels
- **Parameterized lending** enabling faster credit decisioning

## 2 High quality & well diversified granular book

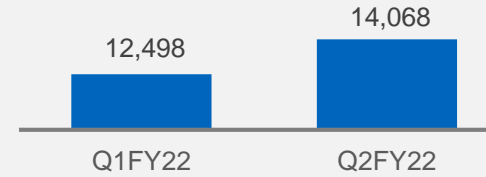
Book Split by Ticket Size



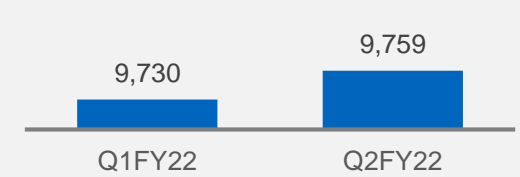
- Reduced **concentration risk**
- **Portfolio secured by collateral** in addition to primary security of stock & book debts
- **Customer churning and portfolio utilization** at pre-covid level - reflecting portfolio strength.

## 3 Strengthening Relationship Management

Cross Sell (Units)



Liability Book (INR Cr)



- **One stop solution approach** for all needs of entity and promoters
- **Comprehensive borrower assessment** : Pre-approved retail asset products offering along with business banking limits (Industry first initiative)
- **Dedicated Physical RMs** for relationship deepening **across trade, retail, API banking, etc**
- **Virtual RMs support** to enable customers for engagement, services, enhancements & cross sell

## 4 Digital and Analytics at fulcrum of the franchise

### Digital & Analytics to enhance customer experience / reduce friction

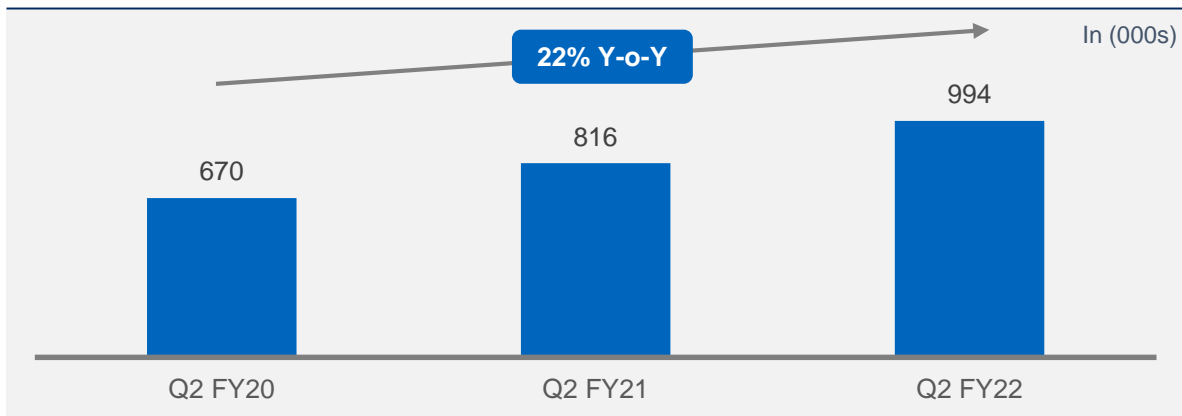
- Analytics driven prospective client identification
- Digital Lending Platform - Seamless customer approval experience
- Self-assist digital tools - MSME App, Trade-On-Net, FX Online, etc.
- Robust EWS framework - early identification of incipient sickness & support frontline in remedial management

<sup>1</sup> Includes Limit Setups

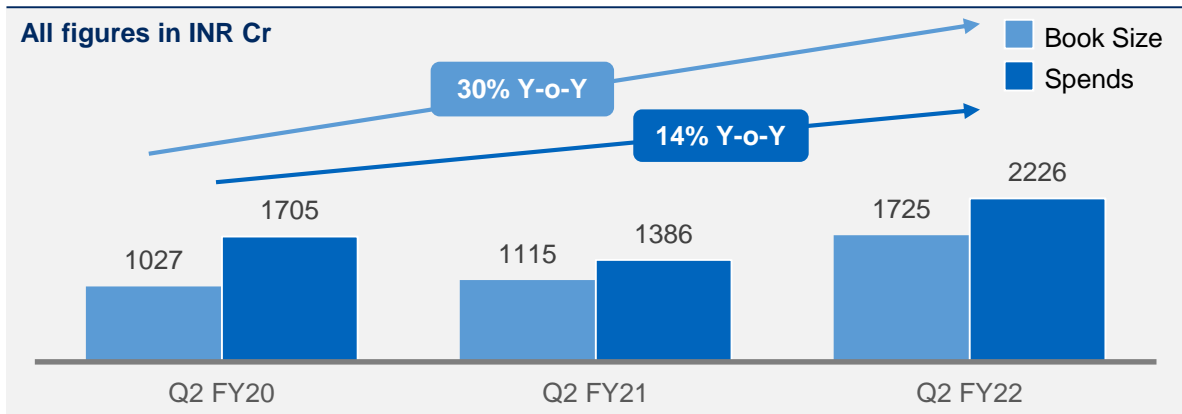
# Credit Cards: *Strong growth in cards base coupled with improvement in spends and book growth*



