

YES BANK announces Q2FY12 and H1FY12 Financial Results

- *Net Profit of ₹235.0 crore in Q2FY12; y-o-y growth of 33.3%*
- *Net Profit of ₹451.1 crore in H1FY12 ; y-o-y growth of 35.6%*
- *Non-interest income grew at 63.4% y-o-y in Q2FY12*
- *Customer Assets (loans & credit substitutes) growth of 27.4%*
- *Gross NPA at 0.20% of Gross Advances; Net NPA at 0.04% of Net Advances*
- *Number of Branches stands at 305; 50 Branches added during the quarter*

Income Statement Highlights for Quarter ended Sept 30, 2011 (Q2FY12)

- Net Profit up 33.3% to ₹ 235.0 cr (₹ 176.3 cr in Q2FY11)
- Net Interest Income up 23.1% to ₹ 385.6 cr (₹ 313.2 cr in Q2FY11)
- Non Interest Income up 63.4% to ₹ 214.0 cr (₹ 131.0 cr in Q2FY11)
- Operating Profit up 37.1% to ₹ 385.9 cr (₹ 281.4 cr in Q2FY11)
- Net Interest Margin at 2.9%
- Cost to Income ratio of 35.6%
- Return on Average Assets -RoA(annualized) of 1.6%; at or above 1.5% over past 12 quarters
- Return on Equity-RoE (annualized) of 22.6%; approximately 20% or above over past 12 quarters
- Basic EPS of ₹ 6.73 and Diluted EPS of ₹ 6.56

Income Statement Highlights for Half Year ended Sept 30, 2011 (H1FY12)

- Net Profit up 35.6% to ₹ 451.1 cr (₹ 332.6 cr in H1FY11)
- Net Interest Income up 28.6% to ₹ 739.8 cr (₹ 575.3 cr in H1FY11)
- Non Interest Income up 38.0% to ₹ 379.3 cr (₹ 274.8 cr in H1FY11)
- Operating Profit up 34.1% to ₹ 711.0 cr (₹ 530.4 cr in H1FY11)
- Net Interest Margin at 2.8%
- Cost to Income ratio of 36.5%
- Return on Average Assets – RoA of 1.5%
- Return on Equity – RoE of 22.3%
- Basic EPS of ₹ 12.93 and Diluted EPS of ₹ 12.60

Other Key Highlights as at Sept 30, 2011

- Advances up 12.7% to ₹ 34,194.1 cr (₹ 30,348.1 cr at Sept 30, 2010)
- Customer Assets up 27.4% to ₹ 40,760.1 cr (₹ 32,000.8 cr at Sept 30, 2010)
- Deposits up 10.2% to ₹ 44,075.9 cr (₹ 40,013.7 cr at Sept 30, 2010)
- Basel II Capital Adequacy Ratio of 16.0% (Tier I – 9.4%)
- Gross NPA at 0.20% of Gross Advances
- Net NPA at 0.04% of Net Advances
- Restructured advances at 0.51% of Gross Advances
- Specific provisioning cover at 80.2%; Total Provisioning Cover of 360%
- Book value per share of ₹ 122.2 (₹ 100.9 as at Sept 30, 2010)

Mumbai, October 20, 2011: The Board of Directors of YES BANK Ltd. took on record the un-audited Q2FY12 and audited H1FY12 results at its meeting held in Mumbai today.

Commenting on the results and financial performance, Dr. Rana Kapoor, Managing Director & CEO, YES BANK said, “YES BANK has achieved steady profits on the back of sustained growth in Customer Assets of 27.4%, stable margins contributing to NII growth of 23.1% and continued focus on revenue diversity leading to strong Non-Interest Income growth of 63.4%. The Bank has crossed over 300 branches and is increasing its distribution network, which will enable us to further accelerate growth across Commercial Banking (Mid Market) and Branch/Retail Banking business segments with an inherent focus on garnering branch driven retail/SME liabilities. We are building a robust branch banking model and are advancing in the process of building exceptional human capital as the Bank enters the second year of its growth Strategy - Version 2.0 with the Vision to become the Best Quality Bank of the World in India by 2015.”

