

Press Release

YES BANK announces Q3FY12 and 9MFY12 Financial Results

- *Net Profit of ₹254.1 crore in Q3 FY12; y-o-y growth of 33.0%*
- *Net Profit of ₹705.2 crore in 9M FY12 ; y-o-y growth of 34.6%*
- *Savings Account deposits increased by 99.2% y-o-y & 40.0% q-o-q driven by YES BANK's pioneering of 7% interest rate; CASA Ratio improves by 1.6% q-o-q*
- *Capital Adequacy Ratio at 16.1% with Tier I Ratio of 9.2% (Tier I Ratio at 9.7% including Q3 FY12 PAT)*
- *Gross NPA at 0.20% of Gross Advances; Net NPA at 0.04% of Net Advances*

Highlights for Third Quarter ended Dec 31, 2011 (Q3FY12)

- Net Profit up 33.0% to ₹ 254.1 cr (₹ 191.1 cr in Q3FY11)
- Net Interest Income up 32.3% to ₹ 427.6 cr (₹ 323.2 cr in Q3FY11)
- Non Interest Income up 30.8% to ₹ 211.4 cr (₹ 161.7 cr in Q3FY11)
- Operating Profit up 28.1% to ₹ 398.8 cr (₹ 311.2 cr in Q3FY11)
- Cost to Income ratio of 37.6%
- 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 13 quarters
- Return on Equity-RoE (annualized) of 23.0%; approximately 20% or above over past 13 quarters
- Basic EPS of ₹ 7.23 and Diluted EPS of ₹ 7.08

Highlights for 9 months ended Dec 31, 2011 (9MFY12)

- Net Profit up 34.6% to ₹ 705.2 cr (₹ 523.7 cr in 9MFY11)
- Net Interest Income up 29.9% to ₹ 1,167.4 cr (₹ 898.4 cr in 9MFY11)
- Non Interest Income up 35.3% to ₹ 590.8 cr (₹ 436.5 cr in 9MFY11)
- Operating Profit up 31.9% to ₹ 1,109.9 cr (₹ 841.6 cr in 9MFY11)
- Cost to Income ratio of 36.9%
- Net Interest Margin at 2.8%
- Return on Average Assets – RoA of 1.5%
- Return on Equity – RoE of 22.5%
- Basic EPS of ₹ 20.16 and Diluted EPS of ₹ 19.66

Other Key Highlights as at Dec 31, 2011

- Customer Assets up 28.1% to ₹ 43,754.6 cr (₹ 34,151.3 cr at Dec 31, 2010)
- Advances up 15.3% to ₹ 35,867.8 cr (₹ 31,112.2 cr at Dec 31, 2010)
- Deposits up 19.0% to ₹ 46,929.1 cr (₹ 39,452.8 cr at Dec 31, 2010)
- CASA Ratio increased to 12.6% with CASA growing by 46.5% y-o-y to ₹ 5,913.5 cr (₹ 4,036.9 cr at Dec 31, 2010 with CASA Ratio of 10.2%)
- Branch Banking Liabilities (CASA + Branch Banking FD) has improved from 23.7% of Total Deposits as of Dec 31, 2010 to 30.7% as of Dec 31, 2011
- Capital Adequacy Ratio of 16.1% (Tier I – 9.2%; 9.7% including Q3FY12 PAT)
- Gross NPA at 0.20% of Gross Advances
- Net NPA at 0.04% of Net Advances
- Restructured advances at 0.49% of Gross Advances
- Specific provisioning cover at 80.0%; Total Loan Loss Cover of 375%
- Book value per share of ₹ 129.5
- Employee strength stood at 5,013

Mumbai, January 24, 2012: The Board of Directors of YES BANK Ltd. took on record the un-audited Q3FY12 and 9MFY12 results at its meeting held in Mumbai today.

