

October 26, 2017

Mr. Khushro A. Bulsara-  
Senior General Manager  
Listing Compliance & Legal Regulatory  
BSE Limited  
Corporate Relations Department  
P.J. Towers, Dalal Street  
Mumbai - 400 001  
Tel.: 2272 8013/8015/8058/8307  
BSE Scrip Code: 532648

Mr. Avinash Kharkar,  
AVP - Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza  
Plot no. C/1, G Block,  
Bandra - Kurla Complex  
Bandra (E), Mumbai - 400 051.  
Tel.: 2659 8235 / 8236/8458  
NSE Symbol: YESBANK

Dear Sirs,

**Sub.: Outcome of the Board Meeting - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, the Board of Directors of the Bank on October 26, 2017 has *inter-alia*, considered and approved the Unaudited Standalone Financial Results of the Bank for the Quarter (Q2) and half year ended September 30, 2017 and took note of the Limited Review Report thereon, submitted by M/s. B S R & Co. LLP, Statutory Auditors of the Bank.

The Board Meeting commenced at 10:00 A.M. and the above matters were concluded at 4:00 P.M.

A copy of the Unaudited Financial Results along with the Limited Review Report and the Press Release are enclosed herewith.

You are requested to take note of the same.

Thanking you,

Yours faithfully,  
For YES BANK LIMITED

  
Shivanand R Shettigar  
Company Secretary

*Encl: As above*

# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
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## Review Report

### To the Board of Directors of YES Bank Limited

We have reviewed the accompanying Unaudited Standalone Financial Results ('the Statement') of YES Bank Limited ('the Bank') for the quarter and half year ended 30 September 2017, attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations'). Further the disclosures relating to Pillar 3 under Basel III Capital Regulations and those relating to Leverage Ratio, Liquidity Coverage Ratio under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement have not been reviewed by us.

This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors of the Bank in their meeting held on 26 October 2017. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement ('SRE') 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as mentioned above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms prescribed by the RBI in respect of income recognition, asset classification, provisioning and other related matters.

For **B S R & Co. LLP**  
*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Manoj Kumar Vijai**  
*Partner*

Membership No: 046882

Mumbai  
26 October 2017

## YES BANK Limited

Regd. Office : Nehru Centre, 9th Floor, Discovery of India Building, Dr. A. B. Road, Worli, Mumbai - 400 018, India.

Website: [www.yesbank.in](http://www.yesbank.in)

## UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

(₹ in Lakhs)

Sr No.	PARTICULARS	FOR THE QUARTER ENDED 30.09.17	FOR THE QUARTER ENDED 30.06.17	FOR THE QUARTER ENDED 30.09.16	FOR THE HALF YEAR ENDED 30.09.17	FOR THE HALF YEAR ENDED 30.09.16	FOR THE YEAR ENDED 31.03.17
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Interest earned (a)+(b)+(c)+(d)	480,034	465,380	406,037	945,414	786,221	1,642,464
(a)	Interest/discount on advances/bills	369,320	353,448	303,174	722,768	581,133	1,220,977
(b)	Income on investments	92,267	90,272	93,139	182,539	189,036	379,684
(c)	Interest on balances with Reserve Bank of India and other inter-bank funds	14,466	17,936	4,863	32,402	7,640	25,782
(d)	Others	3,981	3,724	4,861	7,705	8,412	16,021
2	Other Income (Refer Note 6)	124,844	113,216	92,186	238,060	188,285	415,676
3	<b>TOTAL INCOME (1+2)</b>	<b>604,878</b>	<b>578,596</b>	<b>498,223</b>	<b>1,183,474</b>	<b>974,506</b>	<b>2,058,140</b>
4	Interest Expended	291,525	284,487	264,821	576,012	519,394	1,062,734
5	Operating Expenses (i)+(ii)	122,686	123,689	94,806	246,375	185,839	411,654
(i)	Payments to and provisions for employees	56,276	54,611	43,338	110,887	84,075	180,504
(ii)	Other operating expenses	66,410	69,078	51,468	135,488	101,764	231,150
6	<b>Total Expenditure (4+5) (excluding provisions and contingencies)</b>	<b>414,211</b>	<b>408,176</b>	<b>359,627</b>	<b>822,387</b>	<b>705,233</b>	<b>1,474,388</b>
7	<b>Operating Profit (before Provisions and Contingencies)(3-6)</b>	<b>190,667</b>	<b>170,420</b>	<b>138,596</b>	<b>361,087</b>	<b>269,273</b>	<b>583,752</b>
8	Provisions (other than Tax expense) and Contingencies (net)	44,706	28,578	16,167	73,284	36,830	79,341
9	Exceptional Items	-	-	-	-	-	-
10	<b>Profit from ordinary activities before tax (7-8-9)</b>	<b>145,961</b>	<b>141,842</b>	<b>122,429</b>	<b>287,803</b>	<b>232,443</b>	<b>504,411</b>
11	Tax Expense	45,688	45,290	42,275	90,978	79,109	171,402
12	<b>Net profit from Ordinary Activities after tax (10-11)</b>	<b>100,273</b>	<b>96,552</b>	<b>80,154</b>	<b>196,825</b>	<b>153,334</b>	<b>333,009</b>
13	Extraordinary Items (Net of tax)	-	-	-	-	-	-
14	<b>NET PROFIT (12-13)</b>	<b>100,273</b>	<b>96,552</b>	<b>80,154</b>	<b>196,825</b>	<b>153,334</b>	<b>333,009</b>
15	Paid-up equity Share Capital (Face value of ₹ 2 each)	45,814	45,749	42,166	45,814	42,166	45,649
16	Reserves & Surplus excluding revaluation reserves						2,159,757
17	Analytical ratios :						
(i)	Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii)	Capital Adequacy ratio - Basel III	17.0%	17.1%	14.1%	17.0%	14.1%	17.0%
(iii)	Earning per share for the period / year (before and after extraordinary items)						
	- Basic ₹	4.38	4.22	3.81	8.61	7.28	15.78
	- Diluted ₹	4.29	4.13	3.71	8.41	7.09	15.35
		Not Annualized	Not Annualized	Not Annualized	Not Annualized	Not Annualized	Annualized
(iv)	NPA ratios-						
(a)	Gross NPA	272,034	136,438	91,668	272,034	91,668	201,856
(b)	Net NPA	154,326	54,531	32,300	154,326	32,300	107,227
(c)	% of Gross NPA	1.82%	0.97%	0.83%	1.82%	0.83%	1.52%
(d)	% of Net NPA	1.04%	0.39%	0.29%	1.04%	0.29%	0.81%
(v)	Return on assets (average) (annualized)	1.7%	1.8%	1.8%	1.7%	1.7%	1.8%



