

YES BANK - Results Update (Q4FY14 and FY14)

Key Financial Highlights

Income Statement Highlights for Fourth Quarter ended March 31, 2014 (Q4FY14)

- PAT of ₹ 4,302 million compared to ₹ 3,622 million in Q4FY13 representing an increase of 18.8%
- NII of ₹ 7,196 million compared to ₹ 6,381 million in Q4FY13 representing an increase of 12.8%
- Non Interest Income of ₹ 4,455 million compared to ₹ 3,794 million in Q4FY13 representing an increase of 17.4%
- Total Net Income (NII and Non Interest Income) of ₹ 11,651 million compared to ₹ 10,175 million in Q4FY13 representing an increase of 14.5%
- Non Interest Income to Total Net Income ratio of 38.2%
- Cost to Income ratio of 41.6%
- Gross Yield on advances of 12.4%
- Cost of funds of 8.4%
- Net Interest Margin (NIM) of 3.0%
- Return on Average Assets of 1.6% (annualized)
- Return on Equity of 24.3% (annualized)
- Basic EPS of ₹ 11.93 and Diluted EPS of ₹ 11.78 (not annualized)

Income Statement Highlights for Year ended March 31, 2014 (FY14)

- PAT of ₹ 16,178 million compared to ₹ 13,007 million in FY13 representing an increase of 24.4%
- NII of ₹ 27,163 million compared to ₹ 22,188 million in FY13 representing an increase of 22.4%
- Non Interest Income at ₹ 17,216 million compared to ₹ 12,574 million in FY13 representing an increase of 36.9%
- Total Net Income of ₹ 44,378 million compared to ₹ 34,762 million in FY13 representing an increase of 27.7%
- Non Interest Income to Total Net Income ratio of 38.8%
- Cost to Income ratio of 39.4%
- Gross yield on advances of 12.4%
- Cost of funds of 8.4%
- Net Interest Margin (NIM) of 2.9%
- Return on Average Assets of 1.6%
- Return on Equity of 25.0%
- Basic EPS of ₹ 44.92 and Diluted EPS of ₹ 44.35

Balance Sheet Highlights as at March 31, 2014

- Customer Assets (advances and credit substitutes) at ₹ 696.4 billion; growth of 15.4% y-o-y
- Advances at ₹ 556.3 billion; growth of 18.4% y-o-y
- Deposits at ₹ 741.9 billion; growth of 10.8% y-o-y
- CASA at ₹ 163.4 billion and CASA ratio of 22.0%; growth of 28.8% y-o-y
- Balance Sheet size of ₹ 1,090.2 billion; growth of 10.0% y-o-y
- Gross NPA at 0.31% of Gross Advances; Net NPA at 0.05% of Net Advances
- Specific loan loss coverage ratio of 85.1% (excluding counter cyclical provision)
- Total Excess Standard provision now stands at 0.4% of advances
- Total Capital Funds (Tier I + Tier II) of ₹ 109.9 billion as per Basel III (₹ 123.0 billion as at March 31, 2013 as per Basel II)
- Capital Adequacy Ratio of 14.4% at March 31, 2014 (Core Tier I at 9.1%; Tier I at 9.8%)
- Book value per share of ₹ 197.5 (₹ 161.9 as at March 31, 2013)
- Total headcount stands at 8,798 as at March 31, 2014, an increase of 1,774 employees over as at March 31, 2013 (25.3% increase)
- Increased branch network by 130 branches and 188 ATMs over March 31, 2013; Total network now stands at 560 Branches and 1,139 ATMs
- Dividend of ₹ 8 per share (80%) recommended by the Management and the Board, up 33% over FY13. The Bank has established a 5 year track record of dividend payout.

Summary Results & Prior Period Comparison

₹ Million	Q4FY14	Q4FY13	Growth	Q3FY14	Growth	FY14	FY13	Growth
Net Interest Income	7,196	6,381	12.8%	6,654	8.1%	27,163	22,188	22.4%
Non Interest Income	4,455	3,794	17.4%	3,879	14.9%	17,216	12,574	36.9%
Total Net Income	11,651	10,175	14.5%	10,533	10.6%	44,378	34,762	27.7%
Operating Expense	4,847	3,836	26.3%	4,387	10.5%	17,499	13,345	31.1%
Operating Profit	6,804	6,339	7.3%	6,147	10.7%	26,880	21,417	25.5%
Provisions & Contingencies	723	975	-25.9%	133	443.9%	3,617	2,160	67.5%
Provision for Tax	1,779	1,742	2.1%	1,858	-4.2%	7,085	6,251	13.4%
Profit After Tax	4,302	3,622	18.8%	4,156	3.5%	16,178	13,007	24.4%

