

Press Release

## YES BANK announces Q1FY11 Financial Results

- **Net Profit of Rs. 156.4 crore in Q1FY11; highest ever since inception (56.3% y-o-y)**
- **Loan growth of 107.2% y-o-y, Deposit growth of 97.1% y-o-y**
- **Net Interest Income up 67.1% at Rs. 262.1 Crore**

### Summary Highlights for the quarter

- Net Profit up 56.3% to Rs. 156.4 cr (Rs. 100.1 cr in Q1FY10)
- Operating Profit up 25.9% to Rs. 249.0 cr (Rs 197.8 cr in Q1FY10)
- Net Interest Margin (NIM) steady at 3.1% in Q1FY11 (3.1% in Q1FY10)
- Core Non-Interest Income up 29.6% at Rs. 143.8 cr
- Cost to Income ratio of 38.7%, below 40% for 5 successive quarters
- Total assets up 88.9% to Rs. 40,928.6 cr as at Jun 30, 2010 (Rs. 21,669.4 cr as at Jun 30, 2009)
- Advances up 107.2% to Rs. 26,256.8 cr as at Jun 30, 2010 (Rs. 12,670.5 cr as at June 30, 2009)
- Deposits up 97.1% to Rs. 30,238.7 cr as at Jun 30, 2010 (Rs. 15,342.3 cr as at June 30, 2009)
- Return on Average Assets -RoA (annualized) of 1.62%, greater than 1.5% over last 7 quarters
- Return on Equity-RoE (annualized) of 19.71%, despite significant capital raised in Q4 FY10
- Basic EPS of Rs. 4.59 and Diluted EPS of Rs. 4.41
- Gross NPA at 0.23% of Gross Advances (0.48% as at Jun 30, 2009)
- Net NPA at 0.04% of Net Advances (0.24% as at Jun 30, 2009)
- Capital Adequacy Ratio of 16.57% and Tier I Ratio of 10.32% as at Jun 30, 2010
- Specific provisioning cover at 81.43% (50.55% as at Jun 30, 2009)
- Book value per share of Rs. 95.52 (Rs. 58.06 as at Jun 30, 2009)

**Mumbai, July 21, 2010:** The Board of Directors of YES BANK Ltd. took on record the unaudited Q1FY11 results at its meeting held in Mumbai today.

**Commenting on the results and financial performance, Rana Kapoor, Founder/Managing Director & CEO, YES BANK said,** "YES BANK has consistently achieved record profits, and for the first time achieved over Rs. 150 crore of Net Profit for the quarter ended June 30, 2010, on the back of strong credit growth of 107.2% y-o-y, & steady margins with NIMs stable at 3.1%. The Bank has received 91 new branch licenses and plans to open 100 new branches across India, and take the branch network to 250 within the next one year. I truly believe that this incremental branch expansion is a significant organizational imperative for the Bank's next phase of growth Version 2.0 that will further propel Retail/SME Banking initiatives and provide further acceleration in building our CASA and fixed deposits granularly."

### Summary Balance Sheet

| (Rs in Crore)             | 30-Jun-10       | 30-Jun-09       | Growth %      |
|---------------------------|-----------------|-----------------|---------------|
| Advances                  | 26,256.8        | 12,670.5        | 107.2 %       |
| Investments               | 11,017.5        | 6,409.4         | 71.9 %        |
| Shareholders' funds       | 3,257.4         | 1,725.0         | 88.8 %        |
| Total Capital Funds       | 5,225.4         | 3,154.9         | 65.6 %        |
| Deposits                  | 30,238.7        | 15,342.3        | 97.1 %        |
| <b>Balance Sheet Size</b> | <b>40,928.6</b> | <b>21,669.4</b> | <b>88.9 %</b> |

### Summary P&L

| (Rs in Crore)           | Q1FY11       | Q1FY10       | Growth %      |
|-------------------------|--------------|--------------|---------------|
| Net Interest Income     | 262.1        | 156.8        | 67.1 %        |
| Non Interest Income     | 143.8        | 152.1        | -5.4 %        |
| <b>Total Net Income</b> | <b>405.9</b> | <b>308.9</b> | <b>31.4 %</b> |
| Operating Expense       | 156.9        | 111.1        | 41.3 %        |
| <b>Operating Profit</b> | <b>249.0</b> | <b>197.8</b> | <b>25.9 %</b> |
| <b>Profit after Tax</b> | <b>156.4</b> | <b>100.1</b> | <b>56.3 %</b> |

### Q1FY11 Performance highlights

- **Exponential growth in Advances and Deposits:** Total Advances grew by **107.2%** to Rs. 26,256.8 crore as at Jun 30, 2010 from Rs. 12,670.5 crore as at Jun 30, 2009. Further, the advances grew sequentially by 18.3% over Rs. 22,193.1 crore in March 31, 2010.