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## SUMMARISED BALANCE SHEET

(₹ in Lakhs)

PARTICULARS	At	At	At
	30.09.17 (Unaudited)	30.09.16 (Unaudited)	31.03.17 (Audited)
<b>CAPITAL AND LIABILITIES</b>			
Capital	45,814	42,166	45,649
Reserves and surplus	2,295,604	1,494,854	2,159,757
Deposits	15,798,982	12,802,376	14,287,386
Borrowings	4,482,996	3,458,852	3,860,667
Other liabilities and provisions	1,116,012	932,626	1,152,533
<b>Total</b>	<b>23,739,408</b>	<b>18,730,875</b>	<b>21,505,992</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	763,628	637,975	695,207
Balances with banks and money at call and short notice	1,351,359	987,315	1,259,737
Investments	5,390,776	4,957,385	5,003,180
Advances	14,867,528	11,021,623	13,226,268
Fixed assets	72,663	54,519	68,354
Other assets	1,293,454	1,072,058	1,253,246
<b>Total</b>	<b>23,739,408</b>	<b>18,730,875</b>	<b>21,505,992</b>

## Notes:

- The results have been taken on record by the Board of Directors of the Bank at its meeting held in Mumbai today. The results have been subject to "Limited Review" by the Statutory Auditors of the Bank. There are no qualifications in the auditor's review report for the quarter and half year ended September 30, 2017.
- The shareholders of the Bank have approved the sub-division of each equity share having a face value of ₹ 10 into five equity shares having a face value of ₹ 2 each through postal ballot on September 8, 2017. The record date for the sub-division was September 22, 2017. All shares and per share information in the financial results reflect the effect of sub-division for each of period presented.
- During the quarter ended September 30, 2017, the Bank allotted 32,27,187 shares and 82,70,572 shares respectively, pursuant to the exercise of stock options by employees.
- During the quarter ended September 30, 2017, the Bank has raised ₹ 250,000 Lakhs of Basel III Compliant Additional Tier-2 Bonds.
- During the quarter ended September 30, 2017, the Bank has made ₹ 5,500 Lakhs investment in Yes Asset Management Company India limited (AMC) and ₹ 50 Lakhs in Yes Trustee Limited
- Other income includes fees and commission earned from guarantees/letters of credit, loans, financial advisory fees, selling of third party products, earnings from foreign exchange transactions and profit/loss from sale of securities.
- Return on assets is computed using a simple average of total assets at the beginning and at the end of the relevant period.
- During the quarter ended June 30, 2017, the Bank has made certain modifications to its Master Rating scale and Credit Labeling mechanism for establishing additional general provision on standard advances and has fully adopted the requirements of RBI's circular dated April 18, 2017 Ref no RBI/2016-17/282-DBR.No.BP.BC.64/21.04.048/2016-17 that requires banks to make provisions at higher rates in respect of standard advances to stressed sectors of the economy. Also, the Bank has made provision on accounts under the Insolvency and Bankruptcy Code (IBC) as identified by RBI, ahead of schedule. The above changes have resulted in incremental one time general provision of Rs. 10,053 lakhs.
- The disclosures for NPA referred to in point 17(iv) above correspond to Non Performing Advances.
- In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' read together with RBI circular DBR.No.BP.BC80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under Basel III Framework. The Pillar III disclosures have not been subjected to review by the statutory auditors. The Bank has made these disclosures which are available on its website at the following link.  
[https://www.yesbank.in/pdf/basel\\_iii\\_disclosure\\_sep\\_30\\_2017.pdf](https://www.yesbank.in/pdf/basel_iii_disclosure_sep_30_2017.pdf).



