December 23, 2016

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

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

Dear Sirs,

Re: YES BANK receives ratings from both CARE Ratings and India Ratings for Basel III AT1 Bonds for additional INR 1500 Crore

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**

Shivanand R. Shettigar
Company Secretary

Encl: As above

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PRESS RELEASE

YES BANK receives ratings from both CARE Ratings and India Ratings for Basel III AT1 Bonds for additional INR 1500 Crore

- ✓ Rating of CARE AA (Stable) from CARE Ratings
- ✓ Rating of Ind AA with Stable Outlook from India Ratings & Research

Mumbai, December 23, 2016: YES BANK, India's 5th largest private sector Bank has announced that it has received ratings for an additional amount of INR 1500 Cr of Basel III Compliant AT1 (Additional Tier-1) Bonds. This takes the quantum of rated Basel - III Compliant AT1 bonds to INR 3600 Cr.

- ✓ CARE Ratings - CARE AA with Stable Outlook
- ✓ India Ratings & Research (a Fitch Group Company) – Ind AA with Stable Outlook – Link to the detailed Rating Rationale.

YES BANK had announced on 19th December, 2016 that it has received ratings for INR 2100 Crores of Basel III Compliant AT1(Additional Tier-1) Bonds (*Link to the Press Announcement: https://www.yesbank.in/media/press-releases/fy-2016-17/yes-bank-receives-ratings-from-both-care-ratings-and-india-ratings-for-basel-iii-at1-bonds*)

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".

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YES BANK LTD. MUMBAI

DECEMBER 22, 2016

CARE ASSIGNS 'CARE AA' TO ADDITIONAL TIER I BONDS (BASEL III) OF YES BANK LIMITED

Ratings

Instruments / Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Additional Tier I Bonds (Basel III)#	1,500	**CARE AA; Stable (Double A; Outlook: Stable)**	**Assigned**
Total	**1,500 (Rupees One thousand five hundred crore only)**		

Other Outstanding Ratings

Instruments / Facilities	Amount (Rs. crore)	Ratings
Additional Tier I Bonds (Basel III)#	2,100	**CARE AA; Stable (Double A; Outlook: Stable)**
Infrastructure Bonds – I	2,500.0	**CARE AA+; Stable (Double A Plus; Outlook: Stable)**
Infrastructure Bonds – II	2,500.0	**CARE AA+; Stable (Double A Plus; Outlook: Stable)**
Lower Tier II Bonds	3,534.9	**CARE AA+; Stable (Double A Plus; Outlook: Stable)**
Tier II Bonds (Basel III)	4,900.0	**CARE AA+; Stable (Double A Plus; Outlook: Stable)**
Upper Tier II Bonds@	2,402.6	**CARE AA; Stable (Double A; Outlook: Stable)**
Perpetual Bonds (Basel II)@	526.0	**CARE AA; Stable (Double A; Outlook: Stable)**

@CARE has rated the aforesaid Upper Tier II Bonds and the Perpetual Bonds after taking into consideration their increased sensitiveness to Yes Bank's Capital Adequacy Ratio (CAR), capital raising ability and profitability during the long tenure of the instruments. The rating factors in the additional risk arising due to the existence of the lock-in clause in hybrid instruments. Any delay in payment of interest/principal (as the case may be) following invocation of the lock-in-clause, would constitute as an event of default as per CARE's definition of default and as such these instruments may exhibit a somewhat sharper migration of the rating compared with conventional subordinated debt instruments.

#CARE has rated the aforesaid Basel III Compliant Tier-I Perpetual Bonds (Additional Tier I Bonds (Basel III)) after taking into consideration its key features as mentioned below:

- The bank has full discretion at all times to cancel coupon payments.
- The coupon is to be paid out of current year profits. However, if the current year's profits are not sufficient, i.e., payment of such coupon is likely to result in losses during the current year, the balance of coupon payment may be made

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

out of revenue reserves and/or credit balance in profit and loss account provided the bank meets the minimum regulatory requirements for Common Equity Tier I [CET I], Tier I and Total Capital Adequacy Ratios and capital buffer frameworks as prescribed by the Reserve Bank of India [RBI].

- The instrument may be written-down upon CET I breaching the pre-specified trigger of 5.5% before March 31, 2019, and 6.125% on and after March 31, 2019, or written-off / converted into common equity shares on occurrence of the trigger event called point of non-viability (PONV). The PONV trigger shall be determined by RBI.

Any delay in payment of interest/principal (as the case may be) due to invocation of any of the features mentioned above would constitute as an event of default as per CARE's definition of default and as such these instruments may exhibit a somewhat sharper migration of the rating compared with other subordinated debt instruments.

Rating Rationale

The rating factors in comfortable capital adequacy, experienced senior management team, good profitability and comfortable asset quality. The ratings are, however, constrained due to high reliance on corporate deposits and low proportion of retail loan book. Asset quality, resource profile and increase in the retail asset book are the key rating sensitivities.

