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April 24, 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 audited Financial Results for the Quarter (Q4) and year ended March 31, 2026

Ref.: Regulation 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 April 18, 2026, for the audited Financial Results for the Quarter (Q4) and year ended March 31, 2026. 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=q4fy26_analyst_call_transcript.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,

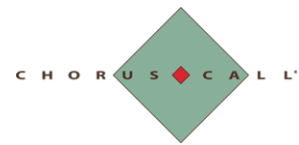
For **YES BANK LIMITED**

Sanjay Abhyankar
Company Secretary

Encl.: As above



“YES Bank Limited
Q4FY26 and FY26 Earnings Conference Call”
April 18, 2026



MANAGEMENT: **MR. VINAY M. TONSE – 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 Q4FY26 and FY26 Earnings Conference Call. On the management panel, we have with us today Mr. Vinay M. Tonse, Managing Director and Chief Executive Officer, YES Bank; Dr. Rajan Pental, Executive Director; Mr. Manish Jain, Executive Director; Mr. Niranjana Banodkar, Chief Financial Officer; and Mr. Sunil Parnami, Head of Investor Relations and Sustainability.

Mr. Vinay M. Tonse will now give you an overview of the results, which will be followed by a Q&A 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 then zero on your touchtone phone. Please note that this conference is being recorded. Participants are requested to ask questions pertaining to the bank's Q4FY26 results only. For any other information, you may reach out to the Corporate Communications team separately.

I now hand the conference over to Mr. Vinay M. Tonse. Thank you, and over to you, sir.

Vinay M. Tonse: Yes. Thank you very much. And at the outset, our apologies for getting into this meeting a little late. We got stuck in some other meetings today. Sincere apologies for that. But formally to start, good afternoon, everyone, and thank you for joining us for the YES Bank Quarter 4 and Full Year FY26 Earnings Conference Call.

While I have interacted with many of you in my earlier role, this is my first earnings interaction as the MD and CEO of the YES Bank, and I'm very pleased to join you today along with my senior leadership team and I also look forward to building a long-term engagement with all of you.

As part of my opening remarks, I will briefly cover my first impressions of the Bank, our take on the current operating environment and key highlights of our quarter 4 as well as the full year FY26.

But, at the outset, I would like to express my sincere appreciation for Mr. Prashant Kumar, my predecessor. Over the past several years, he led YES Bank through a multi-year and truly unique transformation. His leadership was pivotal in stabilizing, strengthening and also re-anchoring the institution. I must also bring in here mention of the strong support of the Government of India, the Reserve Bank of India and the State Bank and other banks who got in together to bring in the reconstruction of the YES Bank. And also, last but not the least, the Board of Directors, which guided us during this period and also our customers and employees, who are a huge source of strength for us.

Thanks to these collective efforts, the Bank, I now have the responsibility to lead, stands on a very stable foundation. Even in challenging periods, the YES Bank's brand

remained relevant and trust was rebuilt gradually through steady execution. Today, the Bank operates on a stronger base with resilient Asset Quality, a more granular franchise, a strengthened deposit engine and renewed stakeholder confidence supported by strong shareholders such as SMBC, SBI and Advent International.

Over the last few weeks, I have spent meaningful time across teams and functions, listening, understanding and also observing the nuances of how this Bank operates.

My early interactions have highlighted the steady commitment of the YES bankers who have been supportive through challenging periods and contributed to restoring confidence. I've also seen a strong alignment of purpose across all the stakeholders. That's amongst employees, customers, the regulators, the Board and investors, which is very reassuring for the path ahead for us. Alongside this, our modern technology platform, the leadership in digital payments ecosystem we have and collaborative embedded banking capabilities provide useful strengths as we enter the next phase of growth.

Going forward, we will build on what is working well, strengthen areas that require more attention and pursue growth that is thoughtful, calibrated and also sustainable. Execution discipline and stakeholder trust will remain central to how we operate.

