

YES BANK announces Q3FY11 and 9MFY11 Financial Results

- *Net Profit of ₹191.1 crore in Q3FY11; y-o-y growth of 51.8%*
- *Net Profit of ₹523.7 crore in 9M FY11 ; y-o-y growth of 55.1 %*
- *Non-interest income y-o-y growth of 26.5% in Q3FY11*
- *Loan growth of 66.3%, Deposit growth of 79.0% y-o-y*

Highlights for Third Quarter ended Dec 31, 2010 (Q3FY11)

- Net Profit up 51.8% to ₹ 191.1 cr (₹ 125.9 cr in Q3FY10)
- Net Interest Income up 53.2% to ₹ 323.1 cr (₹ 210.9 cr in Q3FY10)
- Non Interest Income up 26.5% to ₹ 161.7 cr (₹ 127.8 Cr in Q3FY10)
- Operating Profit up 44.0% to ₹ 311.2 cr (₹ 216.2 cr in Q3FY10)
- Cost to Income ratio of 35.8%
- Net Interest Margin at 2.8%
- Return on Average Assets -RoA(annualized) of 1.5%; RoA has been at or above 1.5% over the past 9 quarters
- Return on Equity-RoE (annualized) of 21.3%; approximately 20% or above over past 9 quarters
- Basic EPS of ₹ 5.52 and Diluted EPS of ₹ 5.28

Highlights for 9 months ended Dec 31, 2010 (9MFY11)

- Net Profit up 55.1% to ₹ 523.7 cr (₹ 337.7 cr in 9MFY10)
- Net Interest Income up 65.2% to ₹ 898.4 cr (₹ 543.8 cr in 9MFY10)
- Non Interest income up 5.1% to ₹ 436.5 cr (₹ 415.4 Cr in 9MFY10)
- Operating Profit up 38.9% to ₹ 841.6 cr (₹ 605.8 cr in 9MFY10)
- Cost to Income ratio of 36.9%
- Net Interest Margin at 2.9%
- Return on Average Assets – RoA of 1.6%
- Return on Equity – RoE of 20.6%
- Basic EPS of ₹ 15.25 and Diluted EPS of ₹ 14.59

Other Key Highlights as at Dec 31, 2010

- Advances up 66.3% to ₹ 31,112.2 cr (₹ 18,710.4 cr at Dec 31, 2009)
- Deposits up 79.0% to ₹ 39,452.8 cr (₹ 22,038.6 cr at Dec 31, 2009)
- Basel II Capital Adequacy Ratio of 18.2% (Tier I – 10.4%)
- Gross NPA at 0.23% of Gross Advances
- Net NPA at 0.06% of Net Advances
- Specific provisioning cover at 76.1%
- Book value per share of ₹ 106.51 (₹ 65.99 as at Dec 31, 2009)

Mumbai, January 20, 2011: The Board of Directors of YES BANK Ltd. took on record the un-audited Q3FY11 and un-audited 9MFY11 results at its meeting held in Mumbai today.

Commenting on the results and financial performance, Rana Kapoor, Managing Director & CEO, YES BANK said, “YES BANK has delivered another successful quarter of financial performance despite heightened event risks and market volatility on the back of stable net interest income and sustained fee income growth reflecting the further deepening of relationships in the Corporate Segments of the Bank. The Bank received its maiden International Investment Grade rating of Baa3 from Moody’s which is at par with India’s Sovereign Debt Rating. This rating is truly a validation of the superior financial performance and strong risk management practices of YES BANK. The Bank also continued to get domestic & international recognition and was awarded India’s Best Mid-sized Bank by the Business Today-KPMG Best Bank Survey 2010.”

Summary Balance Sheet

| (₹ in Crore) | 31-Dec-10 | 31-Dec-09 | Growth |
|----------------------------|-----------------|-----------------|--------------|
| Advances | 31,112.2 | 18,710.4 | 66.3% |
| Investments | 15,222.3 | 8,282.0 | 83.8% |
| Shareholders’ funds | 3,693.7 | 1,981.3 | 86.4% |
| Total Capital Funds | 6,832.0 | 3,751.7 | 82.1% |
| Deposits | 39,452.8 | 22,038.6 | 79.0% |
| Total Balance Sheet | 52,244.7 | 29,587.5 | 76.6% |

