

## YES Bank to double branches next year, up SME loans: MD

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**Y**ES Bank is planning to expand its branch network and hire more staff, as it sees growing business opportunity in corporate finance, Managing Director Rana Kapoor said.

The bank plans to double its branch count to 250 by end 2010 and 750 by the end of 2015, Kapoor said in an interview. "We will also increase our staff count from the current 2,700 to 3,600 soon," Kapoor said.

One of the areas the bank is counting on for growth is the small and medium enterprise (SME) sector which, Kapoor said, severely lacks good bankers.

"There is a compelling opportunity in the SME sector. Currently, the SME segment accounts for 6 per cent of our loan book. I am hopeful that their share will reach 20 per cent in three years," Kapoor said.

Kapoor reiterated YES Bank's indifference to retail lending, citing enormous risks involved in that business.

Its fewer branches, compared with other private sector peers, may also be thwarting plans to expand the re-



Rana Kapoor, MD, YES Bank

tail lending business. At the end of the last financial year in March, YES Bank's retail advances stood at Rs 107 crore out of its total loan book of Rs 12,403 crore.

Kapoor further said that interest rates are likely to remain stable for some time, or even ease a bit more.

"But they will start inching up again in three to four months, once inflationary pressure begins to build up as a result of increase in prices of various asset classes," he said.

He said YES Bank's prime lending rate currently varies in a band of 7.5-12.5 per cent depending on the tenure of the loan.