

YES BANK announces Q2FY11 and H1FY11 Financial Results

- *Net Profit of ₹176.3 crore in Q2FY11; y-o-y growth of 57.8%*
- *Net Profit of ₹332.6 crore in H1 FY10 ; y-o-y growth of 57.1 %*
- *Loan growth of 86.3%, Deposit growth of 106.6% y-o-y*
- *Total Assets at ₹51,796.3 crores; y-o-y growth of 96.4%*

Highlights for Second Quarter ended Sept 30, 2010 (Q2FY11)

- Net Profit up 57.8% to ₹ 176.3 cr (₹ 111.7 cr in Q2FY10)
- Net Interest Income up 77.9% to ₹ 313.2 cr (₹ 176.0 cr in Q2FY10)
- Non Interest Income at ₹ 131.0 cr (₹ 135.5 Cr in Q2FY10)
- Operating Profit up 46.7% to ₹ 281.4 cr (₹ 191.8 cr in Q2FY10)
- Net Interest Margin at 3.0% (3.1% in Q2FY10)
- Cost to Income ratio of 36.6% (38.4% in Q2FY10)
- Return on Average Assets -RoA(annualized) of 1.52%; at or above 1.5% over past 8 quarters
- Return on Equity-RoE (annualized) of 20.9%; approximately 20% or above over past 8 quarters
- Basic EPS of ₹ 5.13 and Diluted EPS of ₹ 4.92

Highlights for Half Year ended Sept 30, 2010 (H1FY11)

- Net Profit up 57.1% to ₹ 332.6 cr (₹ 211.8 cr in H1FY10)
- Net Interest Income up 72.8% to ₹ 575.3 cr (₹ 332.9 cr in H1FY10)
- Non Interest income at ₹ 274.8 cr (₹ 287.6 Cr in H1FY10)
- Operating Profit up 36.1% to ₹ 530.4 cr (₹ 389.6 cr in H1FY10)
- Net Interest Margin at 3.0% (3.1% in H1FY10)
- Cost to Income ratio of 37.6% (37.2% in H1FY10)
- Return on Average Assets – RoA of 1.51%
- Return on Equity – RoE of 20.2%
- Basic EPS of ₹ 9.73 and Diluted EPS of ₹ 9.34

Other Key Highlights as at Sept 30, 2010

- Advances up 86.3% to ₹ 30,348.1 cr (₹ 16,294.3 cr at Sept 30, 2009)
- Deposits up 106.6% to ₹ 40,013.7 cr (₹ 19,365.1 cr at Sept 30, 2009)
- Basel II Capital Adequacy Ratio of 19.4% (Tier I – 11.0%)
- Gross NPA at 0.22% of Gross Advances (0.31% as at Sept 30, 2009)
- Net NPA at 0.06% of Net Advances (0.08% as at Sept 30, 2009)
- Specific provisioning cover at 74.7% (74.9% as at Sept 30, 2009)
- Book value per share of ₹ 100.87 (₹ 61.85 as at Sept 30, 2009)

Mumbai, October 20, 2010: The Board of Directors of YES BANK Ltd. took on record the un-audited Q2FY11 and audited H1FY11 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 once again delivered robust financial performance with record profit of ₹ 176.3 crores. This has been achieved on the back of sustainable net interest income growth of 77.9% and growth in advances of 86.3% y-o-y. We continue to maintain high productivity and have managed to maintain RoAs at or above of 1.5% over the past 8 quarters. YES BANK has successfully raised over ₹ 1,170 crore through Upper (₹ 640 cr.) as well as Lower Tier II (₹ 306 cr.), and Tier I Perpetual Bonds (₹ 225 cr.) in Q2FY11, which truly demonstrates market appetite for YES BANK’s long term debt, and also allows the Bank to maintain comfortable levels of capital to fund growth plans. This capital raising initiative is in line with our Version 2.0 objective to further propel our Retail/SME/ Commercial Banking initiatives, and provide further acceleration in building our CASA and fixed deposits granularity.”

Summary Balance Sheet

(₹ in Crore)	30-Sep-10	30-Sep-09	Growth	30-Jun-10	Growth
Advances	30,348.1	16,294.3	86.3%	26,256.8	15.6%
Investments	14,454.6	6,981.4	107.0%	11,017.5	31.2%
Shareholders’ funds	3,482.5	1,844.3	88.8%	3,257.4	6.9%
Total Capital Funds	6,816.3	3,608.1	88.9%	5,225.4	30.4%
Deposits	40,013.7	19,365.1	106.6%	30,238.7	32.3%
Total Balance Sheet	51,796.3	26,370.1	96.4%	40,928.6	26.6%

Summary Profit & Loss

(₹ in Crore)	Q2FY11	Q2FY10	Growth	H1FY11	H1FY10	Growth
Net Interest Income	313.2	176.0	77.9%	575.3	332.9	72.8%
Non Interest Income	131.0	135.5	-3.3%	274.8	287.6	-4.5%
Total Net Income	444.2	311.5	42.6%	850.1	620.5	37.0%
Operating Expense	162.8	119.7	35.9%	319.7	230.9	38.5%
Operating Profit	281.4	191.8	46.7%	530.4	389.6	36.1%
Profit after Tax	176.3	111.7	57.8%	332.6	211.8	57.1%

Q2FY11 and H1FY11 Financial Performance highlights

- **Exponential growth in Advances and Deposits:** Total Advances grew by **86.3%** to ₹ 30,348.1 crore as at September 30, 2010 from ₹ 16,294.3 crore as at September 30, 2009. Investments grew by **107.0%** to ₹ 14,454.6 crore as at September 30, 2010 from ₹ 6,981.4 crore as at September 30, 2009.