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#### 11 Divergence in Asset Classification and Provisioning for NPAs -

- The Bank classifies performing and non-performing advances (NPAs) as per the RBI's Prudential Norms on Income recognition, Asset Classification and Provisioning.
- Based on application of RBI's prudential norms as stated above, the Bank classified and made the prescribed provisions against the NPAs as at the end of 31st March, 2017.
- As part of the Risk Based Supervision (RBS) exercise for FY 2016-17 concluded in October 2017, the RBI has pointed out certain retrospective divergence in the Bank's asset classification and provisioning as on 31st March 2017, for NPAs. In conformity with the RBI circulars DBR.BP.BC.NO.63/21.04.018/2016-17 issued on April 18, 2017, SEBI circular issued on July 18, 2017 and as per approval from the Board of Directors at its Board Meeting held on October 26, 2017, the below table outlines divergences in asset classification and provisioning.

Sr.	Particulars	(₹ in Crores)
1	Gross NPAs as on March 31, 2017 as reported by the Bank	2,018.6
2	Gross NPAs as on March 31, 2017 as assessed by RBI	8,373.8
3	Divergence in Gross NPAs (2-1)	6,355.2
4	Net NPAs as on March 31, 2017 as reported by the Bank	1,072.3
5	Net NPAs as on March 31, 2017 as assessed by RBI	5,891.6
6	Divergence in Net NPAs (5-4)	4,819.4
7	Provision for NPAs as on March 31, 2017 as reported by the Bank	946.3
8	Provision for NPAs as on March 31, 2017 as assessed by RBI	2,482.1
9	Divergence in provisioning (8-7)	1,535.9
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	3,330.1
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	2,316.1

- The net current impact of the aforementioned retrospective slippages due to divergence noted by RBI in October 2017 has been duly reflected in the results for the quarter and half year ended September 30, 2017.
- Out of the total divergence current position as on September 30, 2017 is as under:

Particulars	(₹ in Crores)	%
Net Repayments (In full / partial)	1,690.4	26.6%
Resolution on account of Sale to an Asset Reconstruction Company	461.5	7.3%
Outstanding as on September 30, 2017:		
a) Upgraded as Standard on account of satisfactory account conduct	2,983.9	47.0%
b) Classified as NPA	1,219.4	19.2%
<b>Total</b>	<b>6,355.2</b>	

- 12 As the business of the Bank is concentrated in India; the segment disclosures made pertain to domestic segment.
- 13 The Bank has followed the same significant accounting policies in the preparation of these financial results as those followed in the annual financial statement for the year ended March 31, 2017, other than the change specified in point 8.
- 14 Previous period figures have been regrouped / reclassified wherever necessary to conform to current period classification.



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## SEGMENTAL RESULTS

(₹ in Lakhs)