Summary Profit & Loss

(₹ in Crore)	Q2FY12	Q2FY11	Growth	H1FY12	H1FY11	Growth
Net Interest Income	385.6	313.2	23.1%	739.8	575.3	28.6%
Non Interest Income	214.0	131.0	63.4%	379.3	274.8	38.0%
Total Net Income	599.7	444.2	35.0%	1119.2	850.1	31.7%
Operating Expense	213.8	162.7	31.4%	408.1	319.7	27.6%
Operating Profit	385.9	281.4	37.1%	711.0	530.4	34.1%
Profit after Tax	235.0	176.3	33.3%	451.1	332.6	35.6%

Summary Balance Sheet

(₹ in Crore)	30-Sep-11	30-Sep-10	Growth	30-Jun-11	Growth
Advances	34,194.1	30,348.1	12.7%	33,104.2	3.3%
Investments	21,436.9	14,454.6	48.3%	17,544.8	22.2%
Shareholders' funds	4,290.7	3,482.5	23.2%	4,021.8	6.7%
Total Capital Funds	7,860.2	6,816.3	15.3%	7,090.3	10.9%
Deposits	44,075.9	40,013.7	10.2%	43,575.9	1.1%
Total Assets	62,751.8	51,796.3	21.2%	56,963.6	10.2%

Q2FY12 and H1FY12 Financial Performance highlights

- **Stable growth in Advances, Investments and Deposits:** Total Advances grew by **12.7%** to ₹ 34,194.1 crore as at September 30, 2011 from ₹ 30,348.1 crore as at September 30, 2010. Customer Assets (Loans & Credit Substitutes) grew by **27.4%** y-o-y to ₹ 40,760.1 crore as at September 30, 2011.

Total Deposits grew by **10.2%** to ₹ 44,075.9 crore as at September 30, 2011 from ₹ 40,013.7 crore as at September 30, 2010. Current and Savings Account (CASA) ratio remained stable at 11.0% as of September 30, 2011 with CASA deposits at ₹ 4,838.8 crore. The Bank's Total Assets grew by **21.1%** to ₹ 62,751.8 crore as at September 30, 2011 from ₹ 51,796.3 crore as at September 30, 2010.

Corporate & Institutional Banking (Large Corporates) accounted for 61.4% of the portfolio, Commercial Banking (Mid-sized Corporates) accounted for 23.8% and Branch Banking (SME & Retail) - 14.9%.

- **Robust Net Interest Income (NII) Growth:** NII for Q2FY12 increased by 23.1% y-o-y to ₹ 385.6 crore from ₹ 313.2 crore in Q2FY11. This was on account of a sustained growth in advances & investments coupled with sequentially steady NIM of 2.9%.

NII for H1FY12 was up 28.6% to ₹ 739.8 crore as compared to ₹ 575.3 crore for H1FY11. NIM for the Bank was 2.8% in H1FY12.

- **Strong growth in Non Interest Income:** Non Interest Income was up 63.4% y-o-y in Q2FY12 to ₹ 214.0 crore from ₹ 131.1 crore in Q2FY11. This was on the back of strong growth in Transaction Banking, Financial Markets and Financial Advisory businesses that showed continued traction y-o-y and sequentially. Components of Non Interest Income for Q2FY12 were as follows: Transaction Banking – ₹ 60.9 crore, Financial Advisory – ₹ 97.8 crore, Financial Markets – ₹ 41.0 crore and Branch Banking Fees & Others – ₹ 14.3 crore.

Non Interest Income was up 38.0% y-o-y in H1FY12 to ₹ 379.3 crore as compared to ₹ 274.8 crore in H1FY10. Components of Non Interest Income for H1FY12 were as follows: Transaction Banking – ₹ 103.0 crore, Financial Advisory – ₹ 180.7 crore, Financial Markets – ₹ 65.7 crore and Branch Banking Fees & Others – ₹ 29.9 crore.

- **Operating and Net profit:** Operating profit for Q2FY12 was up 37.1% to ₹ 385.9 crore as compared to ₹ 281.4 crore for Q2FY11 driven by strong growth in NII and Non-Interest Income. The Cost to Income ratio was 35.6% in Q2FY12 versus 36.6% in Q2FY11. Net Profit in Q2FY12 was up 33.3% at ₹ 235.0 crore from ₹ 176.3 crore for Q2FY11 (highest ever for the Bank since its inception).

Operating profit for H1FY12 was up 34.1% to ₹ 711.0 crore as compared to ₹ 530.4 crore for H1FY11. The Cost to income ratio was 36.5% in H1FY12 versus 37.6% in H1FY11. Net Profit for H1FY12 was up 35.6% to ₹ 451.1 crore from ₹ 332.6 crore in H1FY11.

- **Consistently healthy Asset Quality:** Gross Non Performing Advances as a proportion of Gross advances was at 0.20% while Net Non Performing Advances as a proportion of Net advances was at 0.04% as at September 30, 2011 as against 0.22% and 0.06% respectively as at September 30, 2010.

Bank's total loan loss coverage ratio was at 360% while specific provisioning cover was at 80.2% as at September 30, 2011.

