



“Yes Bank Q4FY13 Earnings Conference Call”

April 17, 2013



MANAGEMENT: **MR. RANA KAPOOR – FOUNDER, MANAGING DIRECTOR & CEO, YES BANK**
MR. RAJAT MONGA – SENIOR GROUP PRESIDENT (FINANCIAL MARKETS) & CFO, YES BANK
MR. PRALAY MONDAL – SENIOR GROUP PRESIDENT (BRANCH BANKING)
MR. JAIDEEP IYER – SENIOR PRESIDENT (INTERNATIONAL MANAGEMENT)
MR. VIVEK BANSAL – PRESIDENT & COUNTRY HEAD (FINANCIAL MANAGEMENT)
MR. APARAJIT BHANDARKAR – GROUP EXECUTIVE VP & HEAD, FINANCIAL & INVESTOR STRATEGY

MODERATORS: **MR. ANIL AGARWAL – ANALYST, MORGAN STANLEY**
MR. SUMEET KARIWALA – ANALYST, MORGAN STANLEY

Moderator

Ladies and gentlemen good day and welcome to the Q4 FY13 Earnings Conference Call of Yes Bank hosted by Morgan Stanley. As a reminder for the duration of this conference, all participants' lines will be in the listen only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference call please signal an operator by pressing '*' followed by '0' on your touchtone phone. Please note that this conference is being recorded. At this time I would like to hand over the conference to Mr. Anil Agarwal from Morgan Stanley.

Anil Agarwal

Good afternoon everybody, it gives me great pleasure to welcome you all to Yes Bank's full-year fiscal 2013 results conference call. We have with us the senior management team from the bank, we have Dr. Rana Kapoor – The Founder, Managing Director, and CEO of the bank along with him and we have Mr. Rajat Monga – Senior Group President, Financial Markets and CFO; Mr. Pralay Mandal – Senior Group President, Branch Banking; Mr. Jaideep Iyer – Group President, Financial Management; Mr. Vivek Bansal – President & Country Head, Financial Management and Mr. Aparajit Bhandarkar – Group Executive & VP, Financial & Investor Strategy; and Team. So in this call Dr. Kapoor will give the opening remarks on the results and the outlook and then we'll open it for Q&A.

Rana Kapoor

Thank you very much for hosting this investor con call. Since you've already made the introductions, all I really want to add is that we also have Aparajit Bhandarkar, Divik Anand and Mr. Pandya, who are part of our financial and investor strategy team as well. Just to begin this conference call I just wanted to mention a couple of things. One as you will notice that this quarter akin to several quarters preceding have been fairly steady and have been accompanied by a fairly robust growth of both net interest income and non-interest income and there are overall encouraging signs across almost all the relevant parameters, almost all the relevant metrics and some of these we will elaborate as we progress this conversation. The more important issue that has been top of the mind in Yes Bank has been preservation of asset quality, apart from the fact that there are earnings compulsions, asset quality has been pretty much the order of the day and that is something I also would like to elaborate as we go ahead. Overall our retail strategy seems to be coming along respectively well in terms of branch rollouts, addition of sales and service staff to our branches across the country and that too we will discuss. In terms of the metrics as you would have seen, overall profit after tax have grown by 33% relative to the corresponding period last year as a consequence of NIMs improving to a level of 3% and a 42.4% growth in both net interest income as well in non-interest income. The cost to income ratio in the quarter gone by actually improved almost like 1% from the preceding quarter and for the year as a whole cost to income was at a level of 38.4% and for March quarter specifically it was at 37.7%. The CASA ratio improved sequentially from 18.3% to a level of 18.9% and while this number may appear somewhat modest, it should be looked at against the background of an overall increase of almost 18.7% in sequential growth of deposits and overall CASA grew year-on-year by about 71.6% with a sequential increase in CASA of 22.7%. The highlight number is our accretion of savings account with year-on-year has grown by 104.5%. The capital ratio of the bank largely because

