YES BANK

Press Release

YES BANK announces Financial Results for the Quarter ended December 31, 2015

- *Net Profit of ₹675.7 crore in Q3FY16; y-o-y growth of 25.1%. NIM expanded to 3.4%*
- *Net Interest Income at ₹1,157.0 crore for Q3FY16; y-o-y growth of 27.3%*
- *RoA stands at 1.8%, RoE at 20.5% and Book Value at ₹323.3 per share*
- *Y-o-Y growth in CASA of 45.1%; CASA Ratio improves to 26.6% from 22.6% a year ago. SA deposits posted robust growth of 64.1% y-o-y*
- *CASA+Retail FDs as % of Total Deposits stands at 53.9% as at December 31, 2015, up from 45.4% a year ago*
- *Total Capital Adequacy* as per Basel III stands at healthy 16.1%#, Tier I ratio maintained at 10.9%*
- *Credit Cost at 14 bps for Q3FY16 (9MFY16 at 34 bps). Nil Restructured, Nil ARC sale, Nil SDR and Nil 5:25 refinancing during the quarter. Overall Credit Costs for 2015-16 at most 50 bps versus 70 bps previously stated*

Financial Highlights from Q3FY16 Results:

Balance Sheet Highlights					
(₹ in Crore)	31-Dec-15	31-Dec-14	Growth (Y-o-Y)	30-Sep-15	Growth (Q-o-Q)
Advances	84,396.2	66,606.9	26.7%	80,015.1	5.5%
Deposits	101,437.2	82,370.0	23.1%	99,344.3	2.1%
CASA	27,019.4	18,622.6	45.1%	25,318.3	6.7%
Shareholders' funds	13,561.3	11,566.9	17.2%	12,867.6	5.4%
Total Capital Funds*	19,525.2	16,195.2	20.6%	17,455.1	11.9%
Total Balance Sheet	**147,754.0**	**123,297.5**	**19.8%**	**144,783.5**	**2.1%**

Profit & Loss Statement Highlights					
(₹ in Crore)	Q3FY16	Q3FY15	Growth (Y-o-Y)	Q2FY16	Growth (Q-o-Q)
Net Interest Income	1,157.0	909.0	27.3%	1,108.5	4.4%
Non Interest Income	746.1	536.8	39.0%	618.1	20.7%
Total Net Income	1,903.1	1,445.8	31.6%	1,726.6	10.2%
Operating Profit	1,149.6	862.7	33.3%	1,019.1	12.8%
Provision	147.9	69.9	111.8%	103.9	42.3%
Profit after Tax	**675.7**	**540.3**	**25.1%**	**610.4**	**10.7%**
Basic EPS (₹)	16.1	13.0	24.5%	14.6	10.6%

Key Financial Performance Indicators			
	Q3FY16	Q3FY15	Q2FY16
Return on Assets	1.8%	1.8%	1.7%
Return on Equity	20.5%	19.2%	19.4%
NIM	3.4%	3.2%	3.3%
Cost to Income Ratio	39.6%	40.3%	41.0%
Non Interest Income to Total Income	39.2%	37.1%	35.8%
Capital Adequacy (Basel III)*	16.1%#	16.7%	14.9%
Tier I Ratio (Basel III)*	10.9%	11.8%	10.9%
Book Value (₹)	323.3	277.2	307.3
Gross NPA	0.66% (₹ 558.6 Cr.)	0.42%	0.61%
Net NPA	0.22% (₹ 187.2 Cr.)	0.10%	0.20%
Provision Coverage Ratio	66.5%	76.8%	67.7%
Restructured Advances %	0.67% (₹ 568.3 Cr.)	0.26%	0.71%
Security Receipts (Net) %	0.25% (₹ 212.4 Cr.)	0.33%	0.27%
Credit Costs (in bps)	14	10	13

**including Profit, adjusted for prorated dividends, # ₹1,500 Crore of Basel III compliant Tier II bonds raised during the quarter*

Mumbai, January 29, 2016: The Board of Directors of YES BANK Ltd. took on record the Q3FY16 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 yet another consistent quarter of sustained financial performance driven by steady increase in NII on the back of an improving retail franchise, improvements in NIM, RoA, RoE and overall preservation of asset quality.