Total Deposits grew by **106.6%** to ₹ 40,013.7 crore as at September 30, 2010 from ₹ 19,365.1 crore as at September 30, 2009. Current and Savings Account (CASA) deposits grew by **118.9%** to ₹ 4,052.8 crore taking the CASA ratio to 10.1% as at September 30 2010. The Bank’s Total Assets grew by **96.4%** to ₹ 51,796.3 crore as at September 30, 2010 from ₹ 26,370.1 crore as at September 30, 2009.

Corporate & Institutional Banking accounted for 69.8% of the portfolio, Commercial Banking accounted for 19.6% and Branch Banking – 10.6%.

- **Strong Net Interest Income (NII) Growth:** NII for Q2FY11 increased by 77.9% y-o-y to ₹ 313.2 crore from ₹ 176.0 crore in Q2FY10. This was on account of a sustained growth in advances & investments coupled with steady Net Interest Margin (NIM). NIM for the Bank was 3.0% for Q2FY11 versus 3.1% in Q2FY10.

NII for H1FY11 was up 72.8% to ₹ 575.3 crore as compared to ₹ 332.9 crore for H1FY10. NIM for the Bank was 3.0% in H1FY11 versus 3.1% in H1FY10.

- **Stable Non Interest Income streams:** Non Interest Income remained stable y-o-y at ₹ 131.0 crore for Q2FY11. This was on the back of sound growth in Transaction Banking and Financial Advisory businesses that showed steady traction y-o-y. Components of Non Interest Income for Q2FY11 were as follows: Transaction Banking – ₹ 38.3 crore, Financial Advisory – ₹ 63.7 crore, Financial Markets – ₹ 14.1 crore and Retail Fees & Others – ₹ 14.8 crore.

Non Interest Income was slightly lower at ₹ 274.8 crore in H1FY11 as compared to ₹ 287.6 crore in H1FY10; on account of gains from sale of government securities in H1FY10. Components of Non Interest Income for H1FY11 were as follows: Transaction Banking – ₹ 72.6 crore, Financial Advisory – ₹ 139.8 crore, Financial Markets – ₹ 36.7 crore and Retail Fees & Others – ₹ 25.7 crore.

- **Operating and Net profit:** Operating profit for Q2FY11 was up 46.7% to ₹ 281.4 crore as compared to ₹ 191.8 crore for Q2FY10 driven primarily by strong growth in NII. The Cost to Income ratio was 36.6% in Q2FY11 versus 38.4% in Q2FY10. PAT in Q2FY11 was up 57.8% at ₹ 176.3 crore from ₹ 111.7 crore for Q2FY10 (highest ever for the Bank since its inception).

Operating profit for H1FY11 was up 36.1% to ₹ 530.4 crore as compared to ₹ 389.6 crore for H1FY10. The Cost to income ratio was 37.6% in H1FY11 versus 37.2% in H1FY10. PAT for H1FY11 was up 57.1% to ₹ 332.6 crore from ₹ 211.8 crore in H1FY10.

- **Consistently healthy Asset Quality:** Gross Non Performing Advances as a proportion of Gross advances was at 0.22% while Net Non Performing Advances as a proportion of Net advances was at 0.06% as at September 30, 2010 as against 0.31% and 0.08% respectively as at September 30, 2009.

Bank's total loan loss coverage ratio was at 299% while specific provisioning cover was at 74.7% as at September 30, 2010.

Total restructured advances (excluding NPAs) declined by ₹ 11.4 crore sequentially to ₹ 69.0 crore as at September 30, 2010, which constituted 0.23% of the Gross Advances (Sept 30, 2009 Restructured advances was at 0.96% of Gross Advances).

- **Strong Shareholders' returns:** The Bank delivered RoE of 20.9% and RoA of 1.5% for Q2FY11. RoE was 20.2% and ROA was 1.5% for H1FY11. RoA has been at or above 1.5% for the last 8 quarters, and Return on Equity has been approximately 20% or above over the same period.
- **Capital Funds:** Tier I Capital stood at 11.0% and total CRAR stood at 19.4% as at September 30, 2010. Total Capital funds grew by 88.9% to ₹ 6,816.3 crore as at Sept 30, 2010 compared to ₹ 3,608.1 crore as at Sept 30, 2009.