Summary Profit & Loss

| (₹ in Crore) | Q3FY11 | Q3FY10 | Growth | 9MFY11 | 9MFY10 | Growth |
|----------------------------|--------|--------|--------|--------|--------|--------|
| Net Interest Income | 323.1 | 210.9 | 53.2% | 898.4 | 543.8 | 65.2% |
| Non Interest Income | 161.7 | 127.8 | 26.5% | 436.5 | 415.4 | 5.1% |
| Total Net Income | 484.8 | 338.7 | 43.1% | 1334.9 | 959.2 | 39.2% |
| Operating Expense | 173.6 | 122.6 | 41.6% | 493.3 | 353.4 | 39.6% |
| Operating Profit | 311.2 | 216.2 | 44.0% | 841.6 | 605.8 | 38.9% |
| Profit after Tax | 191.1 | 125.9 | 51.8% | 523.7 | 337.7 | 55.1% |

Q3FY11 and 9MFY11 Financial Performance highlights

- **Stable growth in Advances and Deposits:** Total Advances grew by **66.3%** to ₹ 31,112.2 crore as at December 31, 2010 from ₹ 18,710.4 crore as at December 31, 2009. Investments grew by **83.8%** to ₹ 15,222.3 crore as at December 31, 2010 from ₹ 8,282.0 crore as at December 31, 2009.

Total Deposits grew by **79.0%** to ₹ 39,452.8 crore as at December 31, 2010 from ₹ 22,038.6 crore as at December 31, 2009. Current and Savings Account (CASA) deposits grew by **81.1%** to ₹ 4,036.9 crore taking the CASA ratio to 10.2% as at December 31, 2010. The Bank’s Total Assets grew by **76.6%** to ₹ 52,244.7 crore as at December 31, 2010 from ₹ 29,587.5 crore as at December 31, 2009.

Corporate & Institutional Banking accounted for 67.6% of the portfolio, Commercial Banking accounted for 22.3% and Branch Banking – 10.1%. The Commercial Banking franchise has witnessed increased traction in Q3 FY11, reflecting an increase in granularity in the loan book in line with Version 2.0 vision of the Bank.

Advances to 2G telecom service providers is at 7.6% of Total Advances; restricted to strong, well established incumbents. NIL advances to new telecom service providers. Advances to Micro-finance Institutions including pool buyouts are at 0.94% of Total Advances, across 15 borrowers with NIL over dues.

- **Stable Net Interest Income (NII) Growth:** NII for Q3FY11 increased by 53.2% y-o-y to ₹ 323.1 crore from ₹ 210.9 crore in Q3FY10. This was on account of a sustained growth in advances & relatively stable NIM of 2.8%.

NII for 9MFY11 was up 65.2% to ₹ 898.4 crore as compared to ₹ 543.8 crore for 9MFY10. NIM for the Bank was 2.9% in 9MFY11.

- **Strong growth in Non Interest Income streams:** Non Interest Income grew by 26.5% y-o-y to ₹ 161.7 crore for Q3FY11. This was on the back of steady growth in Financial Markets, Transaction Banking and Branch Banking Fees & Others business streams that displayed healthy traction y-o-y and sequentially. Components of Non Interest Income for Q3FY11 were as follows: Transaction Banking – ₹ 49.8 crore, Financial Advisory – ₹ 53.5 crore, Financial Markets – ₹ 41.0 crore and Branch Banking Fees & Others – ₹ 17.4 crore.

Non Interest Income displayed marginal growth of 5.1% to ₹ 436.5 crore in 9MFY11 as compared to ₹ 415.4 crore in 9MFY10 despite significant treasury gains in Q1FY10; on account of continued traction in Transaction Banking and Financial Advisory business streams. Components of Non Interest Income for 9MFY11 were as follows: Transaction Banking – ₹ 122.4 crore, Financial Advisory – ₹ 193.3 crore, Financial Markets – ₹ 77.7 crore and Branch Banking Fees & Others – ₹ 43.1 crore.

- **Operating and Net profit:** Operating profit for Q3FY11 was up 44.0% to ₹ 311.2 crore as compared to ₹ 216.2 crore for Q3FY10 driven by healthy growth in Total Net Income. The Cost to Income ratio was 35.8% in Q3FY11 versus 36.2% in Q3FY10. PAT in Q3FY11 was up 51.8% at ₹ 191.1 crore from ₹ 125.9 crore for Q3FY10 (highest ever for the Bank since its inception).

Operating profit for 9MFY11 was up 38.9% to ₹ 841.6 crore as compared to ₹ 605.8 crore for 9MFY10. The Cost to income ratio was 36.9% in 9MFY11 versus 36.8% in 9MFY10. PAT for 9MFY11 was up 55.1% to ₹ 523.7 crore from ₹ 337.7 crore in 9MFY10.

- **Consistently healthy Asset Quality:** Gross Non Performing Advances as a proportion of Gross advances was at 0.23% while Net Non Performing Advances as a proportion of Net advances was at 0.06% as at December 31, 2010 as against 0.29% and 0.09% respectively as at December 31, 2009.

Bank's total loan loss coverage ratio was at 283% while specific provisioning cover was at 76.1% as at December 31, 2010.