## 1 Strong growth in total cards base



## 2 Book & Card spends have grown consistently



## 3 Differentiated Product Offering, Focused digital initiatives, Partnerships & Alliances

- **Comprehensive suite of 16 Products covering Consumer and Commercial Cards**
- **Most rewarding Rewards Platform, allowing customers** to share & adjust reward points against statement outstanding with Reward Points that never expire
- **Best Foreign Currency Markup** on select card variants & **Hosted on most stable technology platform Vision+ (Fiserv) and Falcon** (risk monitoring platform)
- **Digitization of value-added offerings through self-service portal** to enhance customer experience
- Partnerships with Fintechs and affiliates to bolster distribution outreach

## 4 RBI Circular's Impact & YBL Response

Restrictions imposed on Mastercard to onboard new customers w.e.f. July 22<sup>nd</sup> 2021

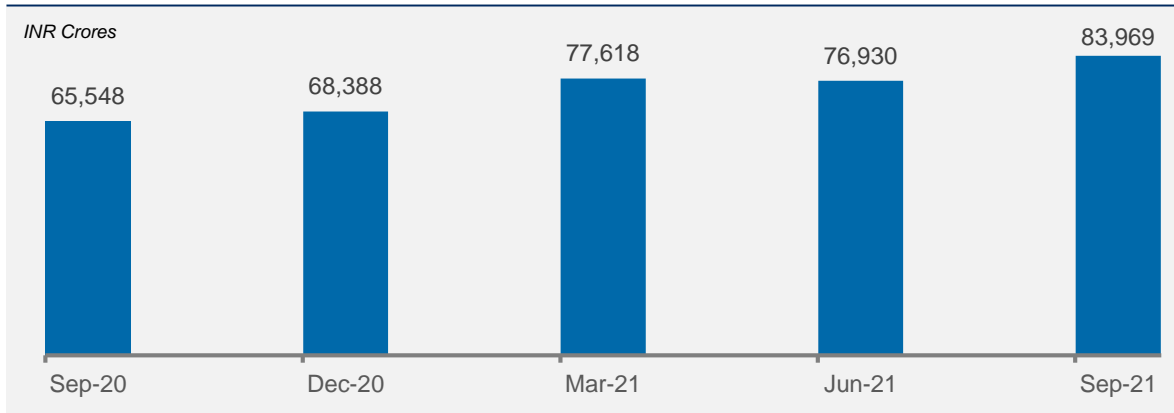
- No Impact on existing Credit Card Customers
- Integration with Visa is completed and Issuance on Visa platform has commenced from September 17, 2021 (within 60 Days)
- No material impact on Business
- Accelerated sourcing in H2, FY 22 to cover the shortfall
- Integration with NPCI/Rupay is underway and is expected to be launched shortly.



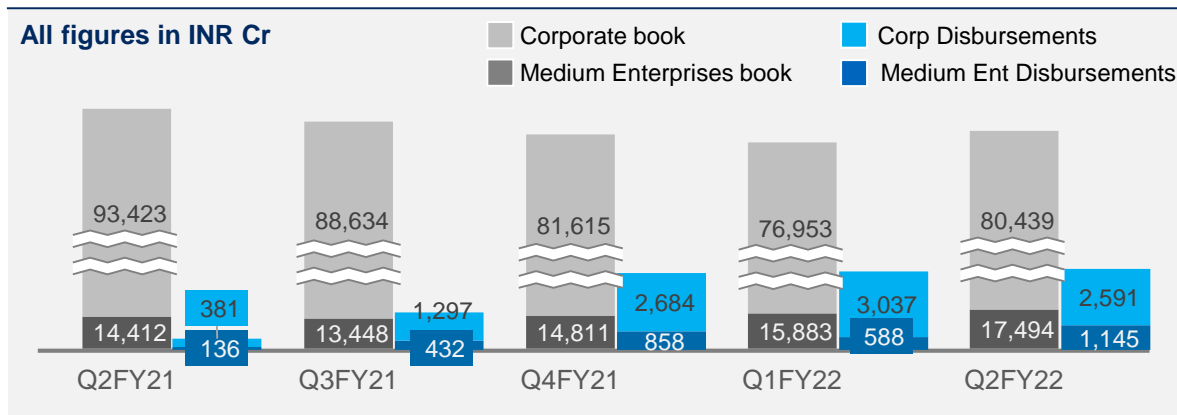
# Wholesale Banking: *Strong growth in transaction banking and granularization of incremental lending book*



