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January 22, 2026

National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra - Kurla Complex, Bandra (E)
Mumbai - 400 051
NSE Symbol: YESBANK

BSE Limited
Corporate Relations Department
P.J. Towers, Dalal Street
Mumbai – 400 001
BSE Scrip Code: 532648

Dear Sir/Madam,

Sub.: Transcript of Earnings Call for the un-audited Financial Results for the Quarter (Q3) and nine months ended December 31, 2025

Ref.: Reg. 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please find attached the transcript of the earnings call hosted by YES Bank Limited ("the Bank") on January 17, 2026, for the un-audited Financial Results for the Quarter (Q3) and nine months ended December 31, 2025. The same is made available on the Bank's website within the timeline prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and can be accessed at the following link.

https://www.yes.bank.in/pdf?name=ybl_analyst_transcript_q3fy26.pdf

The weblink of BSE Limited and National Stock Exchange of India Limited providing the above information is being hosted on the Bank's website www.yes.bank.in pursuant to Listing Regulations, as amended.

You are requested to take the same on record.

Yours faithfully,

For **YES BANK LIMITED**

SANJAY MADHAV ABHYANKAR
Digitally signed by SANJAY MADHAV ABHYANKAR
Date: 2026.01.22 17:27:07 +05'30'

Sanjay Abhyankar
Company Secretary

Encl.: As above

"YES Bank Limited
Q3 FY '26 Earnings Conference Call"
January 17, 2026

MANAGEMENT: MR. PRASHANT KUMAR – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

DR. RAJAN PENTAL – EXECUTIVE DIRECTOR

MR. MANISH JAIN – EXECUTIVE DIRECTOR

MR. NIRANJAN BANODKAR – CHIEF FINANCIAL OFFICER

MR. SUNIL PARNAMI – HEAD INVESTOR RELATIONS AND SUSTAINABILITY

Moderator: Ladies and gentlemen, good day, and welcome to YES Bank's Q3 FY '26 Earnings Conference Call. On the management panel, we have with us today, Mr. Prashant Kumar, Managing Director and Chief Executive Officer; Dr. Rajan Pental, Executive Director; Mr. Manish Jain, Executive Director; Mr. Niranjan Banodkar, Chief Financial Officer and Mr. Sunil Parnami, Head Investor Relations and Sustainability.

Mr. Prashant Kumar will now give you an overview of the results, which will be followed by a question-and-answer session. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

Before we further proceed with this call, please note, while all efforts will be made that no unpublished price-sensitive information would get shared, in case of an inadvertent disclosure, the same would, in any case, form part of the recording of the call. Further, some of the statements made on today's call could be forward looking in nature. A note to this effect is provided in the Q3 FY '26 results presentation itself, shared on the Bank's website.

I now hand the conference over to Mr. Prashant Kumar. Thank you, and over to you, sir.

Prashant Kumar: Thank you, and a very Good Afternoon to all of you. Welcome to our Quarter 3 Earnings call. On this call, I am joined by the senior leadership team of the Bank.

Before we dive into the details, we trust that the New Year has begun on a very positive and prosperous note for all of you and your families.

Now coming to results for Quarter 3.

As we have been articulating over the past several quarters, YES Bank strategy is firmly anchored around Profitable growth. And in that context, Quarter 3 was a breakout quarter within all-around strong core operating performance across Profitability, Asset Quality and Granularity while maintaining a sharp focus on operational efficiency.

Let me first start with the Profitability- Despite the heightened competitive intensity and multiple rate cuts, causing pressure on the margins, the Bank has continued to strengthen its earnings profile. For Quarter 3, the Bank reported Net Profit of INR 952 crores, registering a strong growth of 55% Y-o-Y and 45% on a quarter-on-quarter basis. The reported annualized Return on Assets (ROA) for the quarter further improved to 0.9% against 0.6% in the previous quarter as well as the corresponding quarter last year. Moreover, the annualized reported ROA for 9 months has now improved to 0.8% against 0.5% for 9 months of the last financial year.

It is important to call out that our reported Net Profit for Quarter 3 had an impact of INR 155 crores due to incremental Gratuity provision on account of change in the wage definition under the new Labor codes, as separately called out on Page 6 of the Investor Presentation. Adjusting for this impact, the Net Profit after tax is actually INR 1,068 crores, translating to an annualized ROA of 1%, a guidance of achieving closer to 1% ROA in the exit quarter of FY '26 and for the full year of FY '27.