Break-up of the total non-Priority Sector Loans as at Jun 30, 2010 was as follows – Corporate & Institutional Banking – 73.4%, Commercial Banking – 22.0% and Branch Banking – 4.5%. The proportion of Wholesale Banking has increased on account of selective lending to key incumbent telecom operators in the recent 3G auction and select infrastructure loans.

Total Deposits nearly doubled to Rs. 30,238.7 crore as at Jun 30, 2010 from Rs. 15,342.3 crore as at Jun 30, 2009. Current and Savings Account deposits grew by **118.8%** y-o-y to 3,179.9 crore taking the CASA ratio to 10.5% in the overall deposit mix. During the same period, the Bank's Balance Sheet grew by **88.9%** to Rs. 40,928.6 crore as at Jun 30, 2010 from Rs. 21,669.4 crore as at Jun 30, 2009.

- **Robust growth in Net Interest Income (NII):** Net Interest Income (NII) for Q1FY11 was up **67.1%** to Rs. 262.1 crore as compared to Rs. 156.8 crore for Q1FY10. This was on account of an exponential growth in advances & investments coupled with steady Net Interest Margin (NIM). NIM for Q1FY11 stood at **3.1%**, the same as in Q1FY10.
- **Healthy growth in Core Non Interest Income streams:** Core Non Interest Income grew by 29.6% from Rs. 111.0 crore for Q1 FY10 to Rs. 143.8 crore for Q1FY11. Core Non Interest Income for Q1FY10 excludes a Rs. 41.1 crore gain on account of sale of government securities. Components of Non Interest Income for Q1FY11 were as follows: Transaction Banking – Rs. 34.3 crore, Financial Advisory – Rs. 76.1 crore, Financial Markets – Rs. 22.6 crore and Retail Fees & Others – Rs. 10.9 crore. Transaction Banking (grew 37.3%), Financial Advisory (grew 200.4%) and Retail Fees & Others (grew 10.2%) demonstrating healthy growth over Q1FY10. However, Financial Markets declined y-o-y by 75.4% due to negligible trading gains in Q1FY11 compared to Q1FY10.
- **Healthy growth in operating/net profits:** Operating profit for Q1FY11 was up **25.9%** to Rs. 249.0 crore as compared to Rs. 197.8 crore for Q1FY10 driven primarily by strong growth in Net Interest Income and steady NIMs. Profit after tax for Q1FY11 was up **56.3%** at Rs. 156.4 crore as compared to Rs. 100.1 crore for Q1FY10.

- **Consistently healthy Asset Quality:** The Bank continues to maintain minimal Net NPAs. While Gross NPAs reduced by 25 bps y-o-y to 0.23% (0.48% as on Jun 30, 2009), Net NPA reduced by 20 bps to 0.04% (0.24% as at Jun 30, 2009). Gross NPAs and Net NPAs were at 0.27% and 0.06% at as Mar 31, 2010.

Bank's total loan loss coverage ratio was at 309.1% while specific provisioning cover was at 81.43% as at Jun 30, 2010. Total restructured advances were Rs. 80.4 crore as at June 30, 2010 which constituted 0.31% of the Gross Advances as at June 30, 2010.

- **Capital funds:** Tier I Capital at **10.32%** and total capital adequacy of **16.57%** as at Jun 30, 2010. Unaudited profits for Q1 FY11 not considered in capital funds as per recent RBI clarification.
- **Superior Shareholders' returns:** The Bank delivered RoE of **19.71%** (annualized) and RoA of **1.62%** (annualized) for Q1FY11. RoA has been greater than **1.5%** for the last 7 quarters, and Return on Equity has been maintained around **20%** despite a 52% increase in core capital funds vide a QIP in January 2010.