Business Highlights

Capital Raising Initiatives

- YES BANK successfully raised ₹ 225 crore of Perpetual Tier I Capital through private placement of Innovative Perpetual Debt Instruments, rated LAA- by ICRA, with Provident funds and PSU Banks. The Bank raised ₹ 440 crore of Upper Tier II Subordinated Debt, rated LAA- by ICRA, from Life Insurance Corporation of India (LIC) and an additional ₹ 200 crore (Total of ₹ 640 crore) of Upper Tier II 15 year maturity paper.
- In addition, the Bank raised ₹ 306 crores of Lower Tier II Debt, rated LAA by ICRA and CARE AA by CARE, from Banks, Insurance Companies, Provident Funds and Corporates, raising a cumulative of ₹ 1,171 crores in Q2FY11.

Branch Initiatives

- YES BANK's Delhi-NCR operations were launched by the Hon'ble Chief Minister, Government of NCT, Delhi, Smt. Sheila Dikshit on Saturday July 27, 2010 at the flagship YES BANK Regional Headquarters branch in South Extension, New Delhi.
- YES BANK currently has 171 operational branches pan India across 141 city locations. In addition, YES BANK has over 200 ATMs and two National Operating Centres in Mumbai and Gurgaon.

Human Capital

- Total employee strength as on September 30, 2010 was 3,626 (2,733 as of Sept. 30, 2009 and 3,034 as of March 31, 2010, an increase of 592 in the first 6 months).

Knowledge Banking

- YES BANK in association with the Institute of Company Secretaries of India (ICSI) introduced the ICSI - YES BANK Knowledge Forum on Corporate Citizenship for the SME community in Kolkata. The objective of this event is to enable sharing of knowledge, best practices and facilitate greater collaboration amongst the SMEs.
- YES BANK was the Knowledge Partner at the CII Life Sciences Conclave in New Delhi where a report titled "India Life Sciences: Vision 2015" was released in the presence of Dr. VM Katoch, Director General, ICMR and Secretary, Health Services, Government of India.
- YES BANK was the Knowledge Partner at the CII Processed Food Advantage India 2010 held in New Delhi where a report titled "The Indian Processed Food Industry: A Diagnostic Review of Opportunities and Challenges" was released by Shri Subodh Kant Sahai, Hon'ble Minister for Food Processing Industries, Govt. of India
- YES BANK was the Knowledge Partner at the India International Potato Expo-2010, organised by the Indian Chamber of Commerce in New Delhi where a Knowledge Report titled 'Potatoes: Ensuring Food Security in the Developing World' was unveiled by Mr. Subodh Kant Sahai, Hon'ble Minister for Food Processing Industries, Government of India

Strategic Alliances

- YES BANK and Hana Daetoo Investment Bank entered into an exclusive alliance for India-South Korea Cross-Border M&A advisory. South Korean alliance will play an active role towards further augmenting investment flows in the Indo-South Korea corridor.
- YES BANK and Poalim Capital Markets entered into an alliance for India-Israel Cross-Border Investment Banking. The alliance will play an active role towards further augmenting investment flows in the Indo-Israeli corridor.

Financial Advisory

- YES BANK was the **Exclusive Advisor** to **Sadbhav Infrastructure Project Ltd**, a wholly owned subsidiary of Sadbhav Engineering Ltd for raising private equity of ₹ 400 Crores from funds managed by Norwest Venture Partners and The Xander Group Inc., for execution of its road development projects.
- YES BANK is the **Mandated Lead Arranger** of Senior Debt of ₹ 7.89 Billion for a leading Infrastructure Company, for four/six laning of 71.4 kms of NH-8A Extension in the state of Gujarat

Awards & Recognitions

- YES BANK is the **first Indian Bank and the third globally** to receive certification for its **“Complaints Management System (ISO 10002:2004)”** by the British Standard’s Institution (BSI). As a step towards strengthening the overall complaints management process, YES BANK has achieved the ISO 10002:2004 certification, which provides the standard on the process of handling complaints related to products & services within the Bank.
- YES BANK received the **‘BestPrax Compass’** Award at the BestPrax Benchmark Competition 2010.
- YES BANK received 5 awards at **Asia's Best Employer Brand & CMO Asia Awards 2010** held in Singapore.
- Mr. Rana Kapoor has been recognized as one of the **‘Most Powerful HR Professionals of India – CEO with HR Orientation’** - Source HR Powerlist 2010-11 released by the World HRD Congress in September, 2010.
- YES BANK received two awards at the **Global HR Excellence Awards, 2010**
 - Organization with Innovative HR Practices &
 - Award for Institution Building
- YES BANK was awarded the **ISACA award for Implementation of IT Governance Practices**

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 provides 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” by 2015.

For further information, please contact:

Supriya Saxena YES BANK Ph.: + 91 22 6620 9057 Fax: +91 22 24900314 Email: supriya.saxena@yesbank.in	Sheetal Bansod Adfactors PR Ph.: +91 22 22813565 Fax: ++91 22 22813569 Email: sheetal.bansod@adfactorspr.com
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