Sr No	PARTICULARS	FOR THE QUARTER ENDED 30.09.17	FOR THE QUARTER ENDED 30.06.17	FOR THE QUARTER ENDED 30.09.16	FOR THE HALF YEAR ENDED 30.09.17	FOR THE HALF YEAR ENDED 30.09.16	FOR THE YEAR ENDED 31.03.17
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Segment revenue</b>						
(a)	Treasury	160,439	162,090	133,167	322,529	250,986	536,757
(b)	Corporate Banking	391,423	366,674	313,486	758,097	625,563	1,321,538
(c)	Retail Banking	66,577	63,504	49,002	130,081	91,190	196,508
(d)	Other Banking Operations	4,021	4,111	3,023	8,132	5,152	16,498
(e)	Unallocated	(65)	13	(12)	(52)	(6)	7
	<b>TOTAL</b>	<b>622,395</b>	<b>596,392</b>	<b>498,666</b>	<b>1,218,787</b>	<b>972,885</b>	<b>2,071,308</b>
	Add / (Less): Inter Segment Revenue	(17,517)	(17,796)	(443)	(35,313)	1,621	(13,168)
	<b>Income from Operations</b>	<b>604,878</b>	<b>578,596</b>	<b>498,223</b>	<b>1,183,474</b>	<b>974,506</b>	<b>2,058,140</b>
2	<b>Segmental Results</b>						
(a)	Treasury	77,035	89,970	66,335	167,005	117,907	254,038
(b)	Corporate Banking	114,053	110,448	84,570	224,501	186,435	407,483
(c)	Retail Banking	(15,979)	(23,002)	(12,871)	(38,981)	(33,442)	(67,143)
(d)	Other Banking Operations	1,804	2,498	1,664	4,302	2,693	11,141
(e)	Unallocated	(30,952)	(38,072)	(17,269)	(69,024)	(41,150)	(101,108)
	<b>Profit before Tax</b>	<b>145,961</b>	<b>141,842</b>	<b>122,429</b>	<b>287,803</b>	<b>232,443</b>	<b>504,411</b>
3	<b>Segment Assets</b>						
(a)	Treasury	8,274,681	7,700,565	7,307,369	8,274,681	7,307,369	7,817,700
(b)	Corporate Banking	12,685,648	12,053,012	9,695,723	12,685,648	9,695,723	11,677,318
(c)	Retail Banking	2,633,683	2,336,527	1,647,756	2,633,683	1,647,756	1,909,124
(d)	Other Banking Operations	2,470	974	965	2,470	965	2,638
(e)	Unallocated	142,926	123,439	79,062	142,926	79,062	99,212
	<b>Total</b>	<b>23,739,408</b>	<b>22,214,517</b>	<b>18,730,875</b>	<b>23,739,408</b>	<b>18,730,875</b>	<b>21,505,992</b>
4	<b>Segment Liabilities</b>						
(a)	Treasury	4,798,078	4,331,505	4,180,700	4,798,078	4,180,700	4,370,902
(b)	Corporate Banking	9,623,642	9,126,398	7,994,990	9,623,642	7,994,990	8,732,631
(c)	Retail Banking	6,524,583	6,068,835	4,895,379	6,524,583	4,895,379	5,773,999
(d)	Other Banking Operations	12,858	10,308	16,976	12,858	16,976	11,677
(e)	Unallocated	438,829	438,729	105,810	438,829	105,810	411,377
	<b>Capital and Reserves</b>	<b>2,341,418</b>	<b>2,238,742</b>	<b>1,537,020</b>	<b>2,341,418</b>	<b>1,537,020</b>	<b>2,205,406</b>
	<b>Total</b>	<b>23,739,408</b>	<b>22,214,517</b>	<b>18,730,875</b>	<b>23,739,408</b>	<b>18,730,875</b>	<b>21,505,992</b>

SEGMENT	PRINCIPAL ACTIVITIES
Treasury	Includes investments, all financial markets activities undertaken on behalf of the Bank's customers, proprietary trading, maintenance of reserve requirements and resource mobilisation from other banks and financial institutions.
Corporate Banking	Includes lending, deposit taking and other services offered to corporate customers.
Retail Banking	Includes lending, deposit taking and other services offered to retail customers.
Other Banking Operations	Includes para banking activities like third party product distribution, merchant banking etc.

Place: Mumbai  
Date: October 26, 2017



For YES BANK Limited

  
Rana Kapoor  
Managing Director & CEO



Press Release – October 26, 2017

**YES BANK announces Financial Results for the Quarter and Half Year ended September 30, 2017**

**1. PROFIT & LOSS (P&L): Sustained Profitability with improving Operating Leverage**

- **Net Profit of ₹ 1,002.7 Crores in Q2FY18;** y-o-y growth of 25.1%
- **Net Interest Income** of ₹ 1,885.1 Crores for Q2FY18; y-o-y growth of 33.5% driven by steady growth in Advances & CASA, and expanding Margins.
- **NIMs expanded to 3.7%** for Q2FY18 from 3.4% in Q2FY17
- **Non-Interest Income** of ₹ 1,248.4 Crores for Q2FY18; y-o-y growth of 35.4%
- **Total Net Income** of ₹ 3,133.5 Crores in Q2FY18 y-o-y growth of 34.3%
- **Operating Profit** of ₹ 1,906.7 Crores for Q2FY18; y-o-y growth of 37.6%
- **Cost to Income Ratio** at 39.2%
- Satisfactory return ratios with **RoA** at 1.7% and **RoE** at 17.5%. **Book Value** at ₹ 102.2 per share (*Book Value adjusted for 5:1 post stock split*)