Similarly, the Bank also reported a sustained improvement in its Pre-Provisioning Operating Profit adjusted for gratuity impact, which improved by 28.7% Y-o-Y, and 7.1% on a sequential basis and actually is INR 1,389 crores. This core Operating Profit has been driven primarily by expansion in our operating jaws with 9.7% Y-o-Y growth in Total Income, against 2% Y-o-Y growth in OpeX adjusted for gratuity impact over the same period. As a result, the Cost-to-Income ratio for the Bank adjusted for gratuity impact for Q3 was 66.1% against 67.1% in Quarter 2 and 71.1% in Quarter 3 last year. Over the last few quarters, as we shifted the franchise towards higher Profitability, the Bank also kept costs well under control, resulting in one of the lowest operating expense growth rates amongst peers, which is also a key driver of our continued improvement in our Cost-to-Income ratio.

The Operating Profit to Assets ratio now stands at 1.2% for both quarter 3 of FY26 and the corresponding quarter last fiscal year.

At the same time, it is important to call out that Bank's four critical Profitability levers continue to perform well. These are namely,

a) The structural rundown of legacy RIDF balances
b) The granular and Profitability-centric deposit and asset engines
c) The strict focus on cost optimization with productivity enhancement
d) The significant improvement in our Asset Quality.

As we have been highlighting in the past, a critical component of our Profitability improvement is the resolution of the legacy Priority Sector Lending (PSL) shortfalls. Since FY '24, the Bank has maintained 100% compliance across all PSL subcategories, ensuring that no incremental burden is added to our RIDF stock. As a result, our RIDF balances have continued their steady decline from a peak of around 11 % in FY '24, to around 6.9% in quarter 3, and Bank remains well on track to further reduce it to below 5% of Total Assets by FY '27 in line with our guidance. As these low-yielding RIDF assets mature, we are systematically also retiring our higher cost borrowings as well as redeploying them into higher yielding advances.

Within Advances, we continue to see sustained strong traction in our main segments of SME and Mid-corporate. However, within Retail and Corporate & Institutional Banking (CIB) segments we continue to remain selective and are strategically expanding our portfolio in those sub-segments that deliver the most attractive risk-adjusted returns.

At the end of Quarter 3, Total Advances stood at INR 2.57 lakh crores with a healthy sequential growth of 2.9% quarter-on-quarter. However, on a Y-o-Y basis, the growth came in at 5.2%. The Advances mix was as follows: Retail segment was around 47%, Commercial and CIB segment each were around 26% to 27%.

Though our headline credit growth currently lacks the system growth, we would like to highlight the following:

1. The Bank's Commercial Banking segment growth continues to be robust and amongst the best in the industry.
2. In the Corporate and Institutional Banking (CIB) segment, despite disadvantage of the Cost of Funds (CoFs), vis-a-vis the Government Banks as well as bigger Private Banking peers, we are picking up decent traction, especially aided by our comprehensive product suite, which includes differentiated product offerings of Application Programming Interface (API) and Transaction Banking, Financial Markets, and other advisory services.
3. In the Retail segment, it is important to note that the Bank has strategically chosen not to pursue aggressive growth in two major product categories, that is the Home Loans and new Car Loans, as these product sub-segments currently do not generate attractive risk-adjusted returns, given our cost of funds position and the elevated competitive intensity in the market. Similarly, although Gold Loans have been one of the fastest-growing segments in the recent quarters, the Bank has deliberately deprioritized this product for the time being.
4. Excluding these three segments, Retail growth momentum has been strengthening over the past two quarters, and this improving trajectory is expected to translate into higher book growth over the coming quarters.

Within the Retail Banking Advances, the Credit Card outstanding has grown by 21% Y-o-Y, driven by a 26% increase in the spends. Rural banking portfolio has also grown by around 17% during quarter 3.

There is a sustained momentum in our Retail Assets disbursements, which increased 15% Y-o-Y, supported by improved risk metrics and better vintage performance in both secured and unsecured products. The products which witnessed a Y-o-Y disbursement growth in excess of 20% included Personal Loans and both Secured and Unsecured Business Loans.

Like I said earlier, our focus remains on Profitable growth, being selective in low-yield segment and prioritizing products with superior risk-adjusted returns. Importantly, Asset Quality has seen a marked improvement due to robust underwriting, collections and monitoring frameworks.