Total Restructured Advances (excluding NPAs) is ₹ 83.7 crore as at December 31, 2010. This represents 0.27% of the Gross Advances.

- **Strong Shareholders' returns:** The Bank delivered RoE of 21.3% and RoA of 1.5% for Q3FY11. RoE is 20.6% and ROA was 1.6% for 9MFY11. Return on Assets has been at or above 1.5% over the past 9 quarters, and Return on Equity has been approximately 20% or above over the same period.

- **Capital Funds:** Tier I Capital stood at **10.4%** and total CRAR stood at **18.2%** as at December 31, 2010. Total Capital funds grew by 82.1% to ₹ 6,832.0 crore as at Dec 31, 2010 compared to ₹ 3,751.7 crore as at Dec 31, 2009.
- **Employee Count:** Current headcount at 3,785 expanded from 2,816 on Dec 31, 2009, an increase of 969 employees.

Business Highlights

Awards & Recognitions

- YES BANK received its maiden International Investment Grade rating from Moody's Investor Services. YES BANK has been assigned a **Baa3 long-term and Prime-3 short-term** global local-currency deposit ratings by Moody's. The outlook on all ratings is stable. The Baa3 rating is an investment grade rating, at par with India's Sovereign Debt Rating
- YES BANK received India's **Best Mid-sized Bank** (balance sheet < 50,000 cr) award at the **Business Today-KPMG Best Bank Survey & Awards 2010**. The Bank also received the award for being the **No. 1 Mid-sized Bank** on the parameters of Growth, Strength and Quality of Assets
- YES BANK received the **Fastest Growing Bank** award (balance sheet between ₹ 30,000 cr - ₹ 100,000 cr) at the **Businessworld Best Bank Awards 2010**
- Mr. Rana Kapoor recognized as the **2nd Most 'Valueable' CEO** in this year's survey of Most Value-able CEOs by Businessworld Magazine
- Mr. Rana Kapoor, received top CEO award for '**Institution Building**' at the **1st SIAS (Srilanka, India, Africa, and Singapore) Achievers & Leaders Awards** in Colombo. These awards recognize the individual's contribution in the areas of Brand Building, Institutional Building, and Talent Management
- YES BANK received an award for being the '**Organization with Most Innovative HR Practices**' at the '**South-East Asia Human Resources Excellence Awards 2010**' in Malaysia
- YES BANK received the award for being the '**Organization with Best Practices in Talent Management**' at the '**Talent Excellence Awards**' in London
- YES BANK was awarded **ISO 27001:2005 Certification** for its "**Information Security Management System**" by the British Standard's Institution (BSI).
- YES BANK received the **BestPrax Award for Innovation in the Service Sector** at the **Qimpro Convention 2010 held on September 24, 2010**. The Bank received this award, for its nomination titled "**Focused Information Based Service Delivery - CRM, Kaleidoscope and One View**". This is the **second consecutive year** for YES BANK to receive this award for innovation
- YES BANK received the **Best Corporate Social Responsibility Practice** award at the NASSCOM Foundation-BSE Social and Corporate Governance Awards 2010
- YES BANK received a "**Certificate of Commendation for Strong Achievement**" at CII-ITC Sustainability Awards held in New Delhi

Expansion Initiatives

- YES BANK added 14 new branches across 8 locations during the quarter. Total branch count is **185 branches across 149 cities**, with an additional 9 branches under progress and two National Operating Centres in Mumbai and Gurgaon. It has also expanded its Corporate Offices in Mumbai, New Delhi, Chennai, Bangalore and Kolkata.

Financial Advisory & Corporate Finance

- YES BANK was the **Co-Book Running Lead Manager** for the ₹ 776.2 crores Initial Public Offering of A2Z Maintenance & Engineering Services Limited (A2Z) comprising of a fresh issue and offer for sale of shares of the company
- YES BANK was the **Exclusive Advisor** to DEG, investment arm of the Federal republic of Germany, for divestment of its entire shareholding in Ballarpur Industries Ltd.

Strategic Alliances

- YES BANK entered into a strategic partnership with **National Collateral Management Services Limited (NCMSL)**, a major agri-infrastructure player, for **collateral management and warehousing services**.
- YES BANK and Shinsei Bank Limited, a leading diversified financial institution in Japan signed a **Memorandum of Understanding to advise Indian and Japanese companies on cross-border deals** between the two countries.

About YES BANK

YES BANK, India's new age private sector Bank, is the outcome of the professional & entrepreneurial commitment of its Promoter & 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 emerging corporate banking clients. YES BANK is steadily evolving as the Professionals' Bank of India with the long term mission of "Building the Best Quality Bank of the World in India".

For further information, please contact:

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