**2. BALANCE SHEET: Market Share Gains with Improving granularity in Assets & Liabilities**

- Total Assets grew by 26.7% y-o-y to ₹ 2,37,394.1 Crores
- Total Deposits grew by 23.4% y-o-y to ₹ 1,57,989.8 Crores
- **CASA ratio at 37.2%**, an increase of 6.9% in one year, on the back of 51.4% growth y-o-y
- SA and CA deposits posted strong growth of 51.6% and 51.1% respectively y-o-y
- **CASA + Retail FDs** as a % of Total Deposits stands at a healthy 61.7%, an increase of 5.2% in a year
- **Advances** grew by 34.9% to ₹ 1,48,675.3 Crores on the back of robust growth in both Corporate and Retail businesses. Retail Banking Advances grew by 78% y-o-y to 11.4% of Advances (*up from 10.5% as on June 30, 2017*)
- **Total Capital Adequacy** at 17.8%. Total Capital Funds stand at ₹ 35,690.3 Crores. Bank has further raised ₹ 6,915 Crores of Capital funds taking aggregate position to ₹ 42,605.3 Crores
- Tier I Ratio and CET I ratio healthy at 13.2% and 11.4% respectively
- Risk Weighted Assets stood at ₹ 2,00,137.8 Crores. RWA to Total Assets at 84.3%

**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 with sustained earnings momentum, increasing granularity and improving efficiency, driven by productivity gains from investment in Human Capital, Infrastructure and new age technologies.**

Bank’s Retail Banking Advances have posted robust growth of 78% y-o-y to 11.4% of outstanding book and sustained momentum in CASA accretion gives us the confidence to achieve our target CASA ratio of 40% by September 2018, well ahead of our earlier target date of March 2020.

Further, Bank’s Asset Quality continues to demonstrate resilience after duly incorporating full impact of the RBI RBS observations for FY17, concluded in October 2017.

Going forward, Bank’s ‘Digital’ focus will continue to drive our strategy to deliver innovative solutions and rapidly capture market share across the new age Payment platforms and Digital ecosystems”

**Financial Highlights from Q2FY18 Results:**

P & L Highlights					
(₹ in Crores)	Q2FY18	Q2FY17	Growth % (y-o-y)	Q1FY18	Growth % (q-o-q)
Net Interest Income	1,885.1	1,412.2	33.5%	1,808.9	4.2%
Non Interest Income	1,248.4	921.9	35.4%	1,132.2	10.3%
Total Net Income	3,133.5	2,334.0	34.3%	2,941.1	6.5%
Operating Profit	1,906.7	1,386.0	37.6%	1,704.2	11.9%
Provision	447.1	161.7	176.5%	285.8	56.4%
Profit after Tax	1,002.7	801.5	25.1%	965.5	3.9%
Basic EPS (₹) (adjusted for Stock split)	4.4	3.8	15.2%	4.2	3.8%

Key P & L Ratios					
	Q2FY18	Q2FY17		Q1FY18	
Return on Assets#	1.7%	1.8%		1.8%	
Return on Equity#	17.5%	21.4%		17.4%	
NIM	3.7%	3.4%		3.7%	
Cost to Income Ratio	39.2%	40.6%		42.1%	
Non Interest Income to Total Income	39.8%	39.5%		38.5%	

Balance Sheet Highlights					
(₹ in Crore )	30-Sep-17	30-Sep-16	Growth % (y-o-y)	30-Jun-17	Growth % (q-o-q)
Advances	148,675.3	110,216.2	34.9%	139,971.8	6.2%
Deposits	157,989.8	128,023.8	23.4%	150,240.9	5.2%
CASA	58,724.6	38,784.0	51.4%	55,215.1	6.4%
Shareholders' Funds	23,414.2	15,370.2	52.3%	22,387.4	4.6%
Total Capital Funds*	35,690.3	23,117.2	54.4%	32,541.3	9.7%
<b>Total Balance Sheet</b>	<b>237,394.1</b>	<b>187,308.8</b>	<b>26.7%</b>	<b>222,145.2</b>	<b>6.9%</b>

Key Balance Sheet Ratios					
	30-Sep-17	30-Sep-16		30-Jun-17	
Capital Adequacy*	17.8%	15.0%		17.6%	
CET I Ratio*	11.4%	9.7%		11.9%	
Tier I Ratio *	13.2%	10.1%		13.8%	
Book Value (₹) (adjusted for stock split)	102.2	72.9		97.9	
Gross NPA	1.82% (₹ 2,720.3 Crs)	0.83%		0.97%	
Net NPA	1.04% (₹ 1,543.3 Crs)	0.29%		0.39%	
Provision Coverage Ratio	43.3%	64.8%		60.0%	
Credit Costs (in bps)	29	11		18	
Restructured Advances %	0.08% (₹ 116.1 Crs)	0.46%		0.24%	
Security Receipts (Net) %	0.94% (₹ 1,412.3 Crs)	0.23%		0.69%	
Standard SDR's**	0.32% (₹ 477.1 Crs)	0.03%		0.20%	
5-25 Refinancing	0.15% (₹ 228.3 Crs)	0.09%		0.10%	
S4A	0.01% (₹ 18.8 Crs)	-		0.01%	