As we have been consistently articulating over the past several quarters, our branches serve as the core fulcrum of our business, acting as the primary hub for both granular customer acquisition and holistic relationship management. Our strategy is designed to leverage this physical network, not just for gathering liabilities, but as multi-product engines, capable of generating assets, fee income and high-velocity transaction flows.

During the year, we have expanded our branch network to 1,328 branches by adding 33 new branches in Quarter 3, and overall, 76 branches in the 9 months of current financial year against a full year target of 80 branches. This focus on branch network expansion is already yielding significant structural results, with internal sourcing from our branches, now accounting for approximately 52% of our Retail Asset disbursements, a substantial increase from just 37% around two years ago.

Our Deposit franchise continues to demonstrate healthy momentum. Our total End-of-Period (EOP) Deposits stand at INR 2.93 lakh crores, registering 5.5% growth. On Quarterly Average Balance (QAB) basis, Bank's Total Deposits have grown by 5.7%. This growth needs to be considered from two perspectives. First, Bank has taken sharp rate actions in the deposit space, in fact, one of the highest amongst the peers. Despite this, the Bank has been able to maintain this growth level and actually outperform the industry on the CASA front. Secondly, like in Advances, in Deposits also, the Bank is prioritizing Profitability and granularity. Bank's incremental Deposit mobilization is increasingly Retail-led and CASA accretive.

On Average Quarterly Balance basis, Retail Deposits have grown 12% Y-o-Y with robust momentum in Retail CASA, and within that, Retail Current Account balances have grown 19.4% Y-o-Y and Retail Saving Account balances have grown by 16.3% Y-o-Y reflecting deeper engagement and growing customer trust while also achieving a lower Cost of Funds. On an EOP basis, Retail balances have grown by 9.1% Y-o-Y. This outpaced Total Deposits, evidencing a continued shift towards granular Retail funding. Retail and Branch-led Deposits now contribute approximately 60% of Total Deposits, growing at rates faster than that of Bank's Total Deposits, underscoring the strength of our branch network.

Within Saving Accounts, growth in “up to INR 1 crore” and individual cohort underscores franchise depth, even as wholesale deposit remains subdued, highlighting the resilience and quality of our Retail Deposit engine. The Bank CASA and Retail TD which reflects granularity in our Deposits, stand at 66.2% of Total Deposits against 62.6% in Quarter 3 of last financial year.

This outperformance in Deposits in a tight liquidity environment is a testament to our Branch-led Deposit engine and our shift to a service-led fulfillment model. Along with this, the Bank has also maintained a strong focus on sustained reduction in its Cost of Deposits which has reduced to 5.6% from 6.1% last year, driven by higher deposit-rate cuts relative to the rate cuts undertaken by RBI and competitors. This is a reflection of Bank's strong franchise and focus on accretion of better-quality customers with higher NAVs. Similarly, Cost of Funds have seen a reduction of 60 basis points to 5.9% from 6.5% last year, driven by reduction in high-cost borrowings, which were used to fund the Bank's legacy PSL related Deposits.

All of these aforesaid initiatives in PSL, Asset Mix and, Liabilities have also resulted in gradual improvement in our NIMs, which will be the biggest driver of our ROA expansion journey from here on. The NIM for quarter 3 have come in at 2.6%, which is a 12 basis point expansion on quarter-on-quarter basis and 24 basis points on Y-o-Y basis. Both on quarter-on-quarter and Y-o-Y basis, the balance sheet mix improvement has more than offset the impact of interest rate cuts. On the Assets side, a marked reduction in RIDF balances from over 11% to under 7% has reduced the negative drag, while the corresponding improvement in Advances Mix is further contributing to gradual NIM accretion. Similarly, on the Liabilities side, a favorable funding-mix shift with shrinking share of high-cost borrowings coupled with a sustained rise in CASA has led to, relatively superior improvement in our Cost-of-Funds in the recent quarters and even amidst challenging industry backdrop. Moreover, the Profitability traction of last few quarters has led to a gradually increasing contribution of Capital in the funding mix. On the rates front, it is critical to appreciate that the Bank has significantly contained the impact of interest rate cuts on the loan spread, through proactive actions on the Deposit rates. Here again, the deposit rate reduction achieved by the Bank has been one of the highest among peers.