## 1 Strong growth in liabilities at 28% Y-o-Y



## 2 Wholesale Banking Break up – Granularity improving



## 3 Providing tailored solutions to clients across business segments

### Large Corporates

- Strong relationships with clients and conglomerates having turnover > INR 1,500 cr
- Team of over 210 bankers based in 10 location

### Institutional & Govt Banking Group

- Divided into 6 segments with a relationship-based approach
- Govt and Corporate Advisory segment mandated by 4 State Governments for development and review of the State Electric Vehicle Policy and supported 9 State Governments in their proposal for Central Government grants on charging facilities

### Emerging Local Corporates

- Tailored solutions to corporates with turnover between INR 100 to INR 1,500 cr.
- Deeply entrenched in new-age entrepreneurship ecosystem by providing bespoke digital solutions, incubation and networking platforms

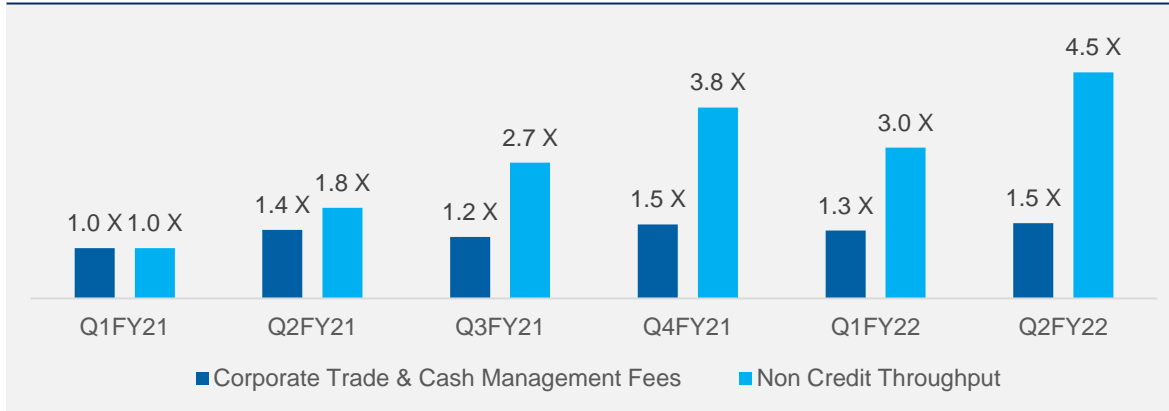
### Financial Markets

- Customized solutions for foreign exchange risk management to more than 35,000 clients pan India.
- Strong debt capital markets and primary dealership franchise offering origination and distribution services on Fixed Income to clients