The Bank continues to build granularity and longevity in deposits demonstrated by Retail & CASA deposits contribution of 53.9% as on December 31, 2015 on the back of strong SA deposits growth of 64.1% y-o-y. The CASA ratio improved sequentially by 1.1% in the quarter to 26.6%. The Bank is committed to building a strong Retail franchise through continued investments in People, Technology & Digical Infrastructure.

The Bank continues to show resilience on all Asset Quality parameters with an improving outlook going forward with credit costs for FY 2015-16 being contained within 50 bps (previous credit cost guidance of 50-70 bps).

Given the improving macroeconomic environment along with stable Asset quality and accelerating Retail franchise momentum, the Bank is well placed to capture Market share across Retail and Corporate segments at an enhanced pace."

Q3FY16 Performance highlights

Balance Sheet

- **Deposits:** Total Deposits grew by **23.1%** to **₹ 101,437.2** crore as at December 31, 2015. The Bank's Balance Sheet grew by **19.8%** to **₹ 147,754.0** crore as at December 31, 2015. The Bank's CD ratio stood at **83.2%** as at December 31, 2015.

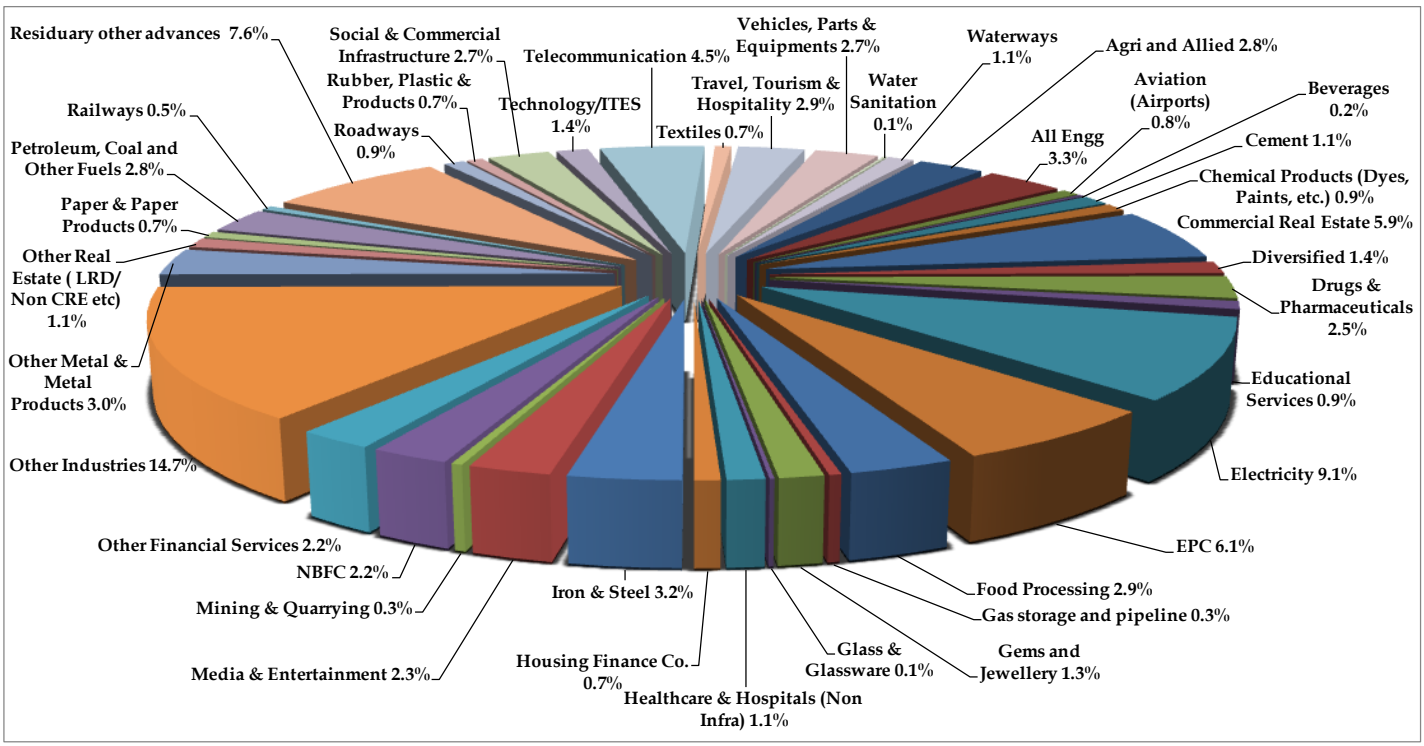
  Current and Savings Account (CASA) deposits grew by **45.1%** y-o-y to **₹ 27,019.4 crore** taking the CASA ratio to **26.6%** as at December 31, 2015 up from 22.6% as at December 31, 2014. Further, **SA deposits** grew by **64.1%** to **₹ 17,867.5 crore** from Rs. 10,888.2 crore as at December 31, 2014.

