

YBL/CS/2020-21/18

June 10, 2020

National Stock Exchange of India Limited

Exchange Plaza,
Plot no. C/1, G Block,
Bandra - Kurla Complex
Bandra (E), Mumbai - 400 051
Tel.: 2659 8235/36 8458
NSE Symbol: YESBANK

BSE Limited

Corporate Relations Department
P.J. Towers, Dalal Street
Mumbai - 400 001
Tel.: 2272 8013/15/58/8307
BSE Scrip Code: 532648

Dear Sir / Madam,

Sub.: Investor Presentation - Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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You are requested to take note of the same and disseminate to all concerned.

Thanking you,

Yours faithfully,

For **YES BANK LIMITED**



Shivanand R Shettigar
Group Company Secretary

Encl: As above



 YES Bank

Company Presentation

June 10, 2020

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We have started a new journey,
backed by India's best*

* Based on 48.2% stake held by State Bank of India, India's largest commercial bank

YES for You

Summary

-
- 1 India's 6th largest private bank backed by marquee institutions and experienced leadership team
 - 2 Well defined plan to achieve diversified and sustainable earnings
 - 3 Accelerated recognition of stressed assets along with step-up in provisioning
 - 4 Well-established granular banking platform with a strong focus on retail and SME advances
 - 5 Strong technology platform and unparalleled digital capabilities
 - 6 Capital management plans to improve regulatory capital ratios

1 India's 6th Largest Private Bank with a Scalable Platform



1 6th Largest Private Sector Bank ⁽¹⁾

2 Full Service Commercial Bank

3 Wide Pan India Presence

4 Young and Innovative Human Capital

Total Assets:
INR 2,57,827 cr

Total Advances:
INR 1,71,443 cr

Advances Split:
Retail – 23.8%
SME – 12.6%
Medium Ent. – 7.8%
Corporate – 55.9%

Total Deposits:
INR 1,05,364 cr

Backed by Marquee Shareholders – SBI, ICICI, HDFC, Axis, Kotak, Bandhan, Federal, IDFC First

Merchant Banking

Digital Banking

Brokerage

Investment Banking

- Complete suite of products with customers at the fore including superior experience through digital channels
- Market leader in digital payments – UPI, AEPS and IMPS

Branch Evolution

Fiscal Year	Number of Branches
FY15	631
FY17	1,000
FY20	1,135

- Pan India presence with **1,135 branches and 1,423 ATMs**
 - 250+ hub branches
 - 850+ spoke branches
 - ~85% of branches with vintage > 3 years

Locational Mix

Category	Count
Rural	215
Metro	386
Urban	236
Semi-Urban	298

- Simplified organisation structure aided by young talent pool (average age: 33 yrs)
- Vintage at senior levels - average of ~7.2 years for key management personnel excluding CEO and MD

Headcount (#) Avg Age (yrs)

Level	Headcount (#)	Avg Age (yrs)
Top	83	49
Senior	227	43
Middle	2,751	40
Junior	8,427	35
General	11,485	30
Total	22,973	33