# Annualized

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

\*\*including exposures under Outside SDR scheme of RBI





#### 4. Asset Quality

- Credit Cost at 29 bps for Q2FY18 and 48 bps for H1FY18
- Gross Non Performing Advances (GNPA) at 1.82% (₹ 2,720.3 Crores) and Net Non Performing Advances (NNPA) at 1.04% (₹ 1,543.3 Crores)
- The increase in NPA and consequent provision is in conformity with RBI's Annual Risk Based Supervision (RBS) exercise conducted for FY2017 (*finalised in October 2017*). The Bank has fully absorbed the impact of such re-classifications in the results for Q2FY18

##### (a) Movement of NPA:

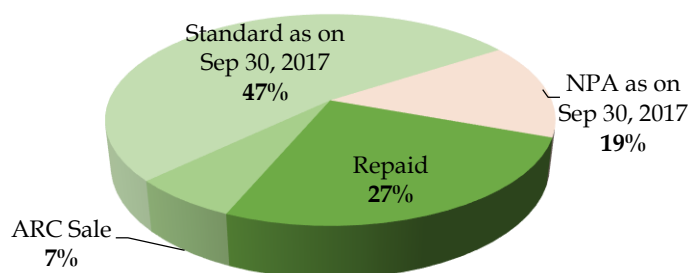
₹ Crores	Particulars	Net current impact due to RBI RBS process (A)*	Aggregate-Others (B)	Aggregate Bank position as on September 30, 2017 (C=A+B)
Gross NPA	Gross NPA (Jun 30, 2017) (i)	-	1,364	1,364
	Additions during Q2FY18 (ii)	1,219	769	1,989
	Recoveries & Upgrades (iii-a)	-	461	461
	Writeoff (iii-b)	-	172	172
	Gross NPA (Sept 30, 2017) (i+ii-iii)	1,219	1,501	2,720
	GNPA Ratio (Jun 30, 2017)	-	0.97%	0.97%
	GNPA Ratio (Sept 30, 2017)	0.82%	1.00%	1.82%
Provisions	Provisions (Jun 30, 2017)	-	819	819
	Provisions (Sept 30, 2017)	443	734	1,177
	Provision Coverage (Jun 30, 2017)	-	60.0%	60.0%
	Provision Coverage (Sept 30, 2017)	36.3%	48.9%	43.3%
Net NPA	Net NPA (Jun 30, 2017)	-	545	545
	Net NPA (Sept 30, 2017)	777	767	1,543
	NNPA Ratio (Jun 30, 2017)	-	0.39%	0.39%
	NNPA Ratio (Sept 30, 2017)	0.52%	0.52%	1.04%

\* Outstanding and Classified as NPA as on September 30, 2017

Note: Refer Annexure I (attached to Press Release) for disclosure on Divergence in Asset Classification and Provisioning for NPAs in conformity with the RBI circulars DBR.BP.BC.NO.63/21.04.018/2016-17 issued on April 18, 2017 and SEBI circular CIR/CFD/CMD/80/2017 issued on July 18, 2017

##### (b) RBI Risk Based Supervision Exercise:

###### Break-down of exposures observed as part of RBI RBS process



Out of the total exposure observed as part of the RBI RBS process ~81% of the exposures has been repaid / resolved or classified as 'Standard' on account of their satisfactory conduct.

**(c) Security Receipts at 0.94%**

Net Security Receipts (SRs) stood at **0.94%** of Gross Advances (₹ 1,412.3 Crores) as on September 30, 2017 against 0.69% as on June 30, 2017. Net increase in SRs for the quarter was ₹ 435.2 Crores.

Bank expects redemptions of minimum 30-40% of its net outstanding Security Receipts portfolio (*within next 18 months*)

**(d) Standard Restructured Advances at 0.08%**

- The total Standard Restructured Advances as a proportion of Gross Advances was at **0.08%** (₹ 116.1 Crores) as at Sep 30, 2017, down from 0.24% as at June 30, 2017. **No additional restructuring during the quarter.**
- One account (₹ 161.0 Crores - 0.11% of Gross Advances) was upgraded during the quarter from Restructured to Standard Asset due to satisfactory conduct during the prescribed period.

**(e) Standard SDR Exposure at 0.32% (including Outside SDR scheme of RBI)**

Standard SDR outstanding exposure of **0.32%** (₹ 477.1 Crores) to Gross Advances as on September 30, 2017 against 0.20% as on June 30, 2017. During the quarter one account (₹ 192.4 Crores - 0.13% of Gross advances) was restructured under Outside SDR scheme of RBI.