- **Advances**: Total Advances grew by **26.7%** to **₹ 84,396.2** crore as at December 31, 2015. Corporate Banking accounted for 67.2% of the Advances portfolio, while Retail & Business Banking constituted 32.8%.

Business Segment	As on Dec 31, 2015	As on Dec 31, 2014
A) Corporate Banking (8 segmental relationship groups)	**67.2%**	**68.7%**
B) Retail & Business Banking	**32.8%**	**31.3%**
of which:		
i) Business Banking (Medium Enterprises)	12.7%	14.3%
ii) Micro & Small Enterprises	10.6%	9.0%
iii) Consumer Banking (Urban and Rural)	9.5%	8.0%
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	*1.6%*
T&D	*1.3%*
Renewable Exposures(Green-Financing)	*3.1% of which 1.5% is operational*
Non-Renewable	*3.1% of which 2.9% is operational*
Exposure to SEBs	*Nil*
(B) Iron & Steel	**3.2%**
A or above rated	*2.3%*
(C) EPC	**6.1%**
A or above rated	4.1%

- **Asset Quality:**
  Bank continues to show resilience on all Asset Quality parameters which have unfolded in line with expectations outlined for FY16 by the Bank.

1. **NPA – *'Lowers Credit Cost Guidance for FY16'***

   Gross Non Performing Advances (GNPA) as a proportion of Gross Advances was at 0.66% (Rs. 558.6 Crs) while Net Non Performing Advances (NNPA) as a proportion of Net advances was at 0.22% **(Rs. 187.2 Crs)** as at December 31, 2015. Bank's specific loan loss **Provision Coverage** was at 66.5% as at December 31, 2015.

   The Provision Coverage takes into account the Bank's in-depth assessment of recoverability on the underlying accounts based on collateral, and does not factor the potential benefits of an improving business environment.

   Credit cost for the quarter was 14 bps (9MFY16 actual credit costs at 34 bps).

   Bank lowers its guidance for FY 2016 credit costs to maximum of 50 bps.

2. **Standard Restructured – *'No new loans restructured & No slippages from standard restructured book'***

   During the quarter, the Bank has not done any restructuring. Further, there were no slippages from the restructured book into NPA during the quarter as well as in 9MFY16.

   The total Standard Restructured Advances as a proportion of Gross Advances was at 0.67% (Rs. 568.3 Crs) as at December 31, 2015. Out of this, 0.34% is on account of delay in project completion in roads (3 accounts), which the Bank expects will achieve project closure over the next 9 months given accelerated de-stressing of the road sector. Of the balance portfolio, the restructuring packages have been performing in line with expectations, and the Bank does not anticipate any material slippages in this book. The preservation of inherent economic value in the restructure portfolio is also evidenced through 'NIL' slippages from this book during 9MFY16.