Looking ahead, we will continue to invest steadily across four basic areas: our people, our product, our processes and our technology platforms. These remain important to strengthening the Bank over time. We will also keep building on the Power of One YES Bank to ensure a consistent customer experience across businesses. In addition, our ongoing collaboration with SMBC provides helpful strategic support, particularly in Corporate and cross-border banking.

Now let me talk about the macros as they are evolving.

We are closely observing the fast-evolving global environment, including the AI landscape and the geopolitical conflicts impacting global growth, supply chains, energy and freight costs and also the inflation and interest rate trajectories. Against this backdrop, India remains comparatively resilient, supported by steady domestic demand and a stable financial system. As a Bank, we remain attentive to these trends and their potential implications for our businesses.

To the third part now, I would now share some of the key highlights of our quarter 4 and also the full year FY26 performance.

Despite the ever-evolving macro environment, the Bank closed FY26 with stable and improving financial performance, underscoring our progress on Profitability, productivity and Balance-Sheet quality.

1. For the full year FY26, Net Profit stood at INR 3,476 crores, up 44.5% over FY25, Net Profit of INR 2,406 crores, supported by continued improvement in our operating performance. Return on Assets (ROA) for the full year was at 0.8% versus 0.6% in FY25.
2. For Q4FY26, the Bank reported a Net Profit of INR 1,068 crores, reflecting a strong growth of approximately 44.7% over the Net Profit of INR 738 crores in the corresponding quarter of the previous year. In line with our guidance, Bank reported an ROA for the quarter of 1%.
3. Talking of our Net Interest Income and NIM. NII for the quarter was INR 2,638 crores, which was up 15.9% Y-o-Y.
4. Despite adverse interest rate environment and elevated competitive intensity in Deposits, our NIM saw an improvement of 10 basis points quarter-on-quarter and 20 basis points year-on-year and came in at a number of 2.7%. Even for the full year, the NIM at 2.6% improved 20 basis points vis-a-vis FY25 and in line with our guidance given in Q4 of FY25. Our margin improvement was supported by multiple factors, namely front-loading of our Deposit repricing that happened last April, continued outperformance in CASA and sustained reduction in high-cost borrowings mirroring continued rundown of the RIDF and PSL-related mandated Deposits. Net Interest Income for FY26 at INR 9,776 crores grew 9.3% year-on-year.
5. In line with our guidance in FY26, the Bank had a second straight year of 100% compliance in PSL and all of its subcategories, which resulted in notable reduction of RIDF and other mandated Deposits to approximately 6% of Total Assets vis-a-vis 9% as at the end of FY25. That was 6% now against 9% last year. The Bank continues to see a gradual increase in its organic accretion of PSL across sub-categories. Going forward, the Bank remains well on track to reduce these Deposit balances to below 5% by fiscal '27, which will aid our margins and Profitability.
6. As regards the Non-interest Income, the Bank saw continued momentum across all diverse and granular fee income streams. Non-interest Income for the FY26 at INR 6,759 crores grew 15.4% year-on-year, driven by healthy traction in Retail fees, SME and Commercial Banking fees and also on the back of strong Transaction Banking performance. We continue to strengthen our fee momentum by deepening client engagement, improving the cross-sell intensity in Wholesale Banking and scaling our digital fee engines. This includes driving higher penetration of forex, trade and CMS flows within our Corporate relationships, while broadening Retail fee contributions through pre-approved programs, cards, payments and wealth offerings.
7. Over the last three years, the Bank has seen a meaningful increase in its Non-interest Income to Average Assets Ratio, which has increased from 1.1% in FY23 to 1.5% this year FY26.
8. Cost-to-Income Ratio for FY26 also saw a big improvement to 66.7% versus 71.3% in FY25. That's 66.7% now versus 71.3% last year. The exit for the

financial year came in even lower with the Cost-to-Income Ratio coming at 63% vis-a-vis 66.1% Q3 FY26 and 67.3% the same quarter last year. The decline has been in line with our broad guidance to gradually keep bringing down our Cost-to-Income Ratio, and we expect the momentum to continue.