Now moving on to the next critical aspect, which is Asset Quality. Our growth calibration, and proactive risk management efforts of last 4-6 quarters, which included tightening of sourcing, underwriting, scorecards and improving our collections infrastructure, including early intervention have yielded a marked improvement in our Asset Quality outcome with headline Gross NPAs improving to 1.5% from 1.6%. Similarly, Net NPAs remained stable at 0.3%, while the Provision Coverage Ratio increased to 83.3% against 81% in Quarter 2 and sharply higher, compared to levels of 71.2% witnessed in quarter 3 of the last financial year.

Similarly, the Quarter 3 was the second consecutive quarter of improvement in overall Fresh Slippages, which were contained at INR 1,050 crores against INR 1,248 crores in Quarter 2 and INR 1,458 crores in Quarter 1. As a result, the Bank-level Slippage Ratio improved to 1.6% of the period end Advances against 2.0% in quarter 2 and 2.4% in Quarter 1. This is the lowest slippage level seen in last eight quarters, which is primarily led by a sharp improvement in fresh slippages in the Retail Segment Advances. Within Retail, the slippages have improved across both Secured and Unsecured portfolios. Similarly, there is a good improvement in the early delinquency overdue bucket of 31-90 days across the portfolio.

During the quarter, the aggregate Recoveries and Upgrades at INR 1,224 crores. And within this, the Recoveries from the fully provided Security Receipts (SR) at INR 555 crores which takes our cumulative recoveries from Security Receipts for the year to almost INR 1,113 crores and in line with our guidance of INR 1,200 crores for the financial year. It is important to highlight that, on the account of P&L gains from the SR portfolio, while the net Credit Costs were negligible for the quarter, even normalized for this impact, if we were to look at just Provision for NPAs, these stood at only 0.5% of the Average Assets against 0.7% for both Quarter 2 as well as Quarter 3 of the last financial year.

As regarding the Non Interest Income, the Core Fees are up by 9.8% Y-o-Y, driven by strong traction in fee income streams, which includes the Processing Fee, the Third-Party Distribution and General Banking.

So, if I have to summarize strategically, the Bank's Profitability is being driven by:

1. Firstly, Margin expansion through RIDF rundown, CASA mix improvement and deposit price action. Going forward, we expect to see benefit from Retail mix improvement on the Assets side.
2. Second driver has been Sustained growth in Fee Income, leveraging digital platforms and cross-sell opportunities.
3. Thirdly, our continued focus on cost optimization and productivity enhancement, which has helped us achieve improvement in Cost-to-Income ratio and should further drive operating leverage as income growth accelerates.
4. And lastly, normalization of credit costs, particularly in the Retail segment.

Looking ahead, YES BANK remains committed to its strategic road map of profitable growth, targeting full year 1% ROA for FY '27 and 1.5% in mid-term, with growth outlook which will be in line or marginally higher than the industry. Having said that, at the same time, we will calibrate the growth depending on our Profitability objectives as well as opportunities in the market.

Once again, I would like to thank you so much for your continued support. And now we can take your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Pankaj Agrawal from Prudence Investment Advisors.

Pankaj Agrawal: Good afternoon, Sir. Many congratulations for outstanding results. I have two questions. The books that had been delivered to JC Flower of around INR 48,000 crores, how much cumulative recovery has been done from that book? And is there any legacy slippage still left? And secondly, Retail Banking continued to slip. So how many more quarters will it take for the bank in getting Profitability from Retail Banking?

Prashant Kumar: So Pankaj, first, thank you so much for continuing to remain interested in YES Bank franchise. To your first question on the recovery from the ARC. Since we have assigned this to ARC, on a cash basis, we have recovered INR 7,500 crores for YES Bank, okay. That is one thing. And we continue to have almost like INR 1,800 crores of outstanding Security Receipt which would be getting monetization of both Security Receipts as well as the upside from the resolution of those Assets. So still, there are a lot of juice available in that portfolio.

Second, in terms of your question on the Retail, I'm really happy to report that this quarter, our Retail businesses have breakeven, and going forward, we would be going to see a significant contribution in the Profitability of the Bank from the Retail. Because if I would like to bring to your notice that for the last four, five years, especially after COVID, there was a time where we were continuously investing on the Retail side and when you invest, it takes time to have a return out of that and in between, the industry also faced a very adverse credit cycle on the Retail. I think not only our investments have started yielding the right results, and with that turnaround in our Asset Quality cycle on the Retail, where we are seeing a lower slippage, better recovery, so not only Retail Asset has breakeven, but would contribute, I think, significantly going forward in the Profitability of the Bank.