### **Business Highlights**

#### **Awards & Recognitions**

- **ICRA** (an affiliate of Moody's Rating Service) has upgraded the **Lower Tier II Bonds Programme** of YES BANK from LAA- to LAA on the basis of continued robust operating performance with the ability to generate high levels of fee income, technology initiatives, demonstrated ability in raising capital at regular intervals to support growth plans and comfortable capital adequacy.
- **CARE** has **upgraded** the **Lower Tier II Bonds Programme** of YES BANK from 'CARE AA-' to 'CARE AA'.
- Awarded the ISO 9001: 2008 Certification, and is the **first Indian Commercial and Retail Bank** to receive certification for its "**Quality Management Framework (ISO 9001:2008)**" across 100 branches in the country by **Bureau Veritas India**.
- Received the **Asian Banker IT Implementation** award 2010 for the **Best HR Systems Implementation Project**. Over 50 financial institutions from 15 countries across the Asia Pacific, Gulf region and Central Asia were evaluated as part of the Technology Implementation Awards Programme 2010.
- **Only organization** to receive the **BestPrax Compass Award** in the **Service Sector** for its differentiated Knowledge Banking approach. The objective of these awards is to identify '**Best Practices in Leadership and Strategic Planning**', in the Indian Corporate sector.
- Mr. Rana Kapoor received the prestigious international **Indian Business Leader of the Year award at the FICCI-Horasis Global Indian Business Meeting**, organized in association with the Spanish Government in Madrid, Spain on June 21-22, 2010, in recognition of his outstanding contribution towards sustaining growth and ensuring Institutional Excellence.
- Mr. Kapoor has been re-appointed as a **Member of the Board of Trade**, Ministry of Commerce & Industry.
- Mr. Kapoor has been appointed as the **Honorary Secretary of the Indian Banks' Association (IBA)**, the apex Banking Association in India, as well as the **Co-Chair of the IBA Committee on Agri Business and Financial Inclusion**.

- Mr. Kapoor has been appointed as a **Member of the Board of Directors** of “**Invest India**”, a joint venture between the Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry and FICCI.
- Mr. Kapoor has been appointed as a **Member of the Sub-Group of the Taskforce on Funding for Infrastructure Creation**, as part of the **Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry**, initiative for drafting the **National Manufacturing Policy of India**.

#### **Branch Banking – Infrastructure and Service Delivery**

- YES BANK entered into the next phase of growth with the launch of Version 2.0 – the steady development of our Retail Banking Franchise, thereby increasing granularity across both the classes – Liabilities as well as Assets.
- YES BANK received **91 new branch licenses** from RBI in June 2010 (largest ever). The Bank plans to open **100 new branches across India, and take the branch network to 250 within the next one year**. The Bank also plans to have 1200 ATMs by 2012 and 3000 ATMs by 2015 in association with First Data Corporation, USA – an outsourcing partner.
- YES BANK's **Northeast India & West Bengal** operations of 15 Branches (**10 Operational Branches and 5 Branches opening shortly**), were launched by the **Hon'ble Union Finance Minister Shri Pranab Mukherjee** at YES BANK's **Kolkata Branch** on Saturday June 12, 2010.
- YES BANK currently has **153 state-of-the-art branches across 127 cities** in the country with **94 off-site ATMs in Mumbai, Pune and the NCR region, and two National Operating Centres in Mumbai and Gurgaon**.
- YES BANK has launched a **new retail focused advertisement campaign** titled – “**EK SHABDH – YES, SUNNE KO MANN TARSE**”. The campaign is being run through a very extensive & high impact media plan that cuts across **top English Business News Channels, Hindi Business News Channels, English General News Channels and English Movies** genres of channels.

#### **Knowledge Banking**

- YES BANK was the ‘**Infrastructure Banking Partner**’ at the **India Infrastructure Summit 2010** organized by FICCI on April 26, 2010 in New Delhi. **Shri Kamal Nath, Hon'ble Union Minister for Road Transport & Highways** released the YES BANK-FICCI Knowledge Report on ‘**Infrastructure Financing**’ at the summit.
- YES BANK was the **Knowledge Partner** of the **Great Indian Travel Bazaar** which was formally inaugurated at an event on April 11, 2010 in Jaipur, in the presence of **Union Tourism Minister Kumari Selja**.

#### **Responsible Banking**

- YES BANK has entered into a strategic alliance with the Center for Environment Education on June 5, 2010 which is celebrated as the World Environment Day. This partnership is part of the Bank's YES Community program.
- YES BANK has partnered with TERI for the “**TERI-YES BANK Light a Billion Lives**” (LaBL) Financing Program towards providing access to clean light by replacing kerosene and paraffin lanterns with solar lighting devices. The campaign currently is grant funded, while the end users pay a service fee for using the solar charged lanterns.

## About YES BANK

*YES BANK, India's new age 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.*

*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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