9. Improving core Profitability remains a central theme for us. For FY26, the Bank had a Pre-Provisioning Operating Profit (PPOP) of INR 5,506 crores, which grew 29.4% year-on-year. FY26 PPOP as a percentage to Average Total Assets improved to 1.2% versus 1% for FY25 and 0.9% in FY24. The PPOP for the quarter was INR 1,618 crores, up 23.1% year-on-year, supported by income growth outpacing expenses growth, reflecting sustained expansion in our operating jaws.
10. Asset Quality remained strong during the quarter. As at 31st March '26, the Bank reported Gross NPA and Net NPA ratio of 1.3% and 0.2%, respectively, the lowest ever that we have seen in the last 24 quarters and amongst the top quartile in our peer set. Sequentially, the GNPA and NNPA ratio improved by 20 and 10 basis points, respectively. Further, the Provision Coverage Ratio (PCR) continues to remain healthy at 81.9%.
11. The Resolution momentum remains strong. The Bank had total Recoveries and Upgrades of INR 4,795 crores in FY26, which included recoveries from Security Receipts (SRs) of a little more than INR 1,550 crores against our guidance of INR 1,200 crores. In line with the rundown in the face value of the Security Receipts, we expect recoveries to the tune of INR 800 crores to INR 1,000 crores from SRs in FY27.
12. The Bank continues to reduce its overdue exposures, strengthen early warning mechanisms and enhance the underwriting standards and the collections infrastructure.
13. Gross slippage ratio in FY26 has improved to 1.8% versus 2.1% last year. This has been led by improvement in the Retail Asset Slippages, which improved in FY26 to 3.5% from 4% in FY25 with the exit rate even lower at 2.8% in Q4FY26 versus 3.4% the last quarter. Retail slippage for Q4FY26 at INR 888 crores is at its lowest in the past 9 quarters, with improvements visible across both secured and unsecured products. Together, these trends underscore the resilience of our asset book and the effectiveness of our ongoing credit risk management efforts.
14. Overall Credit Costs remained low at 0.2% for the full year FY26 versus 0.3% last year. Credit Cost for the Q4FY26 was at 0.17%.

Now moving over to the Balance Sheet highlights.

1. Growth saw a marked uptick during the quarter, aided by acceleration across business segments. Total Advances registered a growth of 11.1% year-on-year to INR 2.73 lakh crores. Retail disbursements in particular, have gained

significant momentum, registering approximately 41% year-on-year growth in Q4FY26.

2. We remain focused on balanced and Profitable growth across Retail, Commercial and Wholesale businesses, supported by disciplined risk selection and effective pricing.
3. We crossed 2 critical milestones in our Deposits franchise during this quarter. While overall Deposits crossed the milestone of INR 3 lakh crores, the CASA balances crossed the milestone of INR 1 lakh crores. Total Deposits increased 12.1% year-on-year to INR 3.18 lakh crores with a strong contribution from Retail and Branch-led Deposits, which grew 13.5% year-on-year and comprised 58.4% of the Total Deposits. CASA balances grew 14.9% year-on-year to INR 1.12 lakh crores. Even on an Average Quarterly Balance (AQB) basis, the CASA growth was strong at 11.2%. And the CASA ratio also improved 80 basis points year-on-year and 110 basis points Q-o-Q to 35.1%. Strengthening of the liability franchise remains a priority for the Bank. We are working to reduce reliance on the bulk Savings Bank balances, improving Branch-led and digital-led acquisition funnels, enhancing customer journeys and sharpening the pricing strategy, ensuring competitive positioning without compromising stability. Continued improvements in digital onboarding, the KYC processes and RM productivity have enabled us to capture higher primary banking share from our target customer segments and are the key drivers of our continued outperformance to the industry in CASA.
4. Our Credit-to-Deposit (CD) ratio, improved to 85.7% from 88% in Q3FY26 and 86.5% in Q4FY25.
5. Our Capital Adequacy and Liquidity levels remain comfortable to support the growth aspirations of the Bank going forward.

A few other updates from our side.