Niranjan Banodkar: Sir, if I can just clarify, I think what Prashant is saying. So, when you look at our segmental results, you will find that the Retail will still have a negative number, but that is also because we've taken a onetime charge for the gratuity. So if you adjust for that, and there are certain internally, we reported as part of Retail, but for the segmental disclosure, we are classifying them as outside Retail, if we build that back into the Retail business, we have broken even. I think that's the important point we wanted to make.

Pankaj Agrawal: Thank you, very much and best wishes. We hope that YES Bank will reclaim its earlier position very soon. Thank you, sir.

Moderator: Our next question is from the line of Jayant Kharote from Axis Capital.

Jayant Kharote: Thank you for the opportunity. The first question is on the Retail disbursals. So I see it's slightly down Q-o-Q by around INR 300-odd crores. I was under the impression that given the Asset Quality trajectory, this should be moving up. I know it's not a sharp decline, but why this calibration over here? And how should we think about the next two, three quarters in the Retail disbursals? That's the first question, I'll come back with the second one.

Prashant Kumar: You can complete your question, then we can respond.

Jayant Kharote: Okay. So, second one is on CASA. Absolute number seems to be not going up meaningfully for the past couple of quarters. So, if you could also shed light over there, I know we've taken a lot of pricing actions. So again, when do we see that growth or uptick being meaningful on the absolute CASA balance?

Prashant Kumar: So, I think there are two things. Like first, in terms of Retail disbursement if you see with the confidence in terms of the underwriting and the collections, I think we have started seeing the disbursement, which is 15% higher on a Y-o-Y basis. We have also seen like since we are not there in the Prime Home Loan and the New Car Loan and the Gold Loan. But we are seeing like every month the disbursement happening at a higher level.

So, I think the current quarter should be much better than what we have seen in the past. But I think this is a continuous path where the trend has absolutely improved with continuous improvement. So, we'll see, I think, much better on this. On your CASA, I think, I would just like to make one point. Today, if you see our Overall Deposit Growth and the Deposit Growth of the CASA, is doing much better than what the industry is doing, especially when I talk about the Retail.

I think if we need to grow on the overall liability side, at a rate, which would be higher than the industry, then it means for improving the CASA ratio further, you need to grow on

CASA much higher than the Overall Deposit growth, which in the current times, if we see the trend across the industry, we feel like it's a tough time. But I think the important part is that we have taken actions in terms of reducing our rate of interest on Saving Bank Account, where the cost of Saving Bank Account has come down by almost 150 basis points. And despite this, we are improving. So, I think it would be like a balanced approach where we would continue to have the rate action and have the growth also.

Jayant Kharote: If I may squeeze in one more question. If the third quarter disbursements do improve the way you are hinting at, should we now think of next year growth closer to the mid-teen number? Or how should we think about next year's growth?

Prashant Kumar: So absolutely, Jayant, like if we see in terms of the growth for the current quarter, sequential growth, which is 2.9%. We are very confident that we would be sequentially be able to grow more than 3% in the current quarter, which will take our Credit growth to around 8% okay. But definitely, next year, after we are able to solve the issues in terms of better underwriting and better risk policies control on the Retail and, I would be saying the high-risk corporate loans have already been repaid, I think we would be definitely targeting a loan growth, which would be more or less in line with the market, barring, I think if we need to exclude the growth, especially on the products like Prime Home Loan and the Car Loan.

Jayant Kharote: Very, very helpful.

Niranjan Banodkar: I just wanted to maybe add to what Prashant said on the CASA. So, I just wanted to say that, look, one, we did call out that in September, sometimes there are certain transient flows that kind of go in on the Deposit side, especially on the Current Account side. And therefore, if I just bring your attention to the average performances here, both on Current Account and Savings Account at the full Bank level, we have seen almost like an 8% increase in Current Account Y-o-Y and about 17% in Savings Account Y-o-Y.

If I bring that attention more to sequential numbers, both CA and SA have grown by 5% each. So yes, sometimes we do see some noise that kind of comes through the reported numbers. But the fact that Current Account actually has sequentially grown 5% has also been one of the contributors from a Net Interest Margin standpoint as well. So, I just thought I'll clarify on that.

Jayant Kharote: This is very helpful given that average CASA growth is 5%. I think I missed that coming through, so this is very helpful. I think this puts my concerns to rest.