# Transaction Banking: *Annuity income through Trade and Cash Management*

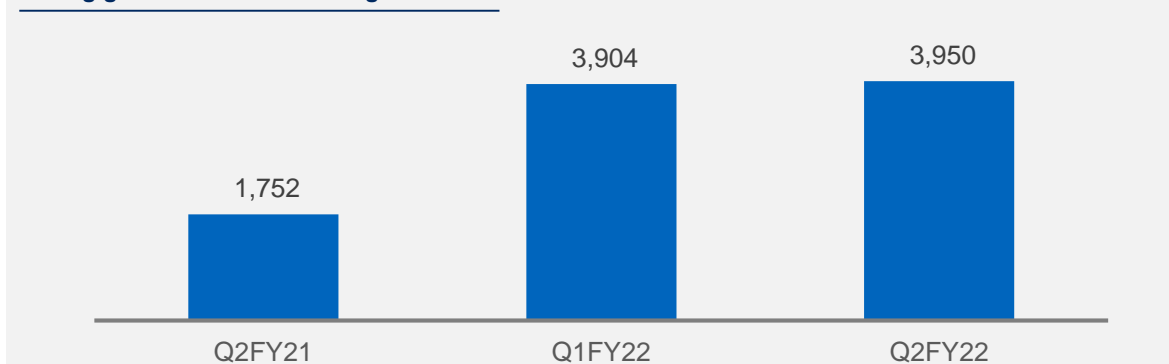


## 1 Book has seen strong growth in non-credit throughput



## 2 ... on the back of an industry leading API banking and technology stack

### Strong growth in total API integrations...



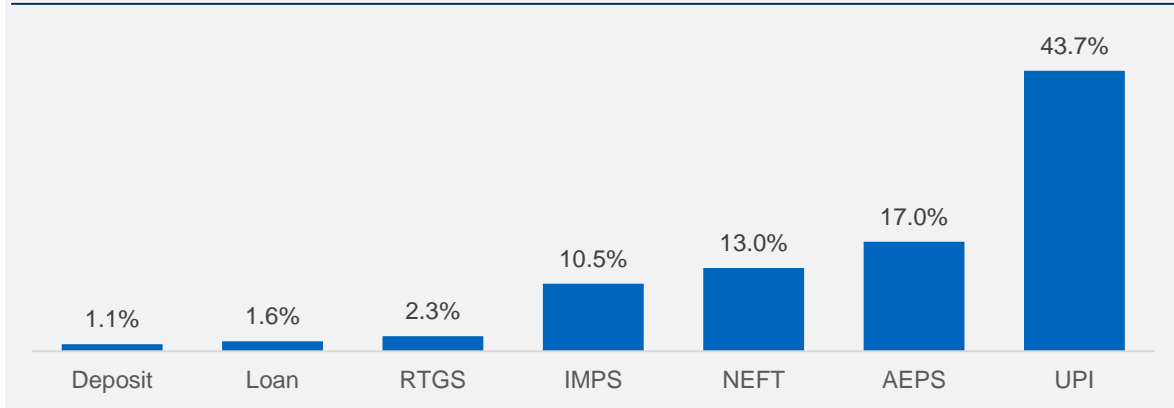
## 3 Strong growth in API led transaction banking throughputs

- Cash Management led throughput has increased by 21% QoQ, of which API Banking volumes grew 31% QoQ and API throughput increased by 25%
- Technology led solutioning in the **Ecommerce & Fintech** space led to a 18% QoQ growth in value and 48% growth in volumes
- ~96% of our cash management throughput is now from digital modes
- Successfully implemented Fund Accounting Services to augment our custodial proposition to AIF and PMS
- Smart Trade Platform saw an 105% QoQ increase in terms of on-boarded customers given the massive Trade Finance digitization push
- Corporate Export Credit Book grew @ 26% QoQ
- MSME TReDS Book grew @ 96% QoQ while our Corporate Supply Chain book grew 15% QoQ. This cash-flow driven lending book contributed to 23% of the total MSME onboarding done during the quarter
- Bank has been elected to be part of FEDAI Managing Committee for year 2021-2024

# Powering India's Digital Payments Infrastructure




## 1 Market share is higher with progressive technology platforms<sup>1</sup>




## 3 Digital presence leading to Mindshare / Customer recollection touchpoints

- YES BANK processes nearly **1 out of every 3 digital transactions** which total **5.7 bn monthly**
- Leader with more than **1 mn BCs** and the **3rd largest player in Micro ATMs** after launching them in March 2021
- Largest stack of API's for customer solutioning **~4000 API's**


## 2 Continuous Innovation




Parking fees through Fastag – tied up with 20 parking plazas



Digital prepaid card in a keychain



Virtual gift card on YES Online



YES Services portal – just a click to get account statements, repayment schedules, schedule of charges, foreclosure statements, balance confirmation letters, email updation and UDYAM certificate uploaded

## 4 Mindshare and Marketshare with constituents enabling India's future ecommerce growth

- Bankers to **~60%** of the **Unicorns / Soonicorns<sup>2</sup>**
- Successfully launched **YES-ARTH<sup>2</sup>** (YES BANK - Accounting, Reconciliation & Transaction HUB), to provide Government entities a Single Window Platform with focus on scheme proceeds proliferation and fund management.
- YES BANK has tied up **with 5 out of 8 approved fintech entities as sponsor bank for RBI's cohort on cross border payments**

<sup>1</sup> NEFT - By Volumes Outward; RTGS - By Volumes Outward; IMPS - As per NPCI among peer banks; AEPS - Based on 'off us' transactions; UPI by Transaction volumes

<sup>2</sup> Startups with a valuation of > \$100 mn and < \$ 1bn

# Modern and Scalable digital & analytics stack already creating significant value across the bank

## Continued focus on building industry leading solutions

- **Industry leader and pioneer of cloud-native API Banking platform** - integrated with **~4,000+** ecosystem partners
- **Launched Yes Connect** – a bouquet of standalone and integrated B2B finance solutions with 20+ partners
- **Loan in Seconds** platform for end-to-end digital loans to bank's retail customers for 4 products (PL, BL, AL, LAS)
- **Chatbot with scorecard integration** for real time approval of retail loans at solicitation stage
- **99.7% success rate on UPI transactions**
- For **UPI 2nd Highest transaction volume** routed through YES Bank for P2M beneficiary

## New age analytics platforms and monetization trajectory

- **15+ high priority analytics** use-cases have delivered an incremental value of **INR 2,200 Cr in FY 21**
- **Scalable Hadoop clusters** setup for running industrialized use-cases
- **Personalization infrastructures enabled with AI/NLP** processing over **120 Mn monthly transactions**
- **Bank has recruited 126 profiles** with technology, product, digital or analytics background to strengthen our digital leadership during the quarter

## Innovations to drive step change in productivity

- **AI/ML driven CRM platform** used by **100%** of frontline - Yes Genie
- **235+ bots delivering** automated workflows, reconciliation and robotization of ~85 processes
- **12+ cross-functional garages instituted to reimagine key journeys** at the bank
- **Digital platforms for Paperless sourcing and processing** of retail loans from channel partners

# Strong people focus: Stable leadership with focus on up-skilling talent, objective performance management & enabling employee flexibility



Stable & highly experienced leadership team



- **Top Management with average vintage of 9 years** within the bank combined with new talent from the industry.
- YES Bank has been **ranked No. 2 amongst Large-Sized Banks** in the Best places to work in India 2021 awards, conducted by AmbitionBox.com.