3. **Security Receipts - *'No Sale to ARCs during the quarter / last 5 quarters'***

   There has been no sale to ARC during the previous five quarters and Security Receipts (SRs) stand at Rs. 212.4 Crs (0.25% of Gross Advances, *comprising 10 borroweres*) as on December 31, 2015.

4. **Strategic Debt Restructuring – *'No SDR during the quarter and 9MFY16'***

5. **5:25 Refinancing – *'No 5:25 Refinancing during the quarter and 9MFY16'***

6. **Rating Profile** - Bank's Corporate Exposures continue to remain well rated with **75% portfolio rated 'A' or better.**

- **Capital Funds**: As per Basel III, Tier I Capital of **₹ 13,253.9** stood at **10.9%,** and total CRAR stood at **16.1%** as at December 31, 2015. Total Capital funds are at **₹ 19,525.2** crore as at December 31, 2015 *(capital including profits, adjusted for prorated dividends)*. Bank also raised ₹ 1,500 crore of Basel III compliant Tier II bonds in the quarter. Risk Weighted Assets stood at **₹ 121,084.9** crore as at December 31, 2015.
- **Liquidity Coverage Ratio**: During Q3FY16, the Bank continued with the LCR maintainence at well above 60% regulatory requirement with monthly average Liquidity Coverage ratio of **87.8%,** indicating a healthy liquidity position.

Profit & Loss Account:

- **Net Interest Income (NII) Growth:** NII for Q3FY16 increased by 27.3% y-o-y to **₹ 1,157.0** crore on account of strong growth in advances and Retail & CASA deposits.
- **Non Interest Income:** Non Interest Income increased by 39.0% y-o-y to **₹ 746.1** crore in Q3FY16.
- **Operating and Net profit:** Operating profit for Q3FY16 increased by 33.3% to **₹ 1,149.6** crore. Net Profit in Q3FY16 was up **25.1%** to **₹ 675.7** crore.
- **Shareholders' returns**: The Bank delivered RoA of **1.8%** for Q3FY16. Bank's RoE stood at **20.5%** for Q3FY16.

YES BANK Credit Rating Profile

- Bank continues to maintain strong credit ratings across International and Domestic Rating agencies.
- Moody's has reaffirmed a Long-term international rating of Baa3 which is in line with the Sovereign Rating of India.
- Domestic Rating agencies (ICRA & CARE) have reaffirmed Long-Term rating of AA+ for the Bank's Basel III compliant Tier II instruments as well as for Infrastructure Bonds.

Expansion & Knowledge Initiatives

- YES BANK appointed following **three** top management leaders towards accelerating its Retail & MSME Focus to further augment its Bank wide Operational Service Delivery

Sr. No.	Name	Designation
1.	Padhmanabhan Kumar	Chief Operating Officer, Operations and Service Delivery
2.	Neeraj Dhawan	Chief Risk Officer – Retail & Business Banking
3.	Rajan Pental	Group Head – Retail Lending

- Total **headcount** stands at 13,477 as at December 31, 2015, an increase of 777 employees in the quarter ending December 31, 2015 (*highest ever quarterly recruitment*).
- The BANK's branch network stood at **750 branches** as on December 31, 2015, an addition of 50 branches in the quarter. Total ATM network stands at 1,480 as on December 31, 2015, of which 245 are Bunch Note Acceptors (BNA).
- YES BANK has signed loan agreements totaling USD 265 Mn with OPIC, the US Government's Development Finance arm and Wells Fargo to increase lending to Micro, Small and Medium Enterprises (MSMEs)
- YES BANK has signed an MoU with the London Stock Exchange Group to develop bond and equity issuance markets with particular focus on high growth potential and relatively untapped sector of Green Infrastructure Finance Bonds. Basis market conditions, YES BANK will also explore the possibility of listing a Green Bond of upto USD 500 mn on the London Stock Exchange.

- On the occasion of COP21, Paris , YES BANK committed to target mobilizing USD 5 Billion for Climate Action by 2020.
- YES BANK became the First Indian Bank to join the World Business Council for Sustainable Development (WBCSD).