of retention of earning has been fairly steady at a level of around 18%, ended the year at 18.3 with tier 1 holding up quite well at a level of 9.5% and this is after declaring an increased dividend of Rs. 6, a 50% increase from the preceding year as a consequence of which we are retaining approximately 84% of our profits and therefore the ability to maintain cap add particularly in tier 1 at a fairly respectable level of 9.5%. The operating profit of the bank improved by 47.3% and the EPS for the quarter stood at Rs. 10.1 for the year as a whole was at Rs. 36.5. In the March quarter we saw overall customer assets growing by 30.9% compared to year-on-year with advances growing by 23.7%. For the year as a whole, advances have grown sequentially by about 7.2% and by about 8.3% has been the growth in customer assets sequentially as I briefly mentioned that March was a month where we saw significant increase in deposits to an overall level of approximately Rs. 67,000 crores sequential increase of 18.7%. Shareholder funds have now reached a level of around Rs. 5800+ crores and capital funds has crossed Rs. 12200 crores at Rs. 12,295 crores. I just wanted to mention that the overall CASA plus the retail banking deposits now constitute about 35.5% relative to about 32% one year ago, so the retail composition of our liability which will be a very key objective at Yes Bank now is in excess of 35%. ROA this quarter as in the previous quarter and for the year as a whole was 1.6% and 1.5% respectively. ROE crossed 25% at the level of 25.2 compared to 23.1% one year ago. These two numbers have been as you would have noticed in excess of 1.5% and 20% respectively for the last almost 20 odd quarters through fairly difficult times as we have witnessed not just in the Indian context but also in terms of the global and the European crisis that we have all been impacted by. Non-interest to the total income has actually improved year-on-year and comprises 37.3% compared to about 34.7% one year ago, so this is a very important improvement as a consequence of greater traction that we are seeing in our trade revenue somewhat in the improvement in the retail contribution which is firmly moved into double digits and stood at a level of 12.5% in terms of the total percentage composition of the non-interest revenue. We continue to invest in the infrastructure as a result of which today our branches are at a level of 430 pan India with exception of one or two states and 430 branches are supported by about 950 ATMs, we have added 74 branches in the year as a whole and 228 ATMs representing an increase of 56% in our ATM rollouts this year. The second biggest investment which is being made in people is reflected in our increase of over 1380 headcounts in one year and having crossed now over 7000 people, a significant part of who are being deployed in our retail branches. One ratio that I wanted to highlight which is also improved year-on-year is our total restructured loans which last year were approximately Rs. 190 crores and the percentage was around 0.53, 53 basis points, this is improved to 31 basis points and overall restructured loans year on year has come down to a level of Rs. 144 crores. One of the point on asset quality, as you would have seen in a performance particularly in the last I would say the last 18 months since the Indian risk scenario has changed quite dramatically, Yes Bank's gross NPAs have been contained well within 25 basis points and today stands at just about 20 basis points and net NPAs have been south of 10 basis points, in fact are at a all-time low of one basis points only as of end of March 31st, 2013. The overall provisioning covered stands at over 92.6% to be very precise and we believe that the credit

cost of the banks and this is very important in terms of future guidance that we believe that future credit cost of the bank given the heightened risk environment are estimated to be between 50 and 60 basis points going forward into fiscal 2013-14, this is the number that the management team believes is something that we can bear and have enough earnings momentum and capacity to absorb at a level of around 50 to 60 basis points. This is probably the first time we're offering future guidance going forward, as far as credit cost is concerned. Apart from that the bank does has been doing reasonably well in terms of recognition by in the external marketplace, our debt capital markets business is now being ranked in the top three in the country, loans syndication in the top five in the country and there have been several knowledge initiatives where the bank is taking poll position with Chambers of Commerce and with various trade bodies as well. With this I will request Rajat Monga to offer some comments and then all of us will respond to your queries.

- Rajat Monga** So, I think we can move to the Q&A, moderator if you can please start the Q&A here please.
- Moderator** Participants we will now begin the question and answer session. We have the first question from the line of Mahrukh Adajania from Standard Chartered. Please go ahead.
- Mahrukh Adajania** The question is that you do a lot of loan syndication, so these loan syndication are for loans to be sold down in future quarters?
- Rajat Monga** No, syndication typically is not to be sold down in the future quarter. Syndication is concurrent, so it is syndication of the participation of the banks have been issued. Carry down is different, so which is that a loan has already been structured, funded or a commitment made by a bank and subsequent another bank or another set of banks participate, so syndication by definition is when all banks come together at the same time, one of the banks is running the process, so we have the mandate from the client that okay I need \$100 million of loan facility, you get me the whole package.
- Mahrukh Adajania** How much of the loans have you marks for sell down which will happen over the next few quarters?
- Rajat Monga** Some where in the range of 2 to 4% of the loan book which is where we will want to kind of plan a sell down.
- Mahrukh Adajania** And these would be across sector loans?
- Rajat Monga** Then there will be different criteria since these sell downs the criteria is usually a post facto criteria, it could be risk management, it could be exposure management, the good kind also the bad kind also, the good kind in the sense that we need more business we are doing with the company so we do not want to miss out, so might as well look to reduce our exposure from the

past business, so it will be most are post facto development which is what usually a sell down will entail. Syndication is a planned more or less pre design development in contrast.

