

Press Release

YES BANK announces Q2FY14 and H1FY14 (Audited) Financial Results

- **Net Profit of ₹371.1 crore in Q2FY14; y-o-y growth of 21.3%**
- **Net Interest Income at ₹672.1 crore for Q2FY14; y-o-y growth of 28.2%. NIM at 2.9%.**
- **Non Interest Income at ₹446.1 crore for Q2FY14; y-o-y growth of 61.2%**
- **Deposits grew by 29.2% and Loans by 13.6% y-o-y, CD Ratio stands at 70.6%**
Wholesale Deposits (deposits above ₹25 crore) accounts for 31.1% of total deposits as at September 30, 2013 as compared to 34.7% as at September 30, 2012
- **Y-o-y growth in Savings Accounts deposits of 80.8%; CASA growth of 52.5%; CASA Ratio improves to 20.4% from 17.3% a year ago**
- **Healthy Asset Quality with Gross NPA at 0.28% and Net NPA at 0.04%. Specific loan loss Provision Coverage of 85.3% (excluding counter cyclical provision)**
- **The Bank has fully recognized a one time charge of ₹112.6 crore on account of net depreciation on bond portfolio to the P&L statement during the quarter and has not carried the same into future quarters.**
- **The Bank has transferred SLR securities worth face value of ₹94 crore from AFS category to HTM category. Had this transfer not been made, the Bank's net profit would have been lower by ₹6.2 crores**

Financial Highlights from Q2FY14 & H1FY14 Results:

Profit & Loss Statement Highlights						
(₹ in Crore)	Q2FY14	Q2FY13	Growth %	H1FY14	H1FY13	Growth %
Net Interest Income	672.1	524.2	28.2%	1,331.2	996.4	33.6%
Non Interest Income	446.1	276.8	61.2%	888.2	564.9	57.2%
Total Net Income	1,118.2	800.9	39.6%	2,219.4	1,561.2	42.2%
Operating Profit	712.9	484.7	47.1%	1,392.8	944.4	47.5%
Profit after Tax	371.1	306.1	21.3%	772.0	596.2	29.5%
Basic EPS (Rs.)	10.3	8.6	19.4%	21.46	16.82	27.6%
Balance Sheet Highlights						
(₹ in Crore)	30-Sep-13	30-Sep-12	Growth		30-Jun-13	Growth
Advances	47,717.2	42,019.3	13.6%		47,897.6	-0.4%
Deposits	67,575.1	52,290.8	29.2%		65,244.8	3.6%
CASA	13,776.0	9,034.1	52.5%		13,163.2	4.7%
Shareholders' funds	6,610.4	5,313.5	24.4%		6,224.3	6.2%
Total Capital Funds	11,136.7	10,894.0*			10,666.0	4.4%
Total Balance Sheet	102,153.5	82,974.6	23.1%		100,802.0	1.3%

* As per Basel II & hence not comparable

Key Financial Performance Indicators			
	Q2FY14	Q2FY13	Q1FY14
Return on Assets	1.5%	1.5%	1.6%
Return on Equity	23.1%	23.8%	26.7%
NIM	2.9%	2.9%	3.0%
Cost to Income Ratio	36.2%	39.5%	38.3%
Non Interest Income to Total Income	39.9%	34.6%	40.1%
Capital Adequacy (Basel III)	15.6%**	17.5%*	15.4%**
Tier I Ratio (Basel III)	9.5%**	9.5%*	9.5%**
Book Value (₹)	183.40	149.21	173.03
Gross NPA	0.28% (₹ 132.1 cr.)	0.24%	0.22%
Net NPA	0.04% (₹ 19.4 cr.)	0.05%	0.03%
Provision Coverage Ratio	85.3%	80.4%	88.5%

*As Per Basel II. ** Including profits for H1FY14

Mumbai, October 22, 2013: The Board of Directors of YES BANK Ltd. took on record the unaudited Q2FY14 and audited H1FY14 results at its meeting held in Mumbai today.

Commenting on the results and financial performance, Mr. Rana Kapoor, Managing Director & CEO, YES BANK said, "YES Bank has delivered a satisfactory quarter of financial performance in a challenging macroeconomic environment. The Bank has maintained robust asset quality retaining high specific provision coverage, while further adding to the reservoir of counter cyclical provisions. The Bank maintained its growth in infrastructure with branch network crossing the 500-mark milestone, complemented by over 1100 ATMs. Consequently, the Bank improved its CASA ratio, significantly added to the overall deposit base, improved the overall granularity of deposits, and maintained Net Interest Margin despite challenging interest rate and liquidity environment. The overall business performance amply demonstrates the resilience of the Bank's business model and management team in delivering consistent performance."

Q2FY14 and H1FY14 Financial Performance highlights:

Balance Sheet

- **Stable growth in Advances and Deposits:** Total Advances grew by **13.6%** to ₹ 47,717.2 crore as at September 30, 2013.

Corporate & Institutional Banking (Large Corporates) accounted for 67.1% of the Customer Assets portfolio, Commercial Banking (Mid-sized Corporates) accounted for 15.7% and Retail Banking (including MSME) at 17.2%.

Total Deposits grew by **29.2%** to ₹ 67,575.1 crore as at September 30, 2013. The Bank's Balance Sheet grew by **23.1%** to ₹ 102,153.5 crore as at September 30, 2013. The Bank's CD ratio stood at 70.6% as at September 30, 2013. While deposits grew by 3.6% q-o-q, certificates of deposits declined by 9.9% as the Bank increased its reliance on customer driven deposits which grew by 5.2% q-o-q.