1. I'm pleased to welcome on Board Mr. S. Anantharaman as the Chief Risk Officer of the Bank. He is an industry veteran with over three decades of experience with rich experience, rich expertise in the risk management domain.
2. We also opened 82 new branches during the year, which was in line with our guidance at the start of the year.
3. Our ESG ratings, which are already the best in the Banking Industry in India, continue to see improvement across agencies such as S&P, FTSE and the ISS Stoxx.
4. YES Bank also has been recognized as a Great Place to Work for the fourth consecutive year.
5. The Bank has rolled out a new business offering in the form of YES Grandeur, which is the premium Banking suite delivering business solutions, digital integration and operational benefits for modern enterprise.

To conclude, as we enter FY27 with stability and renewed momentum, we will be continuing to:

- Invest in our people, products, processes and technology,
- Deepen customer relationships across segments,
- Focus on building a future-ready Bank with very strong resilience.

And finally, I thank you once again for joining us today. We can now take questions. Thank you.

Moderator: Our first question comes from the line of Jayant Kharote from Axis Capital.

Jayant Kharote: Congratulations sir for good set of results. The first question will be going ahead given that I know it's a short stint so far, but how are you looking at growth in the Bank for the next 1 year? Is there anything you're waiting for to accelerate in terms of any of the Balance Sheet metrics? Or do you think we can start with 15% plus growth?

And second, of course, is that if you could help us with the average CASA growth in quarter 4. And compared to the loan growth, maybe the CASA has held up despite the rate cuts, but how do we sort of grow that in line maybe in that 14% to 15% on an average basis? So how do you address these 2 questions?

Niranjan Banodkar: So, I'll start with the CASA growth on the average basis. So, on both CA and SA have sequentially grown in the range of about 4%. In fact, CA sequential growth has been slightly more than 4%, but blended is about 4%. And if I actually look at Term Deposits growth, and I'm excluding the CDs that we ended up raising as well, the Term Deposits also have grown big picture at about 4%.

So, if I were to characterize the growth for quarter 4 across the Deposits, it's broadly anchored around a 4% CASA and TD. So, I think we're kind of maintaining the CASA ratio at least from an average performance vantage point, right. If I look at the year-on-year growth on CASA, that is anchored at around 11% growth rate on an average. Again, this is -- we're talking about average Q4FY26 to average Q4FY25. So that's on Deposits.

You had a question which you started with was on next year's growth. And we've kind of discussed this on earlier calls as well. We do believe that we are a franchise that indeed should be delivering growth in line with the industry, if not targeting more. But there were reasons which were quite peculiar to us and conscious why we calibrated the growth lower.

But quite happy to report that we've already seen between December and March that the sequential momentum is beginning to quite accelerate. And that's kind of ending up with a reported number of 11% on a Y-o-Y basis for Advances growth.

We do believe that momentum should certainly continue and not just in certain products or segments. I think what we are now talking about is a lot more secular across segments. Of course, Retail Disbursement growth rates are quite aggressive.

We're moving fast now, given that we now have confidence on the Asset Quality and Profitability. But having said that, the book is slated to grow in double digits next year. So, net-net, we put all of this together, we should certainly aim to grow in line with the industry, if not more, and that ball broadly anchors around the 14% to 15% range.

Jayant Kharote: If I could just squeeze in one last question on the margin. This RIDF rundown has been quite healthy last year. Going into next year, should this trajectory on margin expansion continue Q-o-Q? Or could we see this coming back a bit?

Niranjan Banodkar: So, on a year-on-year basis, again, some of the rundowns that we had in RIDF this year also were more heavy from an H2 perspective. So, to that extent, FY27 comparison to FY26, even if it is year ended, should have no material bearing. But there is a rundown plan. So, we've ended this year at about INR 27,900 crores, ballpark INR 28,000 crores. We think that next year, at a minimum, the reduction should be about INR 6,500 crores. That could also go as high as INR 9,000 crores by the end of March '27.

Moderator: Our next question comes from the line of Jai Mundra from ICICI Securities.

Jai Mundhra: Good afternoon everyone and Congratulations on a good quarter. Sir, first question is on your growth mix, right? So, we have achieved 1% ROA, Asset Quality seems to be holding up reasonably well. But Retail Slippages, while they are improving, they are still 2.93%. And we see that Retail Advances are both up 4% to 5% on both Q-o-Q, Y-o-Y basis.