Investing in the right skillset & talent



- Dedicated capability building function – **Yes School of Banking** focusing on role and skill-specific training and certifications – **45,947 training days** covered in Q2,FY22.
- During Q2,FY22, the Bank **has recruited 126 profiles with technology, product, digital and analytics background** to strengthen our digital leadership.

Focus on compliance culture and long-term retention

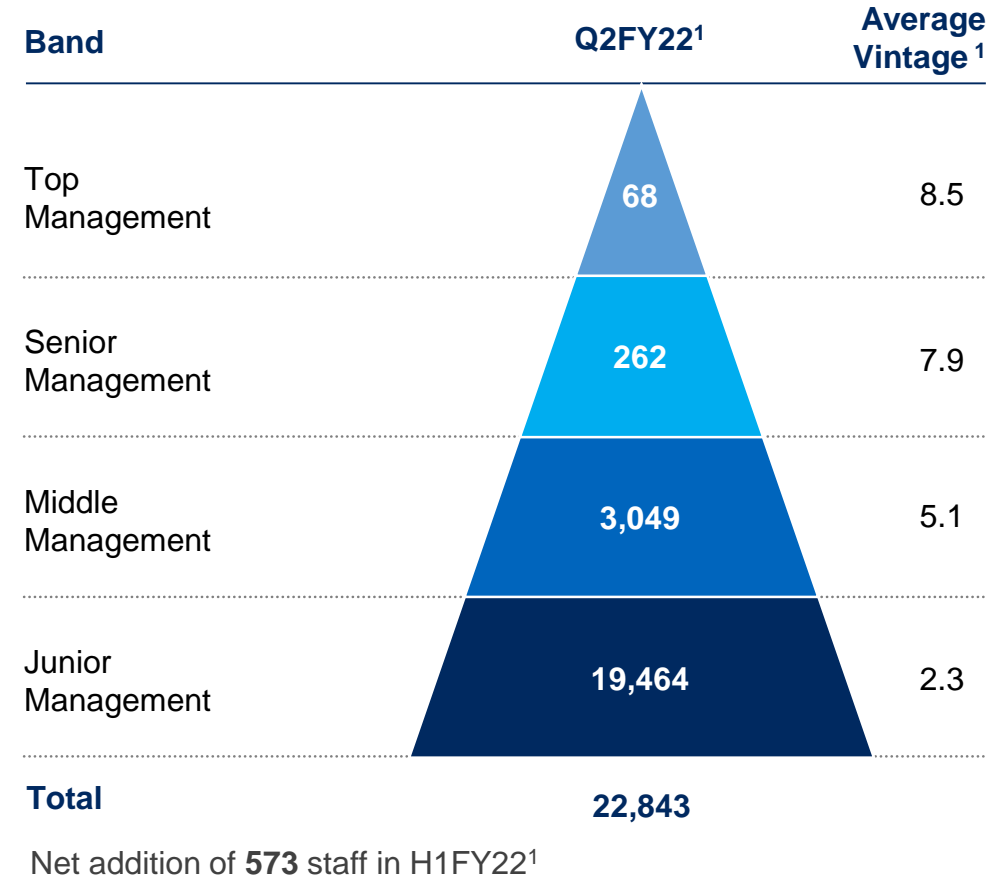


- To ensure **long-term retention** of key talent and **link employee rewards with the performance of the Bank**, ESOPs were awarded selectively to employees.
- To strengthen the **Governance and Compliance culture**, goals of the management team cover relevant, standardized and measurable Key Performance Indicators covering Governance and Compliance.

Employee flexibility and welfare



- Hybrid working models under the Bank's **Working from Anywhere (WFA) policy** have been enabled for employees
- Phase wise WFA transition being enabled during current FY
- **92%** of our currently onboard employees have been vaccinated (64% employees are fully vaccinated and 28% vaccinated with 1st dose.)