Income and Profitability trends for last 5 quarters

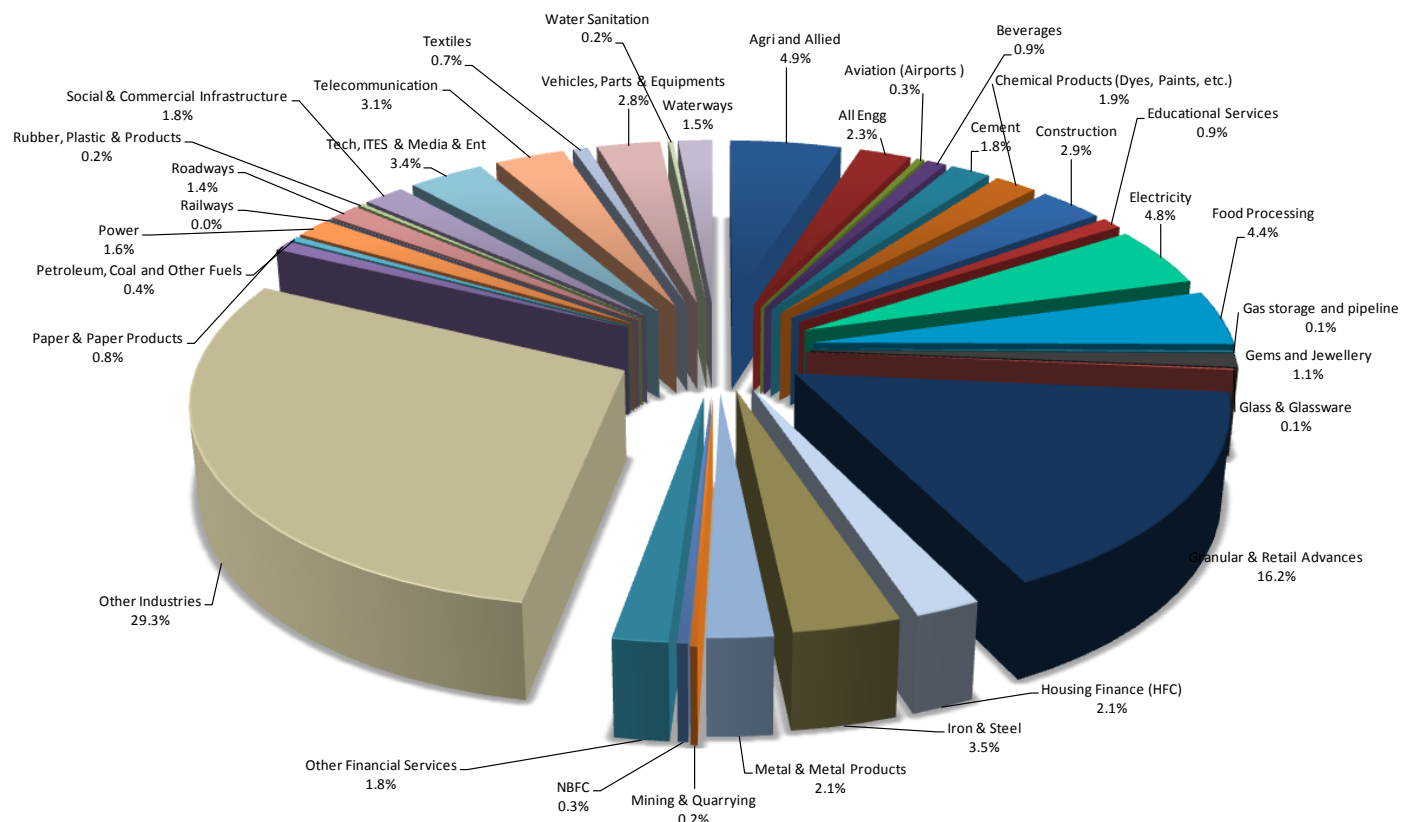
₹ Million	Q4FY14	Q3FY14	Q2FY14	Q1FY14	Q4FY13
Net Interest Income	7,196	6,654	6,721	6,591	6,381
Non Interest Income	4,455	3,879	4,461	4,421	3,794
Transaction Banking	1,338	1,101	907	882	931
Financial Markets	540	705	1,798	1,741	716
Financial Advisory	1,762	1,630	1,240	1,436	1,656
Retail Banking Fees & Others	815	442	516	362	490
Total Net Income	11,651	10,533	11,182	11,012	10,175
% Non Interest Income to Total Net Income	38.2%	36.8%	39.9%	40.1%	37.3%
Operating Expense	4,847	4,387	4,053	4,212	3,836
Operating Profit	6,804	6,147	7,129	6,800	6,339
Net Profit	4,302	4,156	3,711	4,008	3,622
Cost to Income ratio	41.6%	41.6%	36.2%	38.3%	37.7%
NIM	3.0%	2.9%	2.9%	3.0%	3.0%
RoA (Annualized)	1.6%	1.6%	1.5%	1.6%	1.6%
RoE (Annualized)	24.3%	24.4%	23.1%	26.7%	25.2%
No. of Branches	560	517	500	475	430
No. of ATMs	1,139	1,158	1,122	1,051	951