Given the SMBC induction as the largest shareholder, do you envisage any change in the loan mix between Retail, Wholesale, Commercial as you move towards industry level growth? So that is question number one.

Niranjan Banodkar: So, on the growth mix, I think important to note is the Retail Disbursement growth because that's really an important controllable that we have, which we are driving faster. So, if you look from a Y-o-Y perspective, in fact, we are kind of way above a 20% Y-o-Y growth. We do believe that it should ultimately get normalized in the 20-25% range.

But what we are aiming to grow the Retail Book next year is actually should hit the double-digit growth. So, let's say, about 10% to 11% is what we do believe it should deliver. If I look at the Corporate Book, that's already growing at about 20%. So, we do believe we have the levers to grow at 20%.

Commercial Banking is something that is a space we like. Historically has been a good growth driver for us, and that continues to also deliver about 18% growth. So, net-net, I think the momentum that is playing out as we are exiting fiscal '26 is quite secular

across all segments. And that, therefore, gives us the confidence to start delivering a growth in line with industry, if not more.

Now maybe for about a year or so, because Retail is catching up, but they are still maybe, let's say, end up growing maybe 10% to 11% next year. To that extent, there will be some mix I would say, compression, but that's not going to be material. And as we kind of move forward, I think we will anchor around a reasonably similar mix composition that we have right now.

Jai Mundhra: Sure. That is very helpful. And on the treasury, the bonds, the G-Sec had spiked during the quarter. They ended at more than 7% at quarter end. Do you had any MTM on investment book or if you can specify, was there any MTM loss either in the P&L or in AFS reserves or was there any offset?

Niranjan Banodkar: Sure, Jai, I will take that. So as a market philosophy, we don't run very high open risk through our trading book, whether it's bonds or for that matter even FX. While we've not asked, I can also confirm that even the FX because of some of the changes that came through regulations, it's not had any material bearing on our mark-to-market because as a philosophy, we don't run quite large trading positions on markets.

However, yes, we do acknowledge that the yields did go up and that has had a bearing on our, let's say, the minimum SLR maintenance book, which is largely parked in the HTM. But we do also note that the yields have come up from the reporting period of March. So, we will wait and watch how the yields behave. But that's largely in the HTM book.

There has been some P&L movement through the AFS reserve, but that's already fully baked into our CET-1 computation for December. And you would see that our CET-1 also continues to be healthy from a 13.9%. We just consumed about 10 basis points for the March report as well. So, no material impact from the yield increase. On the contrary, we do believe that this should help us add to some yields in our investment book from a margin perspective.

Jai Mundhra: Right. No, Niranjan, if you have the number for AFS reserves, let's say, Q3 and maybe the Q4, that will give some sense on what was the movement in the AFS reserves?

Niranjan Banodkar: You are saying in terms of the absolute value?

Jai Mundhra: Yes.

Niranjan Banodkar: The AFS reserve, we have a negative balance of about INR 100 crores as of March 31. The swing would be about INR 200 crores.

Jai Mundhra: Okay. Sure. And you have mentioned that INR 340 crores of onetime standard assets provisioning as a step-up provisioning. If you can elaborate on that, is this against any specific exposure? Is this in the run-up to ECL or any more color on that?

Niranjan Banodkar: Sure, Jai. Important question. So, on that before I get into that, just a couple of context setting that I wanted to do. So one, if you see, we continue to have a very strong recovery from SRs this quarter, which was in the range of INR 450 crores. The second is we've also had one Corporate asset that got resolved, which had slipped earlier, much earlier, which was provided for and that also meant that we had a write-back of about INR 288 crores during the quarter.

And third and which is very fundamental and more important is our core NPA Credit Cost is also lower quite substantially quarter-on-quarter. Now these were like the three material contributors to provisioning buffers that we have gives us the ability to create.