**(f) 5:25 Refinanced Exposure at 0.15%**

Standard 5:25 refinanced exposure stable at 0.15% (₹ 228.3 Crores) of Gross Advances as on September 30, 2017 from three accounts. One account (₹ 89.5 Crores - 0.06% of Gross advances) was refinanced through 5:25 route during the quarter

**(g) S4A Exposure at 0.01%**

Standard S4A exposure outstanding at 0.01% (₹ 18.8 Crores) of Gross Advances as on September 30, 2017. **No additional account was restructured through S4A route during the quarter.**

**(h) Bank's exposure to select accounts referenced in RBI IBC/NCLT notification**

Account Classification	RBI List 1 (12 accounts Outstanding Exposures)		Subsequent List of Potential NCLT Accounts (~30 accounts)		Total
	Funded	Non-Funded	Funded	Non-Funded	
Standard	23.4	-	68.7	75.9	167.9
NPA	318.3	-	801.9	146.4	1,266.6
<b>TOTAL</b>	<b>341.7</b>	<b>-</b>	<b>870.6</b>	<b>222.2</b>	<b>1,434.5</b>

- Total exposure of ₹ 1,434.5 Crores across 9 borrowers
  - Total Standard exposure of ₹ 167.9 Crores (0.11% of Gross advances) of which Funded exposure of ₹ 92.1 Crores (0.06% of Gross advances)
- Bank carries provision of 50% on the aggregate funded exposure of List 1 and 39% on the aggregate funded exposure of the subsequent list (NPA + Standard)

## OTHER KEY HIGHLIGHTS

### 1. Liquidity Coverage Ratio:

During Q2FY18, Bank continued with the LCR maintenance at well above 80% regulatory requirement with daily average Liquidity Coverage ratio of **90.6%**, reflecting a healthy liquidity position.

### 2. YES BANK Rating Profile

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

- Moody's Long-term international rating unchanged at Baa3 which is in line with the Sovereign Rating of India.
- Domestic Rating agencies, ICRA, CARE and India Ratings (*as applicable*), have Long-Term ratings of AA+ for the Bank's Basel III compliant Tier II instruments, as well as for Infrastructure Bonds, and AA rating for Basel III ATI (one notch below Senior Rating)

### 3. Social Media

According to The Financial Brand (October 2017), YES BANK is:

- **Ranked 2<sup>nd</sup>** amongst the **Most Social Banks** in the World.
- Highest followed **Global Bank Brand** on Twitter with over **3.3 million** followers, and on Instagram with **550,000** followers
- **2<sup>nd</sup>** highest Liked **Global Bank Brand** on Facebook with more than **7.0 million Page Likes**

### 4. Digital Banking

**Maximizing Payments Market share:** Bank's strong focus on merchant use cases has resulted in accelerated growth momentum in Digital payments and increasing market share in India's Digital ecosystem:

- YES Bank has over **65%** market share in UPI merchant payment and IMPS transactions grew exponentially by 355% y-o-y from September 2016 (*1.44 Million*) to September 2017 (*6.27 Million*)
- **BHIM YES PAY** app is now powered with India Stack API's and NPCI, products enabling services like BBPS, Bharat QR, RuPay card, IMPS, UPI and Aadhaar KYC
- Enabled BharatQR on **YES Mobile** to enable payments at merchant locations by scanning QR code

Enhancing customer experience and deepening engagement while increasing productivity and efficiency:

- **M-Bot, for acquisition of Consumer Retail Assets:** 1<sup>st</sup> Bank in the world to provide instantaneous (real time) connection with Sales manager basis analysis by propriety algorithm for approval and disbursement of Consumer loans
- Launched **RuPay Classic Kisan Debit Card** for disbursement of agricultural loans for farmer segment
- **OLA/ZipCash** - Drivers of OLA have been issued open loop prepaid cards which can be used over ATM/POS and ecom websites

**Smart City Solution through Unified City Smart card:** YES BANK has been a pioneer in creating Digital Payments ecosystem for Smart Cities, and is helping Smart Cities in their journey towards becoming a 'Less Cash' driven economy.

- Launch of **Nashik SmartCity 'SmartPay'** Open loop Prepaid Cards – the program aims at digitizing all payments across Nashik through a Digital Wallet & Prepaid Card