Commenting on the results and financial performance, Dr. Rana Kapoor, Managing Director & CEO, YES BANK said, “I am pleased to report that YES BANK has delivered another sustained quarter of financial performance with Net Profit crossing ₹ 254 crores while maintaining impeccable Asset Quality with Net NPA of 0.04% in the backdrop of a challenging economic environment. The deregulation of the Saving Accounts rates and NRI Deposit rates was a red letter day for Indian Banking. The increase in the Savings Account rate to 7% coupled with alignment of fixed deposit rates for NRIs with domestic fixed deposit rates are clear competitive differentiators, and will facilitate achieving our Version 2.0 Liability Goals evidenced by robust momentum in CASA during the quarter. The Bank has crossed 325 branches and is steadily increasing its distribution network, aiming towards improving accessibility to our superior branch banking services. The Bank’s HR strength crossed 5,000 executives across the country with highest deployment in Retail Banking. Our aim is to further strengthen our Retail Focus through newer product deliveries and tailor made solutions catering to the financial needs of our customers across all segments.”

Summary Profit & Loss

(₹ in Crore)	Q3FY12	Q3FY11	Growth	9MFY12	9MFY11	Growth
Net Interest Income	427.6	323.1	32.3%	1,167.4	898.4	29.9%
Non Interest Income	211.4	161.7	30.8%	590.8	436.5	35.3%
Total Net Income	639.0	484.8	31.8%	1,758.2	1334.9	31.7%
Operating Expense	240.2	173.6	38.4%	648.3	493.3	31.4%
Operating Profit	398.8	311.2	28.1%	1,109.9	841.6	31.9%
Profit after Tax	254.1	191.1	33.0%	705.2	523.7	34.6%

Summary Balance Sheet

(₹ in Crore)	31-Dec-11	31-Dec-10	Growth	30-Sep-11	Growth
Advances	35,867.8	31,112.2	15.3%	34,194.1	4.9%
Investments	26,100.6	15,222.3	71.5%	21,436.9	21.8%
Customer Assets	43,754.6	34,151.3	28.1%	40,760.1	7.3%
Shareholders’ funds	4,556.2	3,693.7	23.4%	4,290.7	6.2%
Total Capital Funds	8,118.6	6,832.0	18.8%	7,860.2	3.3%
Deposits	46,929.1	39,452.8	19.0%	44,075.9	6.5%
Total Assets	71,109.1	52,244.7	36.1%	62,751.8	13.3%

Q3FY12 and 9MFY12 Financial Performance highlights

- **Steady growth in Advances and Deposits:** Total Advances grew by **15.3%** to ₹ 35,867.8 crore as at December 31, 2011 from ₹ 31,112.2 crore as at December 31, 2010. Customer Assets (Loans & Credit Substitutes) grew by **28.1%** y-o-y to ₹ 43,754.6 crore as at December 31, 2011.

Total Deposits grew by **19.0%** to ₹ 46,929.1 crore as at December 31, 2011 from ₹ 39,452.8 crore as at December 31, 2010. The Bank’s Total Assets grew by **36.1%** to ₹ 71,109.1 crore as at December 31, 2011 from ₹ 52,244.7 crore as at December 31, 2010.

Current and Savings Account (CASA) deposits grew by **46.5%** to ₹ 5,913.5 crore taking the CASA ratio to 12.6% as at December 31, 2011 up from CASA Ratio of 11.0% as of September 30, 2011. Savings Account Deposits grew by 99.2% y-o-y & 40.0% q-o-q to ₹ 1,202.6 crore as of December 31, 2011 on account of increased traction since YES BANK was the first bank to raise saving account rates post deregulation by the Reserve Bank of India on October 25, 2011. Branch Banking Liabilities (CASA + Branch Banking term deposits) improved from 23.7% of Total Deposits as of December 31, 2010 to 30.7% as of December 31, 2011.