Second, what we do is we've usually followed quite conservative policies from a provisioning standpoint. A great example is if you look at our NPA, we've kind of carried PCRs in the range of 80% plus now for the last three quarters. And we've always stated objective to be quite high from an NPA standpoint coverage.

So as part of that philosophy as well, we kind of look through portfolio and our own provisioning policies. And we did realize that there are sometimes evolving and possibly even prudent provisioning policies. And that application we have done in quarter 4 of this year, which translates to about INR 341 crores.

I want to be emphatically clear here that the provisioning that we have done on certain, let's say, product or segments in no way reflect an underlying credit issue or an impairment or our view about that sector. It is just what we thought was prudent in terms of -- and just being proactive in terms of taking more provisioning.

Jai Mundhra: Understood. Thanks Niranjan. And sorry, I have two more questions. I can ask them now or maybe if you allow I can speak them now also.

Niranjan Banodkar: Okay.

Jai Mundhra: Sir, on the ROA trajectory, now we have achieved 1% ROA adjusted for Labor Code last quarter and this quarter, maybe more than 1% if I adjust this INR 340 crores contingent provisioning. What is the next milestone as you had hinted that growth you would aim at similar to system? How would you look at ROA trajectory because NIM seems to be having some tailwinds and Asset Quality anyway have reasonably good tailwind. So what would be the next stop maybe exit FY27 or maybe full year FY27, if you can provide some color there?

Niranjan Banodkar: So it's again something that we've been saying we will want to exit FY26 with a 1% ROA. And as you rightly pointed out, I think we are now beginning to deliver that more

consistent with December also being 1% adjusted for the gratuity cost. Now I would say that directionally having achieved this, of course, there are two important levers.

One is sustenance of this is what we have to make sure we are driving. And the important contributor to that sustenance and improvement from here on, further improvement is really going to be on the core ROA. We have to ensure and make sure that we still have some more of benefit that we will get from the J.C. Flowers ARC write-backs over the next year.

So as we speak, we still have about INR 1,500 crores of face value of securities, which can get redeemed over the next few quarters. So that what we have to do over the next year or two is really make sure that we have the core ROA construct to offset that, not only offset really expand from a beyond -- reasonably beyond 1% ROA.

So, I don't want to kind of really put out a number from a core ROA perspective. But our objective internally is really to drive 25, 30 basis points of improvement from our core construct, right, where we get the margins higher, get our cost structure higher, get our fees higher. And then, of course, if JC Flower benefits keep coming in, which we are indeed expecting even should play in FY27, and that further adds to our performance.

Jai Mundhra: Right. So thanks again. And then lastly, if you have the number for Credit Card Slippages and maybe PL Slippages, it looks like they are clearly improving. But if you have the number in absolute INR crores, I think last quarter was some INR 180 crores for Credit Card and around INR 140 crores for PL, and that will be very useful.

Niranjan Banodkar: We'll pull that out. I think maybe we might have interchange the numbers, Jai, from your records. The Credit Card was about INR 133 crores and Personal Loans was about INR 180 crores. So that INR 186 crores Personal Loans is down to about INR 160 crores. And Credit Cards continued to be in the range of about INR 135 to 140 crores.

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

Niranjan Banodkar: Thank you, Jai.

Management: Thank you.

Moderator: Thank you. Our next question comes from the line of Advait Date from Go Digit Life Insurance Limited.

Advait Date: Thanks for the opportunity. Congrats on the good set of numbers. A few of my questions have been already answered. I had one question I wanted to get some color on. So I wanted to understand a little on our branch expansion strategy. So for the full year, we have added around 82 new branches. I wanted to understand how the contribution of Retail Disbursements has been for the quarter from branches?

And as we move to the next leg of growth, how are we looking at branch expansion, which locations we are prioritizing and how that aligns with the loan sub-segments we are trying to prioritize growth in?

Rajan Pentel:

For your question, so we had laid out a guidance for the next 4 to 5 years with a plan of around 400 branches with an average of around 80 branches per annum, and we are on course of that. We opened around 82 branches last year. And we would be going ahead with that plan depending on if there is any upside available to do that. That is point number one.