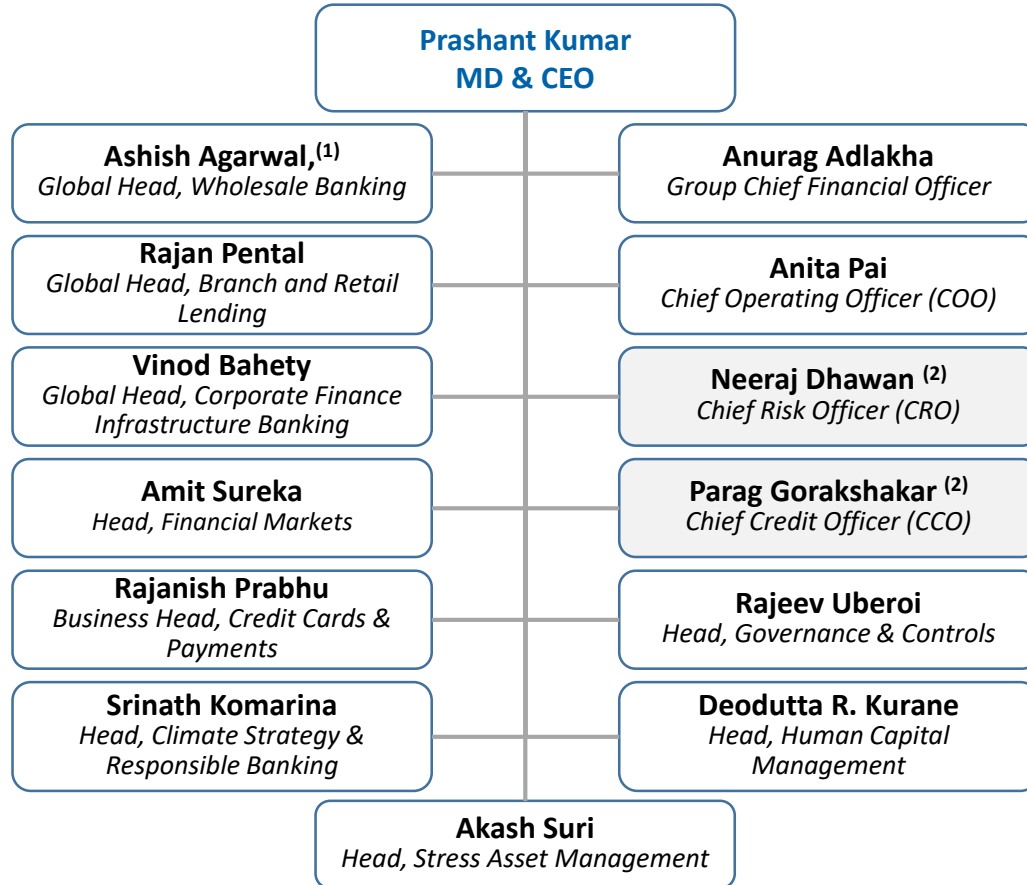
YES BANK

Focus on technology innovation

Note: Figures as of March 31, 2020
1) Basis Standalone Assets as on March 31, 2020

1 Focus on Robust Governance Structure to Ensure Adherence to Regulatory and Governance Norms

Simplified Organization Structure – Enables to Build Scale and Drive Efficiencies



Eminent and Experienced Board



Sunil Mehta
Non-Executive Chairman



Prashant Kumar
Managing Director & CEO



Mahesh Krishnamurti
Non-Executive Director



Atul Chunilal Bheda
Non-Executive Director



Rama Subramaniam Gandhi
Additional Director (appointed by RBI)



Ananth Narayan Gopalakrishnan
Additional Director (appointed by RBI)



Partha Pratim Sengupta
Non-Executive Director - Nominee Director of State Bank of India



Swaminathan Jankiraman
Non-Executive Director - Nominee Director of State Bank of India

Multiple corporate products & relationship units aggregated into Wholesale Banking - Asset Light, Liability Led and Transaction Heavy

1) Mr. Ashish Agarwal, erstwhile CRO, now is the Global Head of Wholesale Banking (8 Corporate Segment heads to directly report to him)
2) Responsibilities of erstwhile CRO have been split between CCO and CRO

2 Well-defined Plan to Achieve Diversified and Sustainable Earnings



- Rebuild trust amongst stakeholders
- Market share gains through digital capabilities

Rebuild Liabilities and Liquidity Buffers

- Recouped cash management / payments business across customers
- Retail FDs opened in April higher than any month of FY20

Cost Optimization

- 10% savings in FY21 driven by:
 - Digital and analytics
 - Manpower optimization and digitization initiatives

Governance and Underwriting Framework

- Simplified organization structure
- Independent oversight of risk function

Focused Stressed Assets Resolution

- Separate vertical to be scaled to ~100 employees (34 as of March 31, 2020)
- Maximize value - facilitate strategic spin off

Liability Franchise

- Stable liability mix
- Lower cost of funds - CASA Ratio > 40%

Granular Advances

- Retail / SME and Medium Enterprise > 60%

Cross-sell Opportunities

- Corporate flows and Cross sell through Transaction banking

Sustainable Earnings

- RoA greater than
 - 1.0% (1-3yrs)
 - 1.5% (3-5yrs)