Moderator: Our next question comes from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited.

Sucrit D. Patil: I have two questions. My first question is, as the Bank moved beyond stabilization, how do you see YES Bank positioning itself for growth in the Retail and SME lending, while also expanding Digital Banking. Could you share your vision on how the Bank will differentiate itself in the next few years against larger private sector peers? That's my first question. I'll ask my second question after this.

Niranjan Banodkar: Why don't you complete your questions, we'll respond to both.

Sucrit D. Patil: Okay, yes. My second question is regards to Profitability and margins. Again, with Profitability improving, how are you thinking about balancing cost discipline with the investment needs for tech and branch expansion over the next few years? And what steps are you taking to ensure the margins remain stable while the Bank scale itself and the SME business?

Prashant Kumar: So, I think first responding to your second question, in terms of investment for future and also at the same time, maintaining a balance between the Profitability. So, I think if you see last four, five years, we have heavily invested in both technology and our Retail network expansion. And despite this, we have been able to control our Cost to Asset. If you see our Cost to Asset, despite this kind of investment, has not gone up. Actually, we have been able to control within 2.5% to 2.6%. And if you see even the current growth on the Opex is one of the lowest in the industry. And despite continuing to invest in terms of opening new branches, better digital capabilities, so I think we have been able to reach that inflection point where whatever we have invested in the future, it has started giving the results to us. So, it's a cycle where we will continue to invest for the future, and we'll also get the reward for our investment of the past. So, I think we're quite confident that we would be able to invest also and we would be able to have a balance between the cost as well as on the Profitability side, okay.

Coming to your first question in terms of how we need to differentiate in terms of our SME and the digital side, I think if you see on the SME, we are showing one of the best loan growth. And even if you see our Total Advances, 29.3% of our advances are actually the SME advances, which is again one of the highest in the industry.

So I think this is one area on the SME, which offers a huge opportunity in our country, and we have a very good understanding and the distribution network in terms of acquiring new customers having a good turnaround time and meet their requirement, not only from the loan purpose, but also in terms of solutions coming from the digital and the tech side. So I think this is one area where we would like to continue to outpace the industry.

Now on the Retail side, I think currently, our strategy is definitely in terms of chasing a profitable growth. And we would not like to grow in those Asset classes where the returns are not as per the risk. But definitely, we are looking for some products on the Retail where we are currently not there in terms of building our capabilities and start growing on this. I can name just two things. Maybe one, on the wealth management side, is one area where we would like to explore and build our strength in this side. Plus, we may also look if the products like gold loan offer a good opportunity, how we can start building our capabilities for that product also.

Sucrit D. Patil: I think the last part of the guidance was very important. And I wish the entire team best of luck for the next quarter.

Moderator: The next question is from the line of Jai Mundhra from ICICI Securities.

Jai Mundhra: Congratulations on a steady quarter, sir. I have two questions. One is, you specified the impact of gratuity under the new labor code, but the number seems relatively very high if you compare other banks, those who have given the preliminary assessment. Any reason, sir? I mean, other banks are saying only very maybe one-fourth, one-sixth number of what you have reported. Any more details that you could share there?

Prashant Kumar: So Jai, in terms of the our understanding of what the wage bill is talking about, that you need to calculate gratuity, assuming that your wages have to be at least 50% of your fixed pay. As per our wages construction, currently, the basic pay is around 30% of the total fixed pay. So if we have to define as per the new wage bill, then the gratuity has to be worked on the basis of if the basic becomes almost 50% of that. Now if we take it from 30% to 50%, and this is how we have worked our liability. And we have been very very, say I would be saying careful in terms of why don't you make provisions instead of the coming quarters, we continue to have a negative effect. So basically, the strategy was more in terms of workout as per our understanding, make a onetime provision so that the future earnings are not being impacted from any possible interpretation of the wage code.

Jai Mundhra: Right. Sure. And the second question, sir, on SMBC. I mean, right now, they are majority they are one of the largest shareholder, but not a promoter. And they also have share through their four Indian branch, right? So do you see a possibility wherein four Indian branch of SMBC is amalgamated or convert into wholly owned subsidiary? Or how does it work? I mean can they run parallelly? Or do you think there is going to be an impending change there? Or how should one look at that?