Corporate & Institutional Banking (Large Corporates) accounted for 63.4% of the Advances portfolio, Commercial Banking (Mid-sized Corporates) accounted for 21.4% and Branch Banking (SME & Retail) – 15.2%.

- **Healthy Net Interest Income (NII) Growth:** NII for Q3FY12 increased by 32.3% y-o-y to ₹ 427.6 crore from ₹ 323.2 crore in Q3FY11. This was on account of a sustained growth in Customer Assets & stable NIM of 2.8%.

NII for 9MFY12 was up 29.9% to ₹ 1,167.4 crore as compared to ₹ 898.4 crore for 9MFY11. NIM for the Bank was 2.8% in 9MFY12.

- **Robust growth in Non Interest Income:** Non Interest Income grew by 30.8% y-o-y to ₹ 211.4 crore in Q3FY12 from ₹ 161.7 crore in Q3FY11. This was on the back of strong growth in Financial Advisory, Transaction Banking and Financial Markets business streams. Components of Non Interest Income for Q3FY12 were as follows: Transaction Banking – ₹ 63.9 crore (30.2% of Non Interest Income), Financial Advisory – ₹ 80.6 crore (38.1%), Financial Markets – ₹ 48.3 crore (22.8%) and Branch Banking Fees & Others – ₹ 18.7 crore (8.8%).

Non Interest Income displayed sturdy growth of 35.3% to ₹ 590.8 crore in 9MFY12 as compared to ₹ 436.5 crore in 9MFY11; on account of continued traction in Transaction Banking, Financial Markets and Financial Advisory business streams. Components of Non Interest Income for 9MFY12 were as follows: Transaction Banking – ₹ 166.9 crore, Financial Advisory – ₹ 261.3 crore, Financial Markets – ₹ 114.0 crore and Branch Banking Fees & Others – ₹ 48.6 crore.

- **Operating and Net profit:** Operating profit for Q3FY12 was up 28.1% to ₹ 398.8 crore as compared to ₹ 311.2 crore for Q3FY11 driven by healthy growth in Total Net Income. The Cost to Income ratio was 37.6% in Q3FY12. Net Profit in Q3FY12 was up 33.0% at ₹ 254.1 crore from ₹ 191.1 crore for Q3FY11 (highest ever for the Bank since its inception).

Operating profit for 9MFY12 was up 31.9% to ₹ 1,109.9 crore as compared to ₹ 841.6 crore for 9MFY11. The Cost to income ratio was flat at 36.9% in 9MFY12. Net Profit for 9MFY12 was up 34.6% to ₹ 705.2 crore from ₹ 523.7 crore in 9MFY11.

- **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 December 31, 2011 as against 0.23% and 0.06% respectively as at December 31, 2010.

Bank's total loan loss coverage ratio was at 375% while specific provisioning cover was at 80.0% as at December 31, 2011.

Total Restructured Advances (excluding NPAs) is at 0.49% of Gross Advances as at December 31, 2011.

- **Strong Shareholders' returns:** The Bank delivered RoE of 23.0% and RoA of 1.5% for Q3FY12. RoE is 22.5% and ROA was 1.5% for 9MFY12. Return on Assets has been at or above 1.5% over the past 13 quarters, and Return on Equity has been approximately 20% or above over the same period.
- **Capital Funds:** Tier I Capital stood at **9.2%** (9.7% including Q3 FY12 PAT) and total CRAR stood at **16.1%** as at December 31, 2011. Total Capital funds grew by 18.8% to ₹ 8,118.6 crore as at Dec 31, 2011 compared to ₹ 6,832.0 crore as at Dec 31, 2010. The Bank has improved its Tier I Ratio over September 30, 2011, despite growth in the Balance Sheet by increasing percentage of Rated Advances.

Business Highlights

The Bank is increasing its focus on Retail Liabilities & Assets, given its increasing distribution network and deregulation of Saving Accounts enabling it to rapidly augment its customer base. The Bank is also introducing Retail Asset Products to enhance its product proposition for Retail Banking.