- Diversified and sustainable earnings
- Return value to shareholders

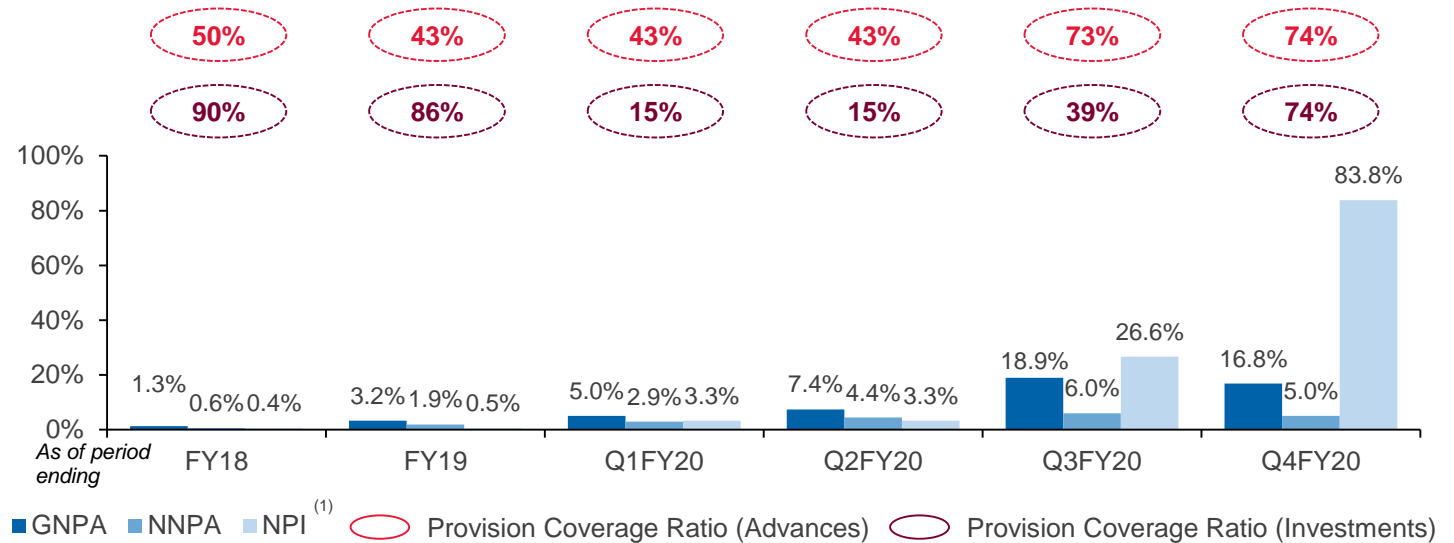
Rebuild the foundation & calibrate growth (6-12 months)

Medium term objectives

3 Accelerated Recognition of Stressed Assets along with Step-up in Provisioning



- Net NPA improved sequentially Q-o-Q to 5.0%; significant step-up in provision coverage ratio to 73.8% (best-in class)
- Provision coverage ratio for NPIs increased to 74% in Q4FY20
- Adequate provisioning level validated through due diligence conducted by three independent consultants
 - Already provided for ~INR 32,500 cr against maximum estimated loss of ~INR 25,500 cr per third party reports⁽²⁾
- SMA 1 and SMA 2 at INR 10,781 cr and INR 321 cr
- Retail and SME asset quality continues to demonstrate resilience in NPA ratios



All figures in INR cr

Segmental GNPA:	Mar-18		Mar-19		Mar-20	
	GNPA	Ratio %	GNPA	Ratio %	GNPA	Ratio %
Retail	127	0.51%	169	0.42%	503	1.23%
SME	109	0.52%	296	1.23%	363	1.66%
Medium Enterprise	82	0.42%	129	0.68%	280	2.06%
Corporate	2,308	1.66%	7,287	4.51%	31,731	26.63%
Total	2,627	1.28%	7,883	3.22%	32,878	16.80%

1) NPI calculated as % of Total – G-Sec

2) Three third party consultants conducted due diligence on approximately INR 81,000 cr of stressed assets as of Sept 30, 2019. As per the assessment, minimum recovery estimate for the stressed exposure is ~INR 55,500 cr (gross cashflows capped to exposure), implying a loss of ~INR 25,500 cr. Bank has already created provisions (including technical write-offs) of ~INR 32,500 cr, on this exposure as of March 31, 2020

4 Well-established Granular Banking Platform - Retail



Resilient Retail Assets Platform with Complete Suite of Offerings...

