January 3, 2017

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Listing Compliance & Legal Regulatory
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Exchange Plaza,
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Mumbai - 400 051
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Dear Sirs,

PRESS RELEASE: YES Bank implements multi-nodal Blockchain solution in India

Please find enclosed the Press Release being issued on the captioned subject which is self explanatory.

Kindly take note of the above.

Thanking you,
For **YES BANK LIMITED**

YES BANK LTD. MUMBAI

Shivanand R. Shettigar
Company Secretary

Encl: As above

PRESS RELEASE

YES BANK implements multi-nodal Blockchain solution in India

- ✓ Blockchain Implementation leveraging **IBM Hybrid Cloud** technology to fully digitize Vendor Financing for **Bajaj Electricals**
- ✓ IBM Watson enabled Cognitive Interface for YES BANK's **API Banking** and Blockchain services
- ✓ Chain Code implemented in partnership with FinTech start-up **Cateina Technologies**

Mumbai, January 03, 2017: YES BANK, India's 5th largest private sector bank today announced that they have implemented a multi-nodal Blockchain transaction to fully digitize vendor financing for **Bajaj Electricals.** The implementation has been done on a blockchain-based smart contract written by fintech start-up Cateina Technologies. YES BANK will also leverage **IBM Watson Conversation,** a cloud-based cognitive service, to enhance the digital experience of partners, corporate clients and developers collaborating with them on the integrated Blockchain – API Banking platform.

Capitalising on the efficiency and security features of Blockchain, YES BANK has used the Hyperledger Fabric supported by IBM to design a vendor financing solution which allows Bajaj Electricals (anchor client) to digitize the process for discounting and disbursal of funds to its vendors by integrating seamlessly with YES BANK's systems. The solution will also facilitate an automated debit from Bajaj Electricals' account by YES BANK. The business logic and rules are captured in a smartcontract (Chain Code) developed by Cateina Technologies. The key business advantages and highlights of this blockchain implementation for vendor financing include

- ✓ The entire process cycle for bill discounting reduces from four days (owing to manual intervention and transit) to almost real-time
- ✓ Transparency to all parties through blockchain's shared public ledger
- ✓ End-to-end digital process eliminating paper trail & manual intervention
- ✓ The entire transaction history of a particular vendor is recorded and is immutable through blockchain
- ✓ The transaction status along with details are seamlessly transmitted to Bajaj Electricals' Enterprise Resource Planning
- ✓ Seamless integration with existing **API Banking implementation** by YES BANK using IBM's Enterprise Service Bus(IIB), API management and Datapower solution. This integration offers automated processing of transactions with almost zero manual intervention. YES BANK was the 1st Bank in India to launch API Banking services, which was also in collaboration with IBM in 2015.
- ✓ Use of a permissioned blockchain with flexibility to add other participants later
- ✓ Use of superior Cryptokey to offer state-of-the-art security for both documents and transactions on the Blockchain.

Speaking on the implementation, **Mr. Rana Kapoor, MD&CEO, YES BANK,** said," Since inception, YES BANK has used technology and innovation, as mission critical pillars, to offer a superior banking experience to its corporate and retail customers. Our Blockchain implementation is a continuation of this philosophy to offer revolutionary banking technology to our clients. We are glad that Bajaj Electricals is undertaking this technological leap and working with us to solve the current challenges in Vendor Financing solutions by effectively utilising blockchain capabilities. I strongly believe that we are only at the tip of the iceberg,and envision that Blockchain coupled with IBM's Cognitive solution on Cloud platformwill make a significant

impact in the global Transaction Banking space by ensuring that the Financial Supply Chain is more robust, secure, seamlessly connected and provides a great customer experience."

Vanitha Narayanan, Managing Director, IBM India Pvt. Ltd.said, "IBM is pleased to work with YES BANK as a valued client in the banking industry. With decades of industry leadership, we believe that cognitive systems that understand, reason and learn, in combination with blockchain networks and delivered on Cloud can transform operations, compliance and engagement, delivering truly individualised and secure client experiences. YES Bank has been an early adopter of technology to transform employee and client experiences and we look forward to a continued partnership with them."

Shekhar Bajaj, CMD, Bajaj Electricals, said, "The BlockChain solution by YES BANK is a significant step towards digitally integrated solution for supply chain financing. This solution enables us to do timely processing of the vendor payment through vendor financing from the bank without physical documents and manual intervention. It also enables us and our vendor to track the status of the transactions on real time basis."

YES BANK will also use IBM Watson APIs on IBM Bluemix to drive a pioneering engagement program that will enrich the digital experience of the bank's partners, developers as well as corporate clients. The program is a conversational agent service of IBM Bluemix cloud which uses Watson APIs (Natural Language Classifier & Conversation Agent) to create a natural language interaction with the partners and external developers, when providing support on queries related to YES BANK banking APIs, the Blockchain APIs, how to subscribe etc. The aim of the system is to help YES Bank's partners and developers onboard and integrate their system quickly and simply whilst keeping waiting times to a bare minimum. With the conversation agent being able to find answers from the various backend sources in just a split second, the staff will be freed up to handle more complex problems and partners can benefit from a much simpler and faster process.

YES BANK has put in place a detailed roadmap on commercialising Blockchain based Banking solutions in India and is exploring use cases for implementation towards 'Letter of Credit' and Documentary Collections, Foreign Remittances and Partnering with Correspondent Banks for Trade Finance among others.



About YES BANK

YES BANK, India's fifth largest private sector Bank with a pan India presence across all 29 states and 7 Union Territories of India, headquartered in the Lower Parel Innovation District (LPID) of Mumbai, is the outcome of the professional & entrepreneurial commitment of its Founder Rana Kapoor and its 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 offers a superior customer experience for its retail, corporate and emerging corporate banking clients. YES BANK is steadily evolving as the Professionals' Bank of India with the long term mission of "Building the Finest Quality Bank of the World in India by 2020".

For further information, please contact:

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