Point number two is on the disbursements. Our internal customer sourcing is approximately 50% of the overall disbursements we do. Out of that, approximately 60% actually comes from the branches through the branch customers. So we would like to see this actually growing going forward.

There have been some calibrated growth strategy on the unsecured loans. And now with the new rule engines and the new platform, when we look at increasing that share as well, this should also result in increasing the contribution coming from the branches.

On the third part, when we look at our branch expansion, we typically look at three points. One, what is the Deposit growth happening in and around that pin code. Second one is how is the credit growth happening? And third is how the quality of credit growth available in and around that Bank. So these are largely the three broader points we keep it in mind while going for any selection of a branch location.

Advait Date:

Got it. Got it. That's helpful. Just one quick follow-up question on an earlier question asked on RIDF. You did give out the rundown trajectory for the next 1-year. I wanted to understand how the mix would look like after 1-year? Would the decline be sort of linear or would it be accelerated post 1-year? Thanks.

Niranjan Banodkar:

So the reduction of RIDF from here on will -- so for example, FY28 and FY29 will be equally split and then there are some maturities in FY30. So I would say it starts getting thinner in terms of the pace of reduction. So FY28 will be similar to FY27 potentially, but FY29, FY30 will start getting thinner.

Advait Date:

Okay. Got it. Thanks. Thank you. That's it from my side. Thanks and all the best.

Niranjan Banodkar:

Thank you.

Moderator:

Thank you. Our next question comes from the line of Dev Dey from HorsePower Securities.

Dev Dey:

Yes. Good evening, gentlemen.

Vinay M. Tonse:

Mr. Dev. Good evening.

Dev Dey: Yes, good evening, everyone. Congratulations on an excellent set of numbers.

Vinay M. Tonse: Thank you so much.

Dev Dey: It seems that the performance has been improving quarter-on-quarter, and it's very pleasant to be part of your story. My question is by the next year, what is your target balance sheet size in terms of loan book?

Niranjan Banodkar: So, we've said we've not put out a specific numerical target. We've said that we will want to have a growth rate in line with the industry, if not be better. And that -- our expectation is that should be in the 13% to 15% range.

Dev Dey: What percentage, I missed it. Sorry?

Niranjan Banodkar: 13% to 15%.

Dev Dey: Okay, okay, okay. And what would be the average targeted yield on the book?

Niranjan Banodkar: So, for yield on advances that we've had as we look to exit March, that has been about 9.2%.

Dev Dey: 9 point?

Niranjan Banodkar: 9.2%.

Dev Dey: Okay. Thank you.

Vinay M. Tonse: Thank you, Mr. Dev.

Dev Dey: Thank you for sharing the details.

Vinay M. Tonse: Thank you for coming. Thanks.

Moderator: Thank you. Our next question is from the line of Rama Subba Reddy, an Individual Investor.

Rama Subba Reddy: Good evening, everyone. So hearty congratulations, Vinay sir, for becoming a new MD and CEO of YES Bank. And yes, the numbers have been very good. I mean yes, the NPA Asset Quality and also look now Deposits like 2020, where we were under 2026, it's like 3x growth, very good. And also like the Profits also looking promising, like last year, like whatever management guided that ROA, we have exited 1%.

So basically, my question is like so this ROA like I mean, FY27 and FY28, FY29 in the upcoming years. So, I think we hope we maintain 1% ROA and also like on top of that, that number will grow quarter-on-quarter on a yearly basis. Can you describe on that

so that we will have good confidence that whatever we built so far, we will not lose the momentum?

Niranjan Banodkar:

So, thank you very much, sir, and thank you for being quite supportive on the Bank. So, we really value that. Thank you for that. On the question on ROA, we've said this that March '26, we will look to exit with a 1% ROA. And I did also allude to that in my previous response. I think the most important thing is now to sustain this 1% ROA.

Of course, there is a play that we also have from provision write-back of JC Flowers ARC. But what we have very emphatically worked upon internally is to say, internal, outside of the JC Flowers ARC write-backs, we will look to improve our ROA 25 to 50 basis points.