Asset Quality

- Low risk portfolio with large proportion of cash flow-based financing with adequate collateral
- Focus on internal / salaried customers for unsecured products

Risk and Yields

- Portfolio built on low risk, offering room for higher yielding products as it has attained scale
- Focus on building a more granular book reducing concentration

Rural Banking

- Business Correspondent model (~0.05 cr)
- Tie-ups with Fintech companies to identify potential geographies (YES Villages)
- Presence across Tier II – VI cities

Credit Cards

- Credit cards in force: 0.05+ cr cards with an outstanding balance of INR 1000+ cr
- Spends grew by 64% YoY in FY20
- Cross sell of liability products

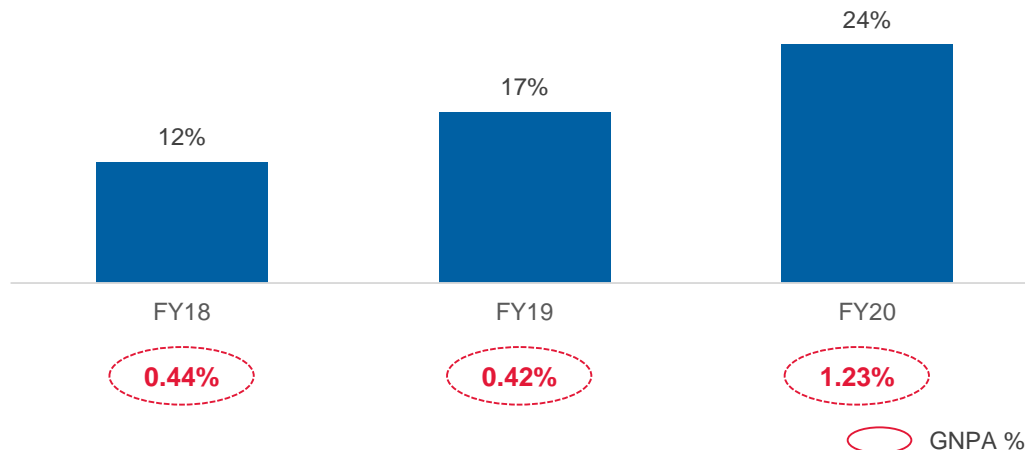
Customers & Strategy

- Focus segment of salaried and self-employed customers
- Utilize branch channel, manufacturing tie-ups and technology aided service delivery
- Tapping liability customers

Technology

- Usage of data analytics and Fintech risk engines for risk mitigation
- Ensuring seamless service by leveraging investments in digital/tech capabilities

Increasing Share of Retail Business



1) As per Credit Bureau Reports

Key Profitability Drivers

- Deeper geographic penetration into Tier II/ III cities
- Targeting lower ticket sizes while maintaining best in class asset quality
- Lowering the cost of acquisition by leveraging digital capabilities
- One of lowest NPA ratios in the Industry⁽¹⁾

4 Well-established Granular Banking Platform - SME



...Strategically Enhancing SME Capabilities

Supply Chain Banking

Financing vendors of corporates

- Strong corporate relationships
- Utilizing tech. & analytics to automate limit enhancement
- Leading in Electrical & Electronic Goods Segment

Knowledge Banking

Tie ups with trade/industry associations

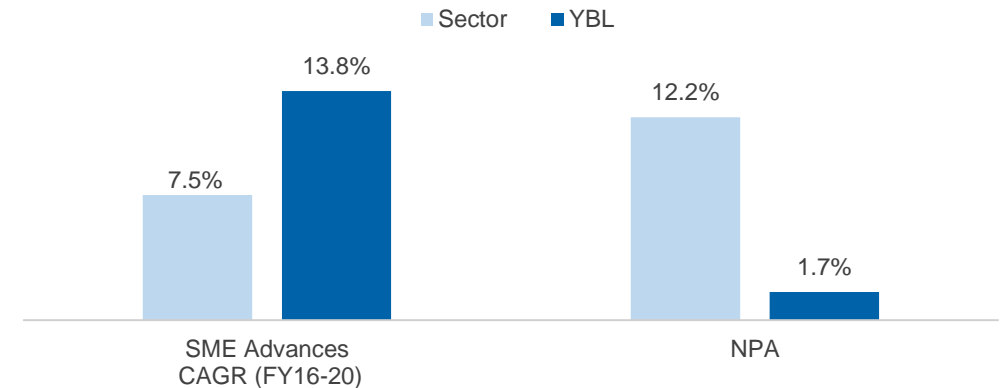
- Sector specialists with vast industry knowledge
- Working relationships with leading domestic & international institutions

Branch Banking and CRM

Liability business through branches & CRM based sourcing

- Cash flow-based underwriting
- Strong Risk assessment framework ensuring adequate collaterals and risk-based pricing

Growth marginally higher, asset quality much better vs. the overall sector (1)



SME (13% of Advances)

- Self sourced without any intermediaries
- From "Supply Chain Financing" to "Ecosystem Banking"
- Digital handholding to scale up SMEs from Tier 2/ 3 cities
- 50 dedicated SME branches in SME hubs