<sup>1</sup> Data as on September 30, 2021

# Responsible franchise committed to a purposeful ESG agenda

YES BANK



## Key Highlights

**First Bank globally to have 732 facilities under its ISO certified 14001:2015 Environmental Management System**

**First Indian Bank to measure and report financed emissions** of its electricity generation loan exposure aiming to align with SBTi 1.5 degree scenario

**First Indian Bank to be a Founding Signatory to UNEP FI Principles for Responsible Banking** and to sign the Commitment to Climate Action, striving to align its business strategy with the Paris Climate Agreement

**Inclusive & Social Banking delivering access to finance** to 9.8 lakh women in unbanked areas



- 1 Addressing Climate & ESG Risk**  
Adopted an Environment and Social Policy (ESP), integrating E&S risks into overall credit risk assessment framework
- 2 Reducing carbon footprint**  
Achieved an overall reduction of 5.3% in emission intensity of its operations, over the previous financial year
- 3 Enhancing governance & disclosures**  
Enhanced sustainability disclosures aligned to Global Reporting Initiative (GRI) Standards and the Principles for Responsible Banking  
Climate disclosures aligned to Taskforce on Climate-related Financial disclosures recommendations
- 4 Engaging stakeholders**  
Engaging with the Task Force on Sustainable Finance (*constituted by the Department of Economic Affairs, Ministry of Finance, Government of India*) as a co-lead of the work stream 'Building Resilience in the Financial Sector'
- 5 Promoting sustainable finance**  
Launched India's first Green Bond and first Green Fixed Deposit

Read YES BANK's Sustainability Report for FY 2020-21 [here](#)



# Contents



YES BANK Quarterly Update

YES BANK – Franchise

**Annexure**



# Annexure 1: Key changes in Financial reporting to align with the recent RBI Circular dated August 30, 2021

All figures in INR Cr

- Bank has made following key changes in its Financial reporting to align with the RBI Circular dated August 30, 2021, on **Master Direction on Financial Statements – Presentation and Disclosures**
  - **Bad Debts Recovery** has been classified under **provisioning** for NPA vis-à-vis **Non-Interest Income**
  - **Provision on depreciation on investments** has been classified under **Non-Interest Income** vis-à-vis **provision for investments**
  - **PL on Foreign Currency Translation** has been classified under **other provisions** vis-à-vis **Non-Interest Income**
- Accordingly, the bank has regrouped/reclassified previous period figures wherever necessary to make the financial disclosures comparable

	Impact of Reclassification		
	Q2FY22	Q1FY22	Q2FY21
<b>Non-Interest Income as per earlier classification</b>	778	1,056	707
MTM on Investment previously accounted under Provisions & Contingencies	-	35	(68)
FCTR previously accounted under Provisions & Contingencies	-	26	(29)
Bad debt recovery now accounted under Provisions & Contingencies	-	(249)	(12)
<b>Reclassified Non-Interest Income as reported in Q2FY22</b>	778	869	597

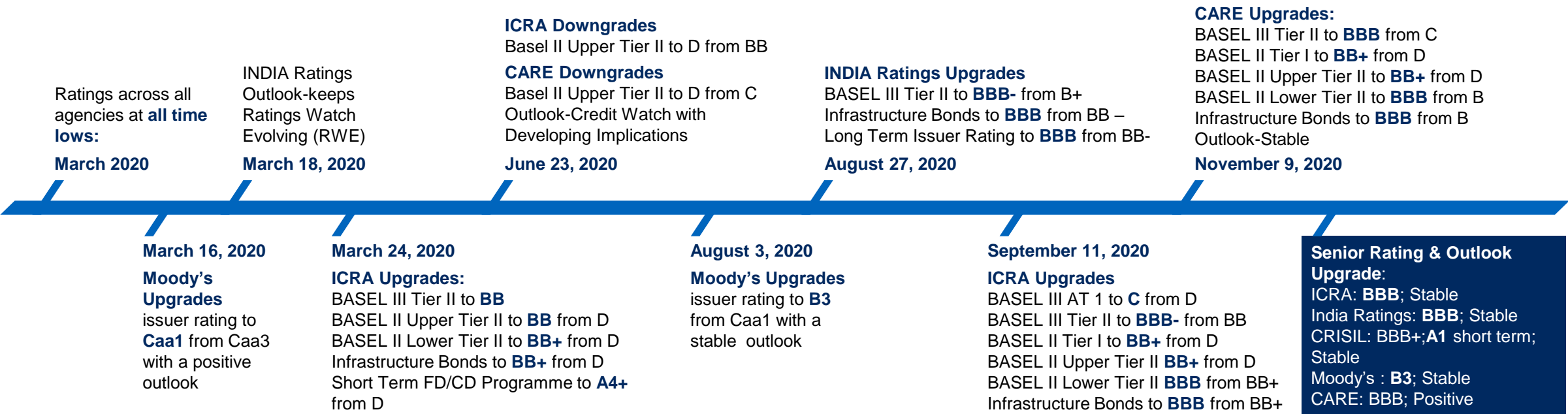
<b>Total Provision &amp; Contingencies as per earlier classification</b>	453	713	1,231
MTM on Investment now accounted under Non-Interest Income	-	35	(68)
FCTR now accounted under Non-Interest Income	-	26	(29)
Bad debt recovery now accounted under Provisions & Contingencies	-	(249)	(12)
<b>Reclassified Provision &amp; Contingencies as reported in Q2FY22</b>	453	526	1,121