Total restructured advances (excluding NPAs) stand at ₹ 175.5 crore as at September 30, 2011. This represents 0.51% of the Gross Advances.

- **Strong Shareholders' returns:** The Bank delivered RoE of 22.6% and RoA of 1.6% for Q2FY12. RoE was 22.3% and ROA was 1.5% for H1FY12. RoA has been at or above 1.5% for the last 12 quarters, and Return on Equity has been approximately 20% or above over the same period.
- **Capital Funds:** Tier I Capital stood at 9.4% and total CRAR stood at 16.0% as at September 30, 2011. Total Capital funds grew by 15.3% to ₹ 7,860.2 crore as at September 30, 2011 compared to ₹ 6,816.3 crore as at September 30, 2010.

Business Highlights

Awards & Recognitions

- YES BANK received the **Special Jury Commendation** in the **Best Private Sector Bank** category at the **CNBC – TV 18 Best Bank and Financial Institution Awards**
- YES BANK was awarded **India's No. 1 New Private Sector Bank**, and the **Fastest Growing Bank** at the **Financial Express – E&Y Best Banks Awards**
- YES BANK received the **Best Private Sector Bank Award** at the **Dun & Bradstreet - Polaris Software Banking Awards**
- YES BANK won seven awards at **Asia's Best Employer Brand Awards**, and the **CMO Asia Awards** for Excellence in Branding and Marketing
- **Dr. Rana Kapoor** was conferred an **Honorary Fellowship** by **Shri P. Chidambaram, Hon'ble Home Minister, Government of India** at the **38th AIMA National Management Convention**

Capital Raising Initiative

- YES BANK successfully raised **₹ 321.5 crores** of Lower Tier II Capital, rated LAA by ICRA and CARE AA by CARE, from Banks, Insurance Companies, Provident Funds & Corporates.

Expansion Initiatives

- YES BANK added 50 new branches across the country during the quarter. The Bank has doubled its branch count over the past 18 months from 150 branches as of March 2010 to **305 branches pan India as of September 2011**.
- YES BANK launched its second flagship state-of-the-art branch in Kolkata at **Dalhousie**. The branch was inaugurated by the **Hon'ble Finance Minister of West Bengal Dr. Amit Mitra**.
- The **Hon'ble Chief Minister of Haryana, Shri Bhupinder Singh Hooda** launched the Branch Banking Operations in Haryana from YES BANK's flagship Branch at **Madhya Marg, Chandigarh**.
- Employee strength stood at **4,714** as on September 30, 2011; an increase of 1,088 from September 30, 2010

Knowledge Initiatives

- YES BANK announced the launch of its **first knowledge initiative** exclusively for CFOs across India called "**YES BANK National CFO Forum**". The YES BANK National CFO Forum has been conceived to facilitate the recognition and appreciation of the indispensable role of the CFO in an organization.

Financial Advisory

- YES BANK was the **Exclusive Advisor** to DEG, a multilateral institution from Germany, for divestment of its entire shareholding in Jindal Polyfilms Limited.
- YES BANK was the **Exclusive India Strategic & Financial Advisor** to Indian Energy Limited. Indian Energy is an independent renewable energy platform operating 41.3 MW wind energy assets. Infrastructure India Plc. acquired Indian Energy in a share swap transaction.

Equity & Debt Capital Markets

- **YES BANK was the Sole Arranger** of a 10 Year Bond Issue of ₹ 2,500 cr for Reliance Ports & Terminals Ltd.
- **YES BANK was the Joint Arranger** of a 10 Year Bond Issue of ₹ 2,500 cr for Reliance Gas Transportation & Infra Ltd.
- **YES BANK was the Joint Arranger** of a 10 Year Bond Issue of ₹ 400 cr for Steel Authority of India Ltd. (SAIL)
- **YES BANK was the Lead Manager** to the Public Issue of Non Convertible Debentures of ₹ 693 cr of Muthoot Finance Ltd., a Non-deposit taking NBFC, focusing on providing personal and business loans secured by gold jewellery.
- **YES BANK was the Lead Manager** to the Public Issue of Non Convertible Debentures of ₹ 754 cr of Religare Finvest Ltd., a Non-deposit taking NBFC, focusing on small and medium enterprises financing and retail capital market financing.

Strategic Alliances

- **YES BANK and Malayan Banking Berhad** (Maybank), Malaysia's No. 1 Bank entered into a Principles of Cooperation agreement to collaborate on cross-border Investment Banking advisory, corporate banking, trade finance, remittances and other allied services between Malaysia & India.

ABOUT YES BANK

YES BANK, India's new age private sector Bank, is the outcome of the professional & entrepreneurial commitment of its Promoter & Founder, Dr. 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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