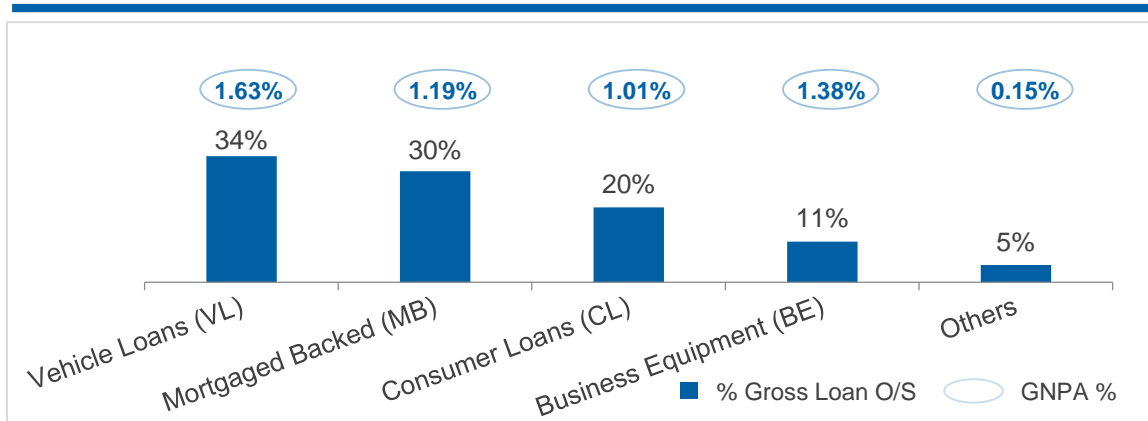
1) Sector Advances and NPA data sourced from TransUnion CIBIL's quarterly "MSME Pulse" report; latest available report contains data as of September 30, 2019; Definition of "MSME" however may vary between the Bank classification and TransUnion CIBIL

4 Well-established Granular Banking Platform



Retail and SME Segments – Low Risk and High Resilience Businesses

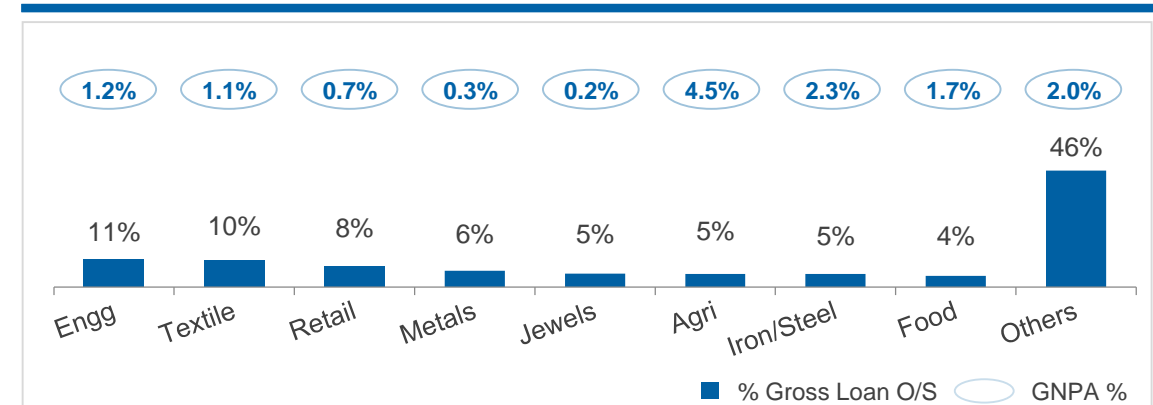
Retail



- Granular portfolio with presence in niche segments
 - VL:** More than two-thirds of CV loans extended to large fleet operators
 - MB:** Concentration of any industry not >10%; avg. LTV of 50%+
 - CL:** Focused on corporate employees with higher income in Tier 1 cities
 - BE:** Strategic client focused, resulting in best in class asset quality
- 90+ DPD for majority of retail products, significantly lower than industry⁽¹⁾
- Strong customer profile with avg. bureau score well above 725

**Unsecured exposure: ~15% of retail assets;
Unsecured exposure to self-employed segment < 1.5%**

SME



- Highly granular portfolio with an average ticket size of INR 1.5cr+
- Robust early warning mechanism ensuring portfolio health, leading to one of the lowest NPA levels (1.66%) in industry; demonstrated resilience during stressed macro situations – Demonetization & GST
- Concentration to any industry not > 11%