Background of Yes Bank Ltd. (YBL)

YBL is a new generation private sector bank incorporated in November 2003. The bank had a deposit growth of 23% and advances growth of 30% in FY16. The number of branches and ATM stood at 860 (FY15: 631) and 1,609 (FY15: 1,194) respectively as on March 31, 2016. The bank has one wholly owned subsidiary, Yes Securities (India) Ltd. which is engaged in stock broking services and distribution of financial products. Yes Bank has also received in principle approval from SEBI to set-up an Asset Management Company in July 2016. Due to the expansion in the branch network, the employee count increased from 10,810 as at March 31, 2015 to 15,000 at March 31, 2016. Mr. Ashok Chawla is the Non-Executive Chairperson (effective October 2016) and Mr. Rana Kapoor is the MD & CEO of YBL.

In FY16, bank's total income grew by 19% to Rs.16,246 crore while the net profit increased by 27% to Rs.2,539 crore. The Gross NPA ratio and Net NPA ratio stood at 0.76% and 0.29%, respectively as on March 31, 2016. As per Basel III, the bank reported a Capital Adequacy ratio of 16.50% (Tier I – 10.70%, CET1 – 10.30%) as on March 31, 2016. CASA deposit proportion improved to 28.1% as on March 31, 2016 as compared with 23.1% as on March 31, 2015.

In H1FY17, the bank's net profit was Rs.1,533 crore on total income of Rs.9,745 crore. Gross & Net NPA stood at 0.83% and 0.29% as on September 30, 2016. Total CAR as per Basel III stood at 14.10% with Tier I CAR at 9.20% (Common Equity Tier1 Ratio: 8.90%) at the end of September 2016.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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India Ratings & Research
A Fitch Group Company

India Ratings Assigns Yes Bank's INR15 billion AT1 Bonds 'IND AA'; Outlook Stable

22 DEC 2016

By Udit Kariwala

India Ratings and Research (Ind-Ra) has assigned Yes Bank Ltd's proposed INR15 billion of Basel-III Additional Tier-1 (AT1) bonds an 'IND AA' rating with a Stable Outlook. This takes the total quantum of Basel-III compliant ATI bonds rated by Ind-Ra to INR36 billion. A full list of rating actions is at the end of this commentary.

Ind-Ra has notched down the rating for Yes Bank's AT1 bonds from its Long-Term Issuer Rating. For AT1 instruments, the agency considers 'discretionary component', 'coupon omission risk', and 'write-down/conversion risk' as the key parameters to arrive at the final rating. The agency recognises the unique going-concern loss absorption features that these bonds carry and differentiates them from the bank's senior debt (one notch in this case) factoring in a higher probability of an ultimate loss for investors in these bonds. Ind-Ra envisages coupon deferrals and principal write-down risk as a remote possibility in view of Yes Bank's financial strength, adequate revenue reserve buffers and its track record of consistent operating performance through cycles.

KEY RATING DRIVERS

The ratings factor in the bank's demonstrated superior ability to manage its credit risk, high mix of better rated large borrowers, reasonably large and expanding franchise on both asset and liability sides, and strengthening of profitability buffers. The bank also generates a sizeable fee income, primarily from its corporate clients, which supports its profitability buffers. Yes Bank's proportion of bulk funding is higher than that of better rated peers though the bank's concentration on deposit side has shown an improving trend. However, the bank runs an asset-liability tenor gap on account of a lower share of the current account and saving account deposit ratio than larger peers.

The Stable Outlook reflects Ind-Ra's expectation that any deterioration in Yes Bank's asset quality will be adequately absorbed by its operating profits without any impairment in its Tier 1 capitalisation (September 2016: Tier 1 ratio of 10.1%). The ratings also factor in the agency's expectation that the bank would maintain above average core capitalisation on an ongoing basis in line with its higher rated private sector peers.

To read a detailed rating rationale, please click here.

RATING SENSITIVITIES

Positive: Increase in franchise scale, along with a considerable improvement in retail franchise with a more granular funding and asset mix, while building stronger capital and operating buffers could lead to a Positive Outlook.

Negative: Significantly higher-than-expected deterioration in the asset quality, weaker-than-expected capital buffers and impairment in the funding profile could lead to a Negative Outlook.

COMPANY PROFILE

Yes Bank is a new generation private bank headquartered in Mumbai. It was incorporated in 2004 and has grown to become a full service commercial bank. The bank reached an asset size of INR1.87 trillion at end-September 2016, with 2QFY17 clocking a net profit of INR8.01 billion. At 2QFYE17, the bank had a network of 950 branches and 1,756 ATMs spread across the country.

Yes Bank's ratings are as follows (including the above):
- Long-Term Issuer Rating: 'IND AA+'; Outlook Stable
- Short-Term Issuer Rating: 'IND A1+'
- Proposed INR36 billion (increased from the earlier proposed INR21 billion) Additional Tier-1 Basel III Bonds: 'IND AA'; Outlook Stable

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

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Rating Outstanding

(As on 22/Dec/2016)

Long Term Issuer Rating	IND AA+ / Stable	
Short Term Issuer Rating	IND A1+	
Bond	IND AA / Stable	INR 15000 m
Bond	IND AA / Stable	INR 21000 m

Applicable Criteria

Financial Institutions Rating Criteria
Rating FI Subsidiaries and Holding Companies

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