Awards & Recognitions

- YES BANK was recognized as **Bank of the Year – India – 2015** , by the world's leading **The Banker magazine**(part of the Financial Times Group, UK) at a ceremony in London. This is the most prestigious worldwide recognition awarded to Banks.
- YES BANK won multiple awards in the in the prestigious **Business Today – KPMG India's Best Banks Survey** in January 2016. This is the **7th year in a row**, where YES BANK has been recognized by Business Today in its annual Banking survey. The awards include
    - **Best Mid Sized Bank (Overall)**
    - Best Mid Sized Bank **– Quality of Assets**
    - Best Mid Sized Bank **– Growth**
    - **Most Improved Bank**
- YES BANK was adjudged **"Strongest Bank in India by Balance Sheet 2015**" by **The Asian Banker Magazine, Singapore**. This is the **3rd time** in the last 4 years that YES BANK has received this recognition.
- YES BANK continued its leadership for the **5th consecutive year** on the **Carbon Disclosure Leadership Index (CDLI)** of CDP. YES BANK scored 98 points out of a maximum of 100 points making it a joint 3rd on the India Leader board of CDP.
- YES BANK is **finalist** for the **Asia Sustainability Reporting Awards 2015** (Singapore), in the categories "**Asia's Best Sustainability Report" and Asia's Best Community Reporting.**
- YES BANK was recognized with the prestigious **ET Best Corporate Brand** – 2016 award by The Economic Times publication.
- YES BANK was awarded the Special CSR Recognition at the CREDAI Conclave 2015 held during 15-17 December, 2015
- Mr. Rana Kapoor, Managing Director & CEO, YES BANK was felicitated for his **"Exemplary Contribution to Agribusiness in Emerging Economies"** at the international conference on **'Agribusiness in Emerging Economies'** in Anand by IRMA.
- Mr. Rana Kapoor was felicitated with CREDAI Award for Visionary Leadership and Exemplary Contribution to Infrastructure, Smart Urbanization & Affordable Housing on December 16, 2015

Digital Banking & Social Media

- YES BANK has intensified its focus and is investing significantly on new-age mediums and digital technologies to achieve a heightened customer engagement and experience. Bank has launched key digital initiatives in partnership with e-commerce companies revolutionizing payments ecosphere through following initiatives:
  - **Smart box Collection Solution,** to enable e-commerce customers to collect their goods at their convenience and pay for it digitally at the Kiosk using Debit and Credit Cards. This is an attempt to digitize Cash on delivery payments and offer value to both e-com player and end-consumer as well.
  - **Cobranded wallet and virtual card** with Snapdeal/Freecharge to enable transaction across the online world. More than 13 million wallets have been issued in less than a quarter and this is expected to grow multifold in the next 6-9 months.
  - Banking on Social messengers through **YES – TAG** and Digital Wallet for Smart Phones and Social Media users through **YES PAY** are services targeted for today's Social Media and Smartphone savvy users, to access information and make payments.
- **Acknowledgement:** YES BANK was ranked at number 11 globally in the **"Power 100 Social Media Ranks**" by The Financial Brand, 2015.
- **Social Media:** YES BANK also continued to maintain dominance on Social media, retaining the position of **Highest followed Bank on Twitter** in India with over 7 lakh followers and also the **Highest Followed Bank Brand in India on Instagram.** YES SME Showcase LinkedIn page is now the **Highest followed Bank LinkedIn page for SMEs** in India. The Facebook following has also been increased to more than 2.4 Million Fans resulting in synergies across all Social Media Channels.

- *The Press Conference of YES BANK's results will commence at 12:30 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 can be heard at following link, post 10 pm:*
  https://www.yesbank.in/investor-relations/financial-results/2015-2016-q2.html

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:

Jitesh Patel YES BANK Ph.: + 91 22 3347 9753, Cell : +91 9820813570 Email: jitesh.patel@yesbank.in	**Delna Modi** Adfactors PR Ph.: +91 98206 60467 Email: delna@adfactorspr.com