Unsecured exposure only 1% of total portfolio

1) As per Credit Bureau Reports

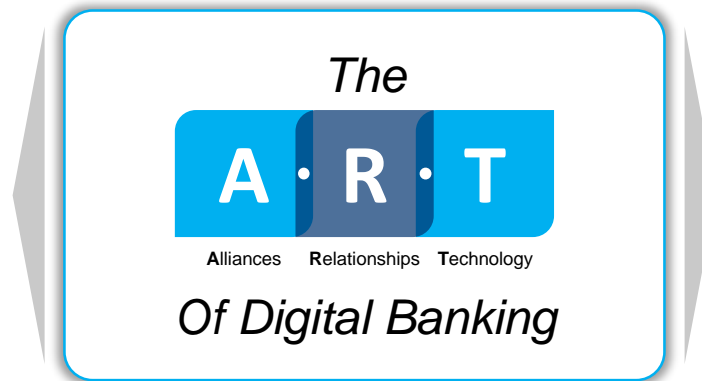
5 Strong Technology Backbone and Unparalleled Digital Capabilities...



Focused Strategy with Early Mover Advantage

Objectives

- ▶ Deepen Existing Relationships
- ▶ Improve Operational Efficiency
- ▶ Identify new customers & Explore new business lines
- ▶ Superior Customer Service



Applications

- ▶ Payments
- ▶ Customized Banking Solutions
- ▶ Mobile & Mobility
- ▶ Process Digitization
- ▶ Future Technology

Data Analytics Backbone

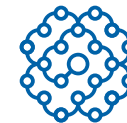
Enabling future monetization



Cloud Adoption
Partnership with Microsoft on Azure cloud



Big Data processing with AI and Deep Learning models
Powered by HADOOP Data Lake



Platformization
One of the first bank to set up microservices platform for development of reusable Microservices



Graph Processing & Blockchain
Neo4j-Graph DB to map a customer's banking ecosystem, one of the first bank to issue CP on the Blockchain platform

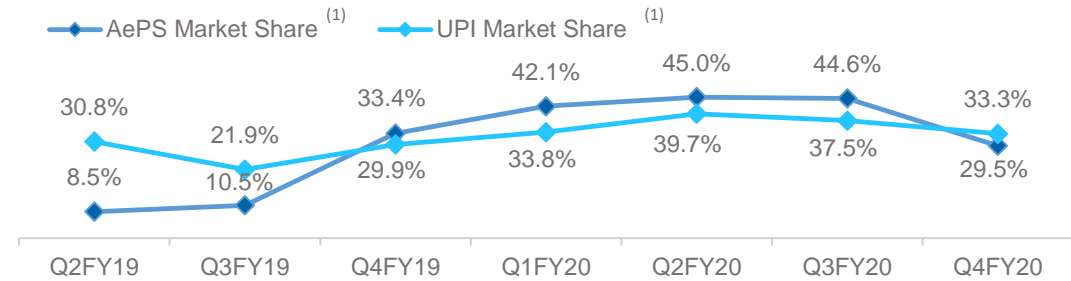
New Generation bank with modern technologies providing competitive edge across business segments

5 ...Resulting in Digital Leadership

Using Technology Platform to Expand Offerings and Drive Lower Cost of Delivery

- More than 0.16 cr registered users;
Y-o-Y growth of 46% in registered user base
- Chatbot enabled wallet BHIM YES PAY app - powered with India Stack API's and NPCI products.
- Over 44+ services and 60+ products available via bot platform
Over 1.8 cr interactions processed till date
- One of the first bank to implement API banking for corporate
Total throughput of INR 4.3 lakh cr & total volume of 26.7 cr in FY20
- Contactless travel card for public transport
Scalable platform to empower 4.5 lakh commuters
- One of the first and largest domestic remittance platforms
Over ~500,000 BC agents employed
- Debit card user base of 0.29 cr with more than 1.3 cr transactions in Q4FY20

Market Leader in Digital Payments Space (AePS and UPI)