Current and Savings Account (CASA) deposits grew by **52.5%** y-o-y to ₹ 13,776.0 crore taking the CASA ratio to **20.4%** as at September 30, 2013 up from 17.3% as of September 30, 2012. The Bank continues to demonstrate strong traction in CASA on the back of an increase in branch network, enhanced Savings Rate offering and improvements in productivity.

Wholesale Deposits (deposits above ₹ 25 crore) accounts for 31.1% of total deposits as at September 30, 2013 as compared to 34.7% as at September 30, 2012

- **Asset Quality:** Gross Non Performing Advances as a proportion of Gross Advances was at 0.28% while Net Non Performing Advances as a proportion of Net advances was at 0.04% as at September 30, 2013. Bank's specific provisioning cover was at 85.3% as at September 30, 2013.

Total Restructured Advances (excluding NPAs) stand at ₹ 125.5 crore as at September 30, 2013. This represents 0.26% of the Gross Advances down from 0.46% as at September 30, 2012. There were no fresh restructurings during the quarter. Total counter cyclical provision stood at 0.4% of Advances.

- **Capital Funds:** As per Basel III, Tier I Capital stood at **9.5%** and total CRAR stood at **15.6%** (including H1FY14 profits) as at September 30, 2013.

Profit & Loss Account:

- **Net Interest Income (NII) Growth:** NII for Q2FY14 increased by 28.2% y-o-y to ₹ 672.1 crore. This was on account of a cautious and steady growth in advances & investments coupled with stable NIMs at 2.9%. NII for H1FY14 was up 33.6% to ₹ 1,331.2 crore.
- **Non Interest Income:** Non Interest Income grew by 61.2% y-o-y to ₹ 446.1 crore for Q2FY14. This was on the back of continued growth across all the fee income streams - Financial Advisory, Financial Markets, Transaction Banking, and Retail Banking Fees & Others, that showed firm traction y-o-y. Financial Markets included one-off gain of ₹ 111.6 crore in this quarter due to MTM gains on interest rate swaps. Excluding this, Financial markets income was as per trend. Non Interest Income for H1FY14 displayed robust growth of 57.2% to ₹ 888.2 crore.

- **Securities portfolio:** During the quarter, the net depreciation on AFS/HFT bond portfolio (Corporate & G-Sec) of the Bank amounted to ₹ 112.6 crore. The Bank has fully recognized this charge within this quarter to the Profit & Loss statement and has opted not to distribute the said amount over future periods, even though permitted by RBI.

Also, during the quarter the Bank has transferred eligible SLR securities worth face value of ₹ 94 crore from AFS category to HTM category at book value with ₹ 0.33 crore of losses on the Profit & Loss statement. *(Note: Had this transfer not been made, the Bank's net depreciation charge would have been higher by ₹ 9.4 Crores and net profit would have been lower by ₹ 6.2 crores.)*

- **Operating and Net profit:** Operating profit for Q2FY14 was up 47.1% to ₹ 712.9 crore driven by strong growth in NII and Non-Interest Income. The Cost to Income ratio was 36.2% in Q2FY14 versus 39.5% in Q2FY13. Net Profit in Q2FY14 was up 21.3% at ₹ 371.1 crore.

Operating Profit for H1FY14 was up 47.5% to ₹ 1,392.8 crore. The Cost to Income ratio was 37.2% in H1FY14. Profit for H1FY14 was up 29.5% to ₹ 772.0 crore.

- **Strong Shareholders' returns:** The Bank delivered RoE of 23.1% and RoA of 1.5% for Q2FY14. RoE was 24.9% and ROA was 1.5% for H1FY14. *(Note: RoA has been at or above 1.5% for the last 5 years, and RoE has been approximately 20% or above over the same period.)*

Business Highlights

Awards & Recognitions

- YES BANK has been recognized as the 'The Strongest Bank Balance Sheet in India' by the Asian Banker, Singapore, 2013
- YES BANK received the "Outstanding Business Sustainability Achievement" award at the Karlsruhe Sustainable Finance Awards, Germany, 2013
- YES BANK has been recognized as the "Most Trusted Investment Bank of The Year 2013 - India" at the Acquisition International's 2013 M&A Awards, United Kingdom
- Rana Kapoor received the 'Best Banker of the Year' award at the 4th Rajiv Gandhi Excellence Awards 2013, held in New Delhi, this August

Fund Raising Initiatives

- YES BANK successfully raised USD 255 million (USD 180 million and EUR 58 million) by way of Dual Currency, Multi-tenor Syndicated Foreign Currency Loan Facility and availed the RBI swap facility.

Expansion Initiatives as on September 30, 2013

- YES BANK added 25 Branches and 71 ATMs during the quarter. Total network now stands at 500 Branches and 1,122 ATMs
- Employee strength stood at 7,998, an increase of 1,691 over September 30, 2012.

Key Events

- YES BANK launched the inaugural **YES BANK-Saevus Natural Capital Awards**, a unique initiative to find, recognize and showcase individuals and corporations dedicated towards spearheading biodiversity growth and environmental stewardship. **Shri Shashi Tharoor**, Hon'ble Minister of State for HRD, presented the awards.
- YES BANK launched the inaugural **Business Today-YES BANK Emerging Companies Excellence Awards** to felicitate outstanding performers from the emerging companies sector and motivate them to reach the next growth orbit. The awards were presented by **Dr. Veerappa Moily**, Hon'ble Union Minister for Petroleum and Natural Gas, across nine categories
- YES BANK was the Knowledge Partner to the **ASSOCHAM Bio-Agri Summit** and authored a knowledge report '**Biotechnology in Indian Agriculture**', which was released by the Chief Guest **Shri Tariq Anwar**, Hon'ble Minister of State for Agriculture and Food Processing.

ABOUT YES BANK

YES BANK, India's fourth largest 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 vision of "Building the Best Quality Bank of the World in India".

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