Summary Balance Sheet & Prior Period Comparison for last 5 quarters

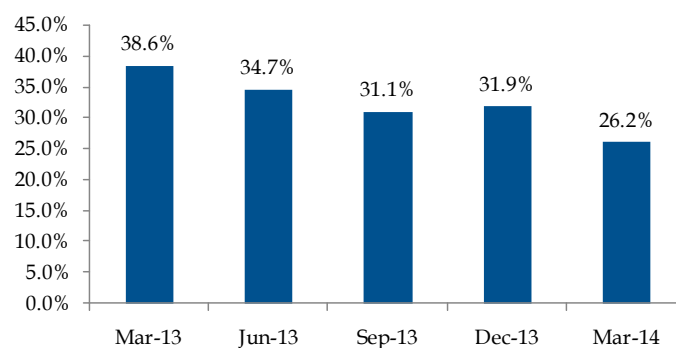
₹ Million	March 31 2014	Dec 31 2013	Sept 30 2013	Jun 30 2013	March 31 2013	y-o-y growth
Assets	1,090,158	1,013,879	1,021,535	1,008,020	991,041	10.0%
Advances	556,330	502,929	477,172	478,976	469,996	18.4%
Investments	409,504	398,701	406,142	418,242	429,760	-4.7%
Customer Assets	696,397	637,842	614,800	612,604	603,563	15.4%
Liabilities + Shareholders' Equity	1,090,158	1,013,879	1,021,535	1,008,020	991,041	10.0%
Shareholders' Funds	71,217	70,279	66,104	62,243	58,077	22.6%
Borrowings	213,143	192,265	178,870	215,254	209,221	1.9%
Deposits	741,920	680,599	675,751	652,448	669,556	10.8%
CASA	163,447	142,461	137,760	131,632	126,875	28.8%

Granular & Diversified Credit Portfolio

- Total Customer Assets (Loans + Credit Substitutes) grew by 15.4% to ₹ 696.4 billion from ₹ 603.6 billion as at March 31, 2013. Total Advances grew by 18.4% to ₹ 556.3 billion from ₹ 470.0 billion as at March 31, 2013.
- Break-up of the Advances as at March 31, 2014 was as follows – Corporate Banking – 63.3%, Commercial Banking (Mid-sized Corporates) – 15.5% and Branch Banking (including MSME) – 21.2%.
- Sectoral distribution of Customer Assets is given below:

**Diversified Liabilities Franchise**

- Diversified, granular and sticky deposits mix from multiple sources
- Continuing growth in number of liability accounts (from both retail and corporate segments); total deposits grew by 10.8% y-o-y to ₹ 741.9 billion.
- CASA deposits grew 28.8% y-o-y to ₹ 163.4 billion as at March 31, 2014. CASA ratio increased to 22.0% as of March 31, 2014.
- Robust growth of 54.9% in SA deposits to ₹ 93,275 million while CA deposits grew 5.3% to ₹ 70,172 million as of March 31, 2014.
- Retail Banking FDs increased 33.4% y-o-y to ₹ 148.3 billion.

Wholesale Deposits**Healthy Asset Book with minimal Net NPAs**

- Gross NPA at ₹ 1,749 million (0.31% of Gross Advances) and Net NPA at ₹ 261 million (0.05% of Net Advances) as at March 31, 2014 (0.20% and 0.01% respectively as at March 31, 2013).
- Specific provision at 85.1% of Gross NPA as at March 31, 2014 (92.6% as at March 31, 2013).
- Total Restructured Advances (excluding NPAs) is ₹ 1,009 million as at March 31, 2014. This represents 0.18% of the Gross Advances down from 0.31% as of March 31, 2013. There have been no new restructurings this quarter.

Expansion Initiatives

- YES BANK added **43** new branches across the country during the quarter taking the Total Branch count to **560**. The Bank has added 130 branches during FY14, up 30.2% over FY13.
- The Bank also added 188 ATMs in FY14, taking the total ATM network to 1,139.
- Employee strength stood at **8,798** as on March 31, 2014; an increase of **1,774** from March 31, 2013.

Awards & Recognitions

- YES BANK was awarded the “**Business Excellence Trophy**” in the Service Category, at the **IMC Ramkrishna Bajaj National Quality Awards-2013**. YES BANK became the first Bank in India to win this coveted recognition
- YES BANK received the ‘**Financial Institutions Syndicated Deal of the Year 2013**’ in the Asia Pacific Region by Asia Pacific Loan Market Association. YES BANK had won this award in 2012 as well.
- YES BANK was adjudged **India Bond House** award at the **IFR Asia Awards 2013** by Thomson Reuters, Singapore



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