Prashant Kumar: Jai, my understanding is almost similar to what understanding you would be having on this. Nothing different, okay? They are currently like 24.9%. We have also seen a news that they got approval for a wholly owned subsidiary. How things will shape up in the future, I think all of us together we will see that.

Jai Mundhra: No, no, sir. I'm not asking you to sort of give me any future thing. I wanted to check if those four branches can run separately or they have to be sort of mixed with YES Bank current operation as of now, I mean nothing into future.

Prashant Kumar: No, I think because this is the first time this is happening in the Indian banking space. Very, very difficult to give a definite answer in terms of having a complete understanding how the regulator would think about this. So I think at this point of time, let's see how that whole thing would take shape in the future.

Jai Mundhra: Sure, sure. And last sir, on asset quality, So this quarter, you've done exceedingly well, the SR redemption continues and the specific provisions are negligible, right? But sir, if I look at last quarter, right? So I mean somehow it is creating a bit more volatility in the specific provision. If you look at last quarter, there was a bump up. And this quarter, there has been significant decline. So I mean, fair to say that if you continue to receive, let's say, INR 500 crores kind of a SR redemption you can sustain the current negligible kind of a credit cost or that can again have a volatility in this line item?

Niranjan Banodkar: So Jai, I think the right metric to look is really the NPA provisioning because, as you rightly said, SR provisioning can at times be unpredictable. It is not a function of what we are doing. It's a reflection of what the asset reconstruction company is doing, although we keep getting cash flows from them.

So I think just on the NPA provisioning, the credit cost in March, we did see provisions of about INR 900 crores. They kind of came for the next two quarters at about INR 680-odd crores, which has now come down to about INR 533 crores, right? And it's also clearly coinciding with the way our core Asset Quality performance has improved. So Slippages have also come down. Now on the Security Receipts, look, we did see a dip last quarter, we did see some increase now. I think that's the way some of these things will play out. But on the whole, we've always said that we had guided last year that our Net Credit Cost, Non-tax Provisions to Assets should be below 50 basis points for the full year. I think we're happy to state that I think that's something we should be able to continue regardless of the volatility that will happen during different quarters.

Jai Mundhra: Right. Sure. And if you have any rough range of this redemption over the next, let's say, two to four quarters from this SR portfolio?

Prashant Kumar: No, I think, Jai, would be difficult to say, but I think today if you see that out of INR 6,800 crores of Security Receipts, now we are left with only INR 1,800 crores. INR 5,000 crores have been fully resolved and in addition to INR 5,000 crores, we have also received an upside of almost INR 2,500 crores. So I think if we see that part, definitely for the remaining books, things would become more difficult and it will take more time. But I think we have given a guidance for this year in terms of having a recovery of INR 1,200 crores for the entire year. We have already achieved INR 1,113 crores, okay. So I think fortunately like our estimation on this part has been proved correct. But I think next year onwards also we would be seeing maybe recoveries in the range of INR 800 crores.

Jai Mundhra: Right. Understood. And Niranjan, if you have the number in rupees crore for PL and Credit Card slippages because I see that there has been a lot of improvement in the Retail slippages. I mean, just that number in absolute crore will be very, very helpful.

Niranjan Banodkar: If you can bear with me for 30 seconds, we will have that number. So PL, the Gross Slippage number is about INR 180 crores and credit cards would be about INR 140 crores.

Jai Mundhra: Okay. And they are clearly down, right? So if you have the corresponding number last quarter?

Niranjan Banodkar: Yes. So last year, same time this number was about INR 250 crores, Credit Card was about INR 190 - 200 crores. So we've kind of continued to see improvements from those numbers.

Rajan Pental: Just to add to this, one is the Gross Slippage number. The other one also is to look at the entry rates. So entry rates in cards from 20% is down to around 12% which gives us significant confidence on the way things are panning out.

Similarly, for Retail Assets, I don't have here for only PL, but overall for Retail Assets, it is down to 8.7% as compared to a high of around 10.7% a couple of quarters away, So both in terms of entry rates, resolution and slippage and recovery, each of the product, including cards, is showing a significant improvement.

Jai Mundhra: Sure. And sorry, I did not catch this, did you say entry rate or sorry, what was that?

Rajan Pental: Entry.

Jai Mundhra: Entry, so entry into delinquency.

Rajan Pental: Yes, the check bouncing rate.

Jai Mundhra: Sure. Thank you very much and all the best.

Moderator: Our next question comes from the line of Dev Dey from Horse Power Securities.