FCTR = Foreign Currency Translation Reserve  
MTM = Mark to Market

# Annexure 2: Credit Rating



All figures in INR Cr



International Rating	Long-term						Outlook	Short-term
Moody's Investors Service	B3						Stable	Not Prime
Domestic Rating	Long-term						Outlook	Short-term
	Basel III		Basel II			Infra Bonds		
	AT I	Tier II	T I	UT II	LT II			
CRISIL		BBB+				BBB+	Stable	A1
ICRA	C	BBB-	BB+	BB+	BBB	BBB	Stable	
India Ratings		BBB-				BBB	Stable	
CARE		BBB		BB+	BBB	BBB	Positive	

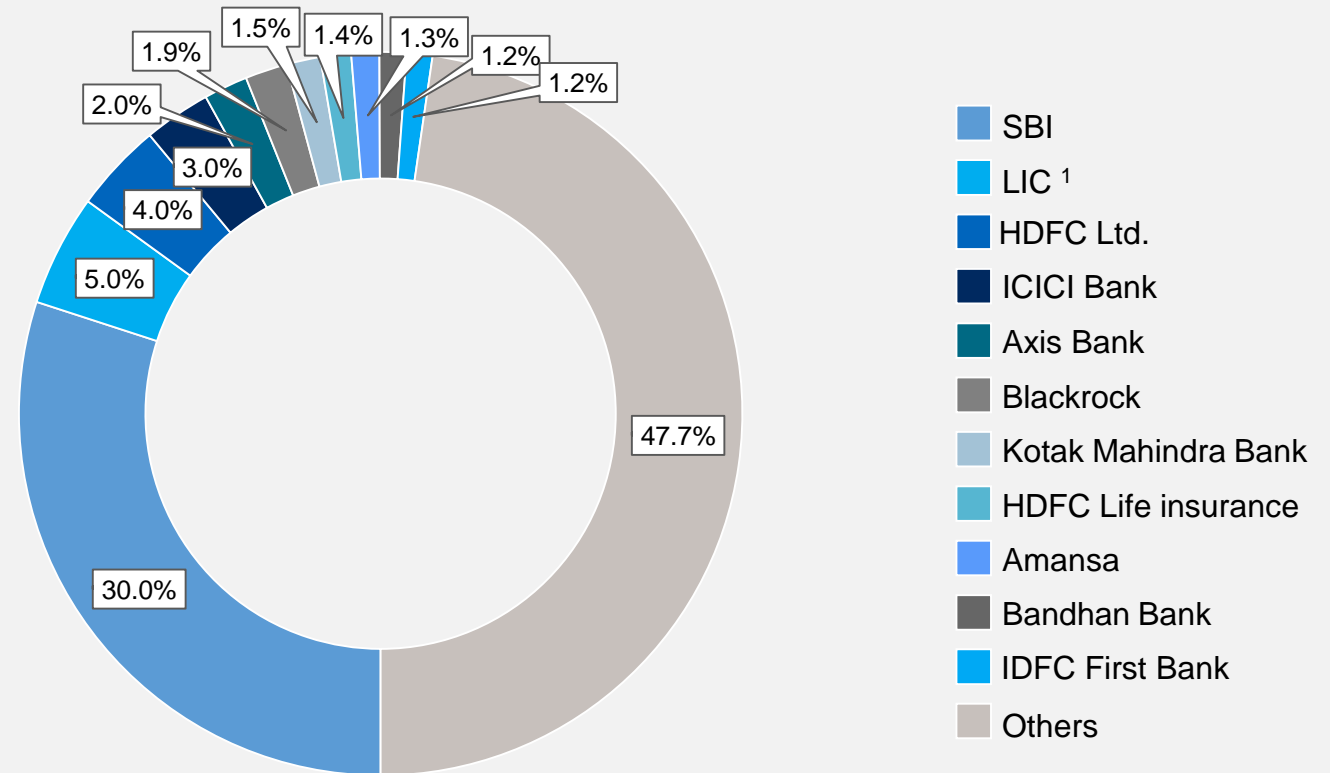
## Annexure 3: Strong Investor base

### Well diversified Investor base:

Category	% O/S
Financial Institutions	38.3%
Individuals	35.3%
FII's	7.9%
Body Corporates	7.5%
Insurance Companies	1.1%
Others	10.0%
<b>TOTAL</b>	<b>100.0%</b>