## 5. Expansion & Knowledge Initiatives

- Employee strength as on September 30, 2017 stood at **20,932**, an increase of 2,401 employees since September 30, 2016
- Branch network stood at **1,040** branches as on September 30, 2017 an increase of 20 branches during the quarter. ATM Network stood at 1,823 which includes 553 Branch Note Acceptors/Cash Recyclers
- YES BANK successfully raised
  - **₹ 5,415 Crores** through issue of Basel III compliant **Tier-I (ATI)** perpetual bonds with Greenshoe subscription exceeding the original issue size of ₹ 3,000 Crores
  - **₹ 4,000 Crores** through private placement of Basel III Tier II Bonds in two tranches and
- FCY borrowing from Wells Fargo and OPIC:
  - USD 265 Mn syndicated unsecured loan for lending to MSMEs
  - USD 150 Mn syndicated unsecured loan to support Women Entrepreneurs as well as SMEs in low income states
- YES BANK continues to be the first and only Indian Bank to be selected as an index component on the **Dow Jones Sustainability Indices (DJSI)** - Emerging Markets Index, for the third consecutive year
- YES BANK launched the uber-exclusive, by invitation only **Yes Private Credit Card** on the most premium Mastercard World Elite platform. This top-of-the-line World Elite platform, focused on ultra HNI consumers, is available only in select countries globally including USA, Canada, Singapore and has been launched in India for the first time, in alliance
- YES BANK has partnered with Microsoft to deploy Office 365 and **Microsoft Kaizala**. Microsoft Kaizala is a product designed for large group communication in a chat interface and work management and integrates with Office 365.

## 6. Awards & Recognitions

YES Bank was:

- Voted as the Best Bank in India in the **Asiamoney Corporate Client Choice Survey 2017**, Hong Kong
- The '**Global Winner**' in the Supply Chain Finance category and was also adjudged as Transaction Bank of the Year for Asia Pacific at **The Banker Transaction Banking Awards 2017**
- Awarded Best Bank in India – CSR in the **Asiamoney Country Awards 2017**, Hong Kong
- Awarded the **Karlsruhe Sustainable Finance Award 2017** in the 'Best Innovation in Sustainable Financial Products & Services' category, for its innovative blended finance facility, aimed at promoting environmentally sustainable livelihood among women salt farmers in Gujarat, India.
- Awarded the '**Best Digital Payments System by Banks for Smart Cities**' during the Smart City Conclave 2017 in Chandigarh
- Mr. Rana Kapoor, MD & CEO, YES BANK was felicitated with the '**Global Business Leader of the Year**' award at **NRI World Summit & Pride of India Awards 2017** organized by NRI Institute at the House of Lords, London
- Mr. Rana Kapoor, MD&CEO, YES BANK, was awarded the '**Icon of the Year**' at Brands Academy's flagship "Icon of the Year Awards" in Mumbai

*The Press Conference of YES Bank's results will commence at 3:15 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 26, 2017 at 6 pm, 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.*

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## Annexure I

### **Divergence in Asset Classification and Provisioning for NPAs -**

- The Bank classifies performing and non-performing advances (NPAs) as per the RBI's Prudential Norms on Income recognition, Asset Classification and Provisioning.
- Based on application of RBI's prudential norms as stated above, the Bank classified and made the prescribed provisions against the NPAs as at the end of 31st March, 2017.
- As part of the Risk Based Supervision (RBS) exercise for FY 2016-17 concluded in October 2017, the RBI has pointed out certain retrospective divergence in the Bank's asset classification and provisioning as on 31st March 2017, for NPAs. In conformity with the RBI circulars DBR.BP.BC.NO.63/21.04.018/2016-17 issued on April 18, 2017, SEBI circular issued on July 18, 2017 and as per approval from the Board of Directors at its Board Meeting held on October 26, 2017, the below table outlines divergences in asset classification and provisioning.

Sr.	Particulars	(₹ in Crores)
1	Gross NPAs as on March 31, 2017 as reported by the Bank	2,018.6
2	Gross NPAs as on March 31, 2017 as assessed by RBI	8,373.8
3	Divergence in Gross NPAs (2-1)	6,355.2
4	Net NPAs as on March 31, 2017 as reported by the Bank	1,072.3
5	Net NPAs as on March 31, 2017 as assessed by RBI	5,891.6
6	Divergence in Net NPAs (5-4)	4,819.4
7	Provision for NPAs as on March 31, 2017 as reported by the Bank	946.3
8	Provision for NPAs as on March 31, 2017 as assessed by RBI	2,482.1
9	Divergence in provisioning (8-7)	1,535.9
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	3,330.1
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	2,316.1

- The net current impact of the aforementioned retrospective slippages due to divergence noted by RBI in October 2017 has been duly reflected in the results for the quarter and half year ended September 30, 2017.
- Out of the total divergence current position as on September 30, 2017 is as under:

Particulars (Rs. Crores)	Amount	%
Net Repayments (In full / partial)	1,690.4	26.6%
Resolution on account of Sale to an Asset Reconstruction Company	461.5	7.3%
Outstanding as on September 30, 2017:		
a) Upgraded as Standard on account of satisfactory account conduct	2,983.9	47.0%
b) Classified as NPA	1,219.4	19.2%
<b>Total</b>	<b>6,355.2</b>	