Retail Products Introduced

- **Retail Assets launched** include:
 - Auto Loan
 - Commercial Vehicle Financing
 - Home Loan in partnership with a leading housing finance company
 - Inventory Funding/ Small Business Loans
 - Loan Against Property
 - Loan Against Shares
- **YES Vijay Proposition:** Salary account offering for Defense personnel launched with attractive features and pricing. YES BANK has been empanelled by the Indian Army as a Preferred Bank for Salary Accounts.

Attractive Rates for Retail Liabilities

- The Bank raised Interest rates for Resident Savings accounts, with balances over ₹ 1 Lakh, by **100 bps**, to **7.0%**. This is in addition to the existing 6% interest offered to customers for balances below ₹ 1 Lakh
- YES BANK has also **increased interest rates on Non-Resident Indians fixed deposits to 9.6% per annum**. This interest rate, **effective December 23, 2011**, is applicable on deposits **for a tenor of 15 Months 15 Days to 16 Months**.

Awards & Recognitions

- YES BANK adjudged the **Fastest Growing & Strongest Large Bank (balance sheet > 50,000 cr) in the Business Today-KPMG Survey of Best Banks 2011**
- YES BANK received the **Silver Shield for Excellence in Financial Reporting** from **The Institute of Chartered Accountants of India (ICAI)** in the category of Private Banks (including Cooperative Banks).
- YES BANK received the **Power Brand 2011 award in London, December 2011**
- YES BANK was ranked as the **Greenest Financial Sector Company in the Carbon Disclosure Leadership Index, for the Carbon Disclosure Project in India 2011**
- **Dr. Rana Kapoor** was ranked the **2nd Most Valuable Indian CEO (LARGE size companies' category)** by **BUSINESS WORLD, December 2011**
- **Dr. Rana Kapoor** was Ranked as the **Business Standard – Indian Banker of the Year, 2010 - 2011**
- **Dr. Rana Kapoor** won the '**CEO of the Year Award**' at the **Global Awards for Excellence, 2011**
- **Dr. Rana Kapoor** was conferred the '**Indian Entrepreneur of the Year**' award at the **Asia Pacific - Entrepreneur of the Year Awards from Enterprise Asia in November 2011**

Capital Raising Initiative

- YES BANK successfully raised **₹ 2,430 million of Lower Tier II Capital**, rated LAA by ICRA and CARE AA by CARE, from Banks, Insurance Companies, Provident Funds & Corporates.

Knowledge Initiatives

- YES BANK launched the first of its kind **FT-YES BANK International Banking Summit 2011**. Held over a two day period, senior bankers, policy makers, thought leaders and other key decision makers from around the world came together to explore the profound transformation of India's banking sector and delve on the opportunities and challenges generated by the country's surging economy, the increasing globalization of its financial institutions and intensifying initiatives around regulatory reform.

Expansion Initiatives

- YES BANK added 26 new branches across the country during the quarter. The Bank has more than doubled its branch count over the past 18 months to **331 branches pan India**.
- Employee strength stood at **5,013** as on December 31, 2011, representing an increase of 1,084 employees till date in FY 2012.

Financial Advisory

- YES BANK was the Sole Underwriter and Lead Arranger of Senior Debt of ₹ 876 crores for L&T Infrastructure Development Projects Ltd for four laning of 131 km road stretch from Rajkot to Vadinar in the state of Gujarat

Equity & Debt Capital Markets

- **YES BANK was the Sole Arranger** of a 3 Year Bond Issue of ₹ 150 cr for Housing Development Finance Corporation Ltd.
- **YES BANK was the Sole Arranger** of a 3 Year Bond Issue of ₹ 100 cr for LIC Housing Finance Ltd.
- **YES BANK was the Sole Arranger** of a 10 Year Subordinate Bond Issue of ₹ 100 cr for Mahindra & Mahindra Financial Services Ltd.

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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