Select Customers

Primary Banker to 21 Unicorns & 35 Soonicorns

Award Winning Technology Platform

- Ranked No. 1 for exemplary performance in Digital Payments MeitY 2019

MeitY 2019
- The Banker TECH PROJECTS AWARDS 2019

Global Winner, Cyber Security

The Banker's Tech Projects Awards 2019
- Financial Insights FIA

Asia's Leader in Bank-as-a-Service

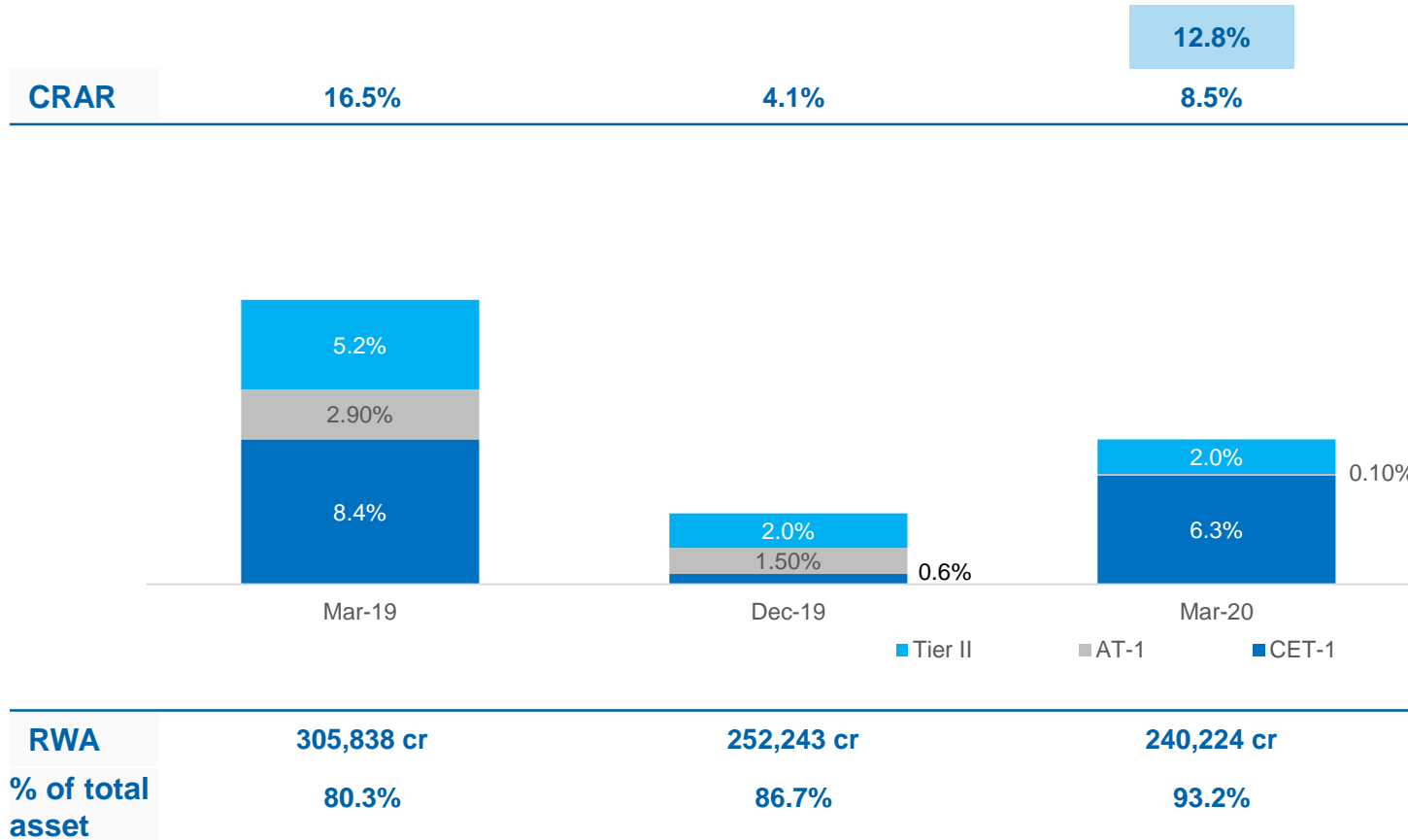
IDC Financial Insights Awards, 2018

1) Sourced from National Payments Corporation of India - Yes Bank market share calculated as percent of total market transaction volume

6 Capital Management Plans to Improve Regulatory Capital Ratios



Total CRAR as on Mar 31, 2020 after considering Total Tier II Capital Funds at 6.4% (INR 15,294 cr). However Tier II ratio currently capped at 2% resulting into Total CRAR at 8.5%



- Potential capital raise ⁽¹⁾ to enhance capital adequacy ratio, support growth and create buffers for Covid -19 impact
- To be further aided by sources of organic capital
 - Stressed asset resolution and asset selldown
 - Deferred tax asset of INR 6,118 crores deducted from net-worth for computing CET 1, representing ~255 basis points ⁽²⁾ of CET 1 potentially available to the bank over time