And it's a function of Net Interest Margin improvement, is a function of making sure we're disciplined on cost and containing the credit cost as well. So really, that's our endeavor. What you've said are exactly our aspirations and our ambitions as well to not only maintain, but to improve over the next 2 to 3 years on the ROA trajectory.

Rama Subba Reddy:

And even this RIDF is reduced now, like earlier, it was like 11%. Now it is significantly reduced. And I hope this -- I mean, like RIDF funds and also like, it can improve the loan growth and also our NIM also, like any target in the next year like to cross 3% or any guidance on that, sir? Like currently, it is 2.7%?

Niranjan Banodkar:

So, on that, sir, we usually refrain from giving the near-term guidance. We've said that structurally over a 3-year period, let's say, now about 2 to 3 year period, we do believe that we will want to get into a 3.25% to 3.5% kind of a range from a margin perspective. And as you rightly pointed out, RIDF is going to be an important contributor to getting the Net Interest Margins higher as well. So that's really one big driver.

Second, we have to make sure that our loan spreads are quite disciplined, and there's a lot of work that we've already done from a cost of funding standpoint. So, if you look at our Savings Account rate over the last 1 year, we've taken the benefit of this reducing rate cycle to cut our rates by over 150 basis points. So, Savings Account rate, which was blended 6% is now well below 4.5%.

We've taken another rate action in April as well. So, our objective is to also make sure that we are focused on getting our Cost of Deposits, which we believe is very core to a Bank and its liabilities to get that Cost of Deposit structure lowered as well. So not only RIDF, which anyway is on a bit of an auto mode of rundown but work hard to also get the loan spreads improved through our Cost of Deposits and funding as well that we believe should help margins.

And last is, as the Retail growth is now coming back and as the mix starts playing out on the loans as well, that will also indeed help us improve the Asset, Advance yields,

and therefore start playing into our margins as well. So, we will work hard and to make sure that we are driving each of these vectors to the right direction.

Rama Subba Reddy: Yes. And last question, is there any plan...

Moderator: We request you to please rejoin the queue if you have any further questions, please. Our next question comes from the line of Amit Varma, an Individual Investor. Please go ahead.

Amit Varma: Congratulations on maintaining the growth momentum of performance. This is heartening. Can you give us an update on the AT1 bonds case? And what do you think would be the impact on the Balance Sheet in the case of an adverse judgment?

Niranjan Banodkar: So, on the AT1 matter, this matter is subjudice, as you all know. The hearings have taken place at the Supreme Court, and the matter is also reserved for judgment. We will wait to hear from the Supreme Court -- Honorable Supreme Court on the verdict. And we will make sure that we are also coming back to all our stakeholders and updating them on what the outcome and its impact on the Bank would be.

I would refrain from passing a judgment on what we expect. We stated this earlier as well. We do believe the actions we took were in line with the contractual obligations and the processes that were allowed. But it is important that we respect the proceedings of the court and allow the judgment to be out.

Moderator: Our next question is from the line of Shreyanth from Sundaram Asset Management Company.

Shreyanth: Firstly, congrats on an amazing result. I just want your quick view on the West Asia war and its impact on the MSME segment, given that it's one of your key growth drivers. So where do you see that? Are you still planning to continue growing it? And how do you factor the stress over there?

Manish Jain: Sure. Thanks. So, we are proactively monitoring our portfolio, and this is the exercise that we've already started. It's good to report that all our clients, whether it's an MSME or larger clients have been managing well. They have not shown any signs of stress. But this is a space that we will continue to watch because it will have an impact on the inflation and there can be second order impact.

So, we continue to monitor our portfolio closely and talk to our clients to understand the impact and the actions that they're going to take. Currently, since we have had a good client collections over the years, all our clients have been able to manage this crisis well.

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

Vinay M. Tonse: Yes. Thank you so much, and I must place my sincere appreciation on record for all the esteemed analysts who could make it today. I know it's -- of course, it's a Saturday afternoon and also a very busy day because the other 2 Banks also that came in today. I appreciate you taking time off and then coming and joining us. Thank you very much.

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.