1 LIC along with its various schemes

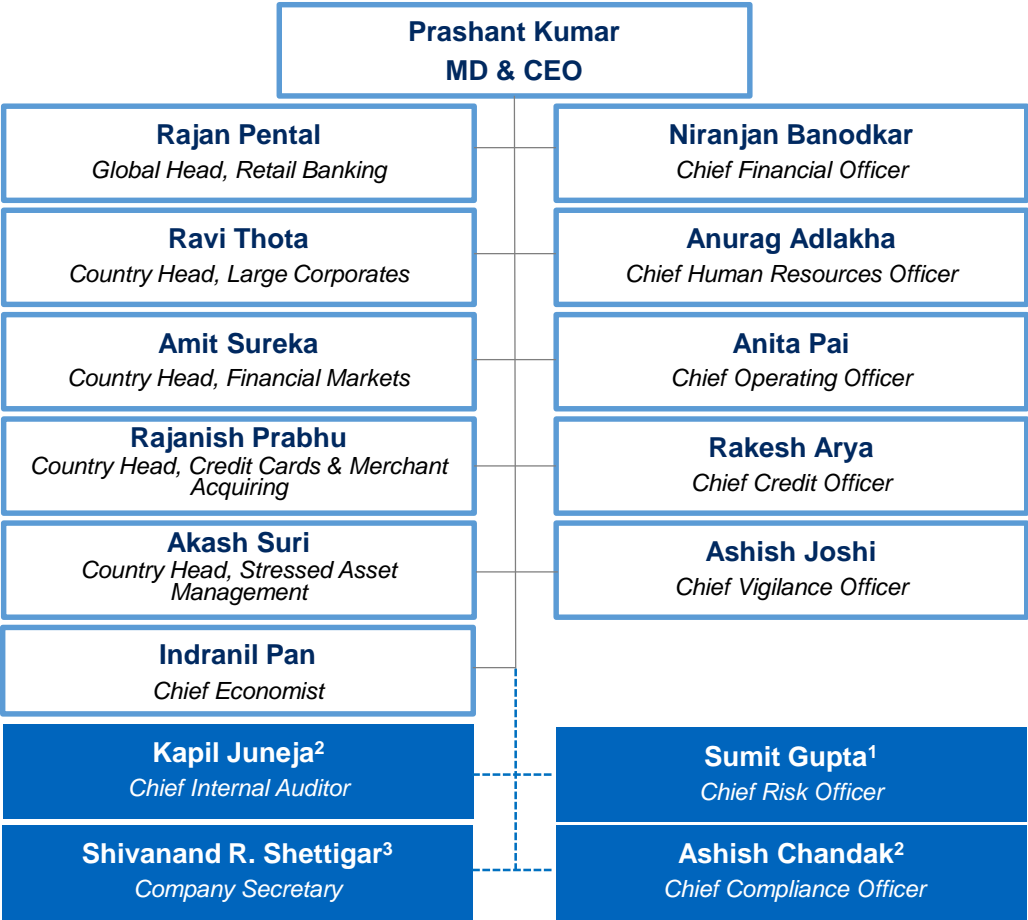
### Shareholding Pattern as on September 30, 2021



# Annexure 4: Robust Governance Structure



## Simplified Organization Structure



<sup>1</sup> Reports directly to the Risk Management Committee of the Board  
<sup>2</sup> Reports directly to the Audit Committee of the Board  
<sup>3</sup> Reports directly to the Chairman of Board

## Eminent and Experienced Board

				
<b>Sunil Mehta</b>	<b>Prashant Kumar</b>	<b>Mahesh Krishnamurti</b>	<b>Atul Bheda</b>	<b>Rekha Murthy</b>
Non-Executive Chairman	Managing Director & CEO	Non-Executive Director	Non-Executive Director	Non-Executive Director
				
<b>Rama Subramaniam Gandhi</b>	<b>Ananth Narayan Gopalakrishnan</b>	<b>V. S. Radhakrishnan</b>	<b>Ravindra Pandey</b>	<b>Atul Malik</b>
Additional Director (appointed by RBI)	Additional Director (appointed by RBI)	Non-Executive Director (SBI Nominee)	Non-Executive Director (SBI Nominee)	Non-Executive Director



# Thank You

---

**Disclaimer:**

*No representation or warranty, express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information contained in this presentation is only current as of its date. Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements”, including those relating to the Company’s general business plans and strategy, its future financial condition and growth prospects, and future developments in its industry and its competitive and regulatory environment. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the Company’s business, its competitive environment and political, economic, legal and social conditions in India. This communication is for general information purpose only, without regard to specific objectives, financial situations and needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any shares in the Company and neither any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The Company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes. This presentation can not be copied and/or disseminated in any manner.*