Dev Dey: Congratulations on a splendid set of numbers again. My question is regarding the Advance growth, So are you confident to achieve the Advances growth in the figure of teen, high teen or mid-teen?

Prashant Kumar: No, I think we are not like aspiring for that kind of loan growth, okay? We are more in terms of a Profitable loan growth. We don't want to simply grow for a top line purpose, without having a Profitability. So I think mid-teen or high teen is sometimes a way, okay. Immediately, what we are looking for the current financial year would be somewhere around 8%. And for next financial year, we would like to be in line with the market.

Dev Dey: And can you...

Moderator: Sorry to interrupt, Dev. We request you to please rejoin the queue if you have any further questions.

Dev Dey: Okay, sure. No problem. No problem. No problem.

Moderator: Our next question comes from the line of Nagesh Motamarri, an individual investor. Please go ahead.

Nagesh Motamarri: Hearty congratulations for an excellent set of numbers in this competitive market conditions. I just have a small question. As a Retail individual investor, when can we expect a nominal simple dividend from the Bank in future?

Prashant Kumar: So Nagesh, thank you so much. I think I recall like you were also participating in the earlier earnings calls. I think fundamentally, if you see like from where we started, we have been able to show quite a decent performance in a very tough market. But definitely, we would like to see that going forward we would continue to perform much better and reward our investors.

Nagesh Motamarri: Yes, any rough tentative time line one year, two years or something like that? Because the equity is very high, servicing this kind of an equity is difficult, I understand.

Prashant Kumar: Nagesh, at this point of time, I think it's very, very difficult. We need to discuss this part in terms of Board and others, but I think at the right time, we would also accomplish.

Nagesh Motamarri: Thank you very much and all the best, sir.

Moderator: Our next question is from the line of Anurag Khurana, an individual investor.

Anurag Khurana: Mr. Prashant Kumar, first of all, my appreciation. I hope my words don't sound bad, but you came in at a time and adopted an orphan and grew it to this level. So to you, personally, and to everybody else who turned around YES Bank, so that it could attract investor like SMBC. And secondly, I'm joining this for the first time, your conference. But I'm a little difficult investor. I don't want to get satisfied with the dividend, but I have my own estimation of the stock price with this SMBC coming in. I know you have already said that you're looking for Profitable growth on your loan book. So when can we see a doubling of your loan book so that my stock price can go up to INR 100.

Prashant Kumar: No, but I think first of all, thank you so much for understanding and appreciating the performance of the Bank. I think what we also need to say be cautious of, that, ultimately what is the expectation. As per our understanding, expectation from the investor is always in terms of Profitable growth, instead of maybe doubling the loan book, where you don't earn and you come across the credit issues going forward.

So I think for any Bank, it's very, very important to diversify the loan portfolio, have some time in terms of understanding, doing it better, gradually grow. And this is exactly what we are doing. If you see continuously, every quarter has been better than the previous quarter. I think we would still like to be very, very calibrated, cautious, okay.

I would not like to do anything which can create any pain point for our investors or the depositors. And we are quite, I would be saying confident and feel happy that we are absolutely moving on the right track.

Anurag Khurana: I don't want to even ask about SMBC because I think you've already indicated in a conference, and we will let the things unfold at the natural pace as per your own understanding internally, what you have with them. But I think it's a beautiful chapter, which we are waiting to unfold. and my Best Wishes to you and your team. I think I have a feeling that you're probably underappreciated at this point of time in the Banking industry as the task on your hand, five years back, was very, very difficult. So I'm trying to bring in this point, although it may not matter to people who are listening to this, but I know how difficult it is to keep a team motivated and to bring them to a level of semblance. So Best Wishes.

Prashant Kumar: Thank you. Thank you so much for your understanding and appreciation.

Anurag Khurana: All the best, sir. Thanks for this opportunity and participation. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as our last question for today. I would now like to hand the conference over to Mr. Prashant Kumar for closing comments. Over to you, sir.

Prashant Kumar: Again, thank you so much for your continued interest in YES Bank, attending the conference call, and asking all the questions. I can only assure you that as a Bank, we would continue to work for showing a better performance and to the benefit of all our depositors and investors. Thank you so much, and I wish all of you and your family a very Happy New Year.

Moderator: Thank you. This brings the conference call to an end. On behalf of YES Bank, we thank you all for joining us. You may now disconnect your lines.