1) Shareholders' approval for an aggregate capital raise of up to INR 15,000 cr
 2) Calculated as deferred tax assets divided by risk weighted assets as of March 31, 2020



Appendix

Financial Performance – Balance Sheet



Figures in INR cr

Balance Sheet ⁽¹⁾	Year Ended		
	FY18	FY19	FY20
Assets	312,446	380,826	257,827
Advances	203,534	241,500	171,443
Investments	68,399	89,522	43,915
Liabilities	312,446	380,826	257,827
Shareholders' Funds	25,758	26,904	21,726
Total Capital Funds	46,976	50,459	30,809
Borrowings	74,894	108,424	113,791
Deposits	200,738	227,610	105,364

1) Standalone Audited Financials

Financial Performance – Income Statement



Figures in INR cr

Income Statement ⁽¹⁾	Year Ended		
	FY18	FY19	FY20
Net interest income (A)	7,737	9,809	6,805 ⁽²⁾
Non interest income (B)	5,224	4,590	3,441
Total (A+B)	12,961	14,399	10,247
Operating expense	5,213	6,264	6,729
Human Resource Cost	2,189	2,470	2,600
Other Operating Expenses	3,024	3,795	4,129
Operating profit / (loss)	7,748	8,135	3,518
Provisions	1,554	5,778	32,758
Net profit / loss from Ordinary Activities after tax	4,225	1,720	(22,715)
Extraordinary Items (Net of tax)			6,297
Net Profit / (Loss)	4,225	1,720	(16,418)

1) Standalone Audited Financials

2) Negative impact on NII (FY basis) due to higher slippages during the year and shrinkage in loan book

Financial Performance – Ratios

Ratios	Year Ended		
	FY18	FY19	FY20
Net Interest Margin (NIM)	3.5%	3.2%	2.2%
Net Interest Income to Average Total Assets ⁽¹⁾	2.9%	2.8%	2.1%
Non Interest Income to Average Total Assets ⁽¹⁾	2.0%	1.3%	1.1%
Operating Profit to Average Total Assets ⁽¹⁾	2.9%	2.3%	1.1%
Cost to Income Ratio	40.2%	43.5%	65.7%
ROA	1.6%	0.5%	(7.1%)
ROE	17.7%	6.5%	(113.1%)
CASA	36.5%	33.1%	26.6%
Capital Adequacy Ratios			
CET I	9.7%	8.4%	6.3%
Tier I	13.2%	11.3%	6.5%
Tier II	5.2%	5.2%	2.0%
Capital Adequacy Ratio	18.4%	16.5%	8.5%
Asset Quality Ratios			
GNPA	1.3%	3.2%	16.8%
NNPA	0.6%	1.9%	5.0%
PCR (NPA)	50.0%	43.1%	73.8%

1) Net Interest Income = Interest Income – Interest Expenses; Average Total Assets = (Total Assets at beginning of year + Total Assets at end of year)/2

Operational Impact - Leveraging Technology to Minimize Disruption

- The Bank ensured availability of services in 95%+ of all branches / ATMs
- Our electronic & digital channels are available round the clock to provide banking services to our customers
- Quickly ramped up our remote access capability and were able to cover critical activities from day 1, at this stage we deployed **10,000+ remote users** working towards supporting business using remote access systems with the ability of further expansion as needed.
- Sequential planning of employee working shift with twin objectives was introduced. This extended the window for customer service at branches and avoided employee travel at peak hours.
- Critical v/s non-critical activities were immediately reviewed, where **1,000** critical users were already performing their activities from remote locations as part of business as usual before lockdown.

Moratorium

- In accordance with the **RBI guidelines relating to COVID-19 Regulatory Package**, the Bank has offered a moratorium of six months on the payment of all unpaid installments and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as Standard as on Feb 29, 2020
- Overdue exposures as on Feb 29, 2020 had a total O/S of INR 14,956 cr as on March 31, 2020 of which
 - NPA Standstill, as on March 31, 2020, was INR 2,713 cr against which **provisioning of INR 238 cr**

[Indicative range of customers that have opted in for moratorium ^{\(2\)}](#)

Segment	# of Customers	Value Terms
Corporate	15% to 20%	40% to 45%
MSME ⁽¹⁾	15% to 20%	35% to 40%
Retail	20% to 25%	40% to 45%

1) Includes both SME and Medium Enterprise
 2) Moratorium data as of April 15, 2020