Mahrukh Adajania

And in terms of advisory fees, you think this is a sustainable level, so would you look at it as a percentage of the total loan book or how would you guide to it?

Rajat Monga

Well I think there is a case for all fees actually to have a relationship with the loan book, not just advisory, even for example foreign exchange, a lot of foreign exchange comes because we have underlying LC or buyer credit business we are doing which in turn is a fee item under transaction banking that we disclose. I would not do a LC or a buyer credit till I am a working capital or a term loan participant in the multi-banking or consortium arrangement of the company. I think it is a little bit hard to isolate any of the fee items totally from overall balance sheet and it is getting more and more so linked in. even retail fees will be linked into how much savings account, customers and balances we have because the higher the balances, the higher the churn, the more the transaction throughput. So it has dependents but we cannot take it for granted in the sense that you still have to cause transactions, we still have to have our share of wallet with the customer as far as his throughput is concerned. Loans will be a balance sheet exposure, fee will be a throughput outcome. So with the same loan I can have less or more throughput as well. Fees will also be cyclical, it will have a cyclical property, it does do better in good times and it does suffer in bad times in proportion to the loans also everything has been the same but yes, what you can assume is that this is here to stay with the pluses and minuses that I was mentioning.

Moderator

We have the next question from the line of Amit Ganatra from Religare Asset Management. Please go ahead.

Amit Ganatra

Can we get the moment of NPA for the full year now in terms of additions, recoveries, upgrades?

Rajat Monga

Let us say that the NPAs that we have added during the year is Rs. 243 crores.

Amit Ganatra

And how much was recoveries and upgrades?

Rajat Monga

I have the number for the quarter but you give us a second maybe we will...

Amit Ganatra

For the quarter is also fine.

Rajat Monga

Recoveries in the quarter were some Rs. 10-15 crores.

Amit Ganatra

And slippages during the quarter?

Rajat Monga

35 crores.

- Amit Ganatra** That includes upgrades as well?
- Rajat Monga** I do not see that they have been upgrades, so these will be recoveries.
- Amit Ganatra** That is one the other thing is that if there was a very sharp jump in the overall if I see the advances breakup, there is a very sharp jump in the retail including MSME during the quarter, so large part of the growth we see seems to be driven by this segment and also to some extent by the corporate, within this is it pure retail which has grown or it is the MSME part which has basically grown?
- Rajat Monga** Actually one disclaimer before we conclude is that there is a little bit of a base change. This March we have included our credit substitutes also in this position.
- Amit Ganatra** So when you are basically now giving this breakup into 65, 18 and 17, the denominator is basically Rs. 60,000 crores?
- Rajat Monga** The denominator has shifted to the credits substitute number, so that we are at least are presenting the picture on the same vertical we give a sectoral exposure, on the same universe we are giving the segmental kind of breakdown as well.
- Amit Ganatra** So basically the denominator is Rs. 60,000 crores?
- Rajat Monga** Yes, this denominator is Rs. 60,000 crores, so the reason retail has gone up is among others is also because there would be portfolio purchases which would be sitting on the credits substitute book which have a retail nature in terms of, it could be housing, it could be SME or such kind of nature which are predominantly in our case there will be priority sector related.
- Amit Ganatra** And currently what is the priority sector achievement that you had for the year?
- Rajat Monga** Achievement for the year at aggregate level is close to the target, in it is some small number short but we have about Rs. 800 crores shortfall, between Rs. 800 to 900 crores shortfall, in direct Agri.
- Amit Ganatra** Direct Agri would be what, as a percentage of?
- Rajat Monga** Actually, this is percentage it will be irrelevant in the sense that it is of last year.
- Amit Ganatra** So you are basically talking in terms of absolute amount?
- Rajat Monga** Yes, so this is the absolute amount of shortfall and we have a similar surplus for whatever reasons in the other then the direct Agri which was not needed, so that actually not needed for priority sector compliance, so that has been an excess in the other then direct Agri category but direct agri is the shortfall of between Rs. 800 to 900 crores.

- Amit Ganatra** The other thing is that first time you basically gave some sort of guidance in terms of credit cost, but when you refer to credit cost it is as a percentage of entire customer asset or as a percentage of your loans?
- Rajat Monga** No, this is percentage of loans, generally understood term is more in relation to loans.
- Amit Ganatra** So basically, can you just repeat the guidance side?
- Rajat Monga** 50 to 60 basis points is the basically broad range, narrow range actually for the full year, so you have to allow some inter-quarter ups and downs.
- Amit Ganatra** But in that sense it means the trend can be similar to the current quarter because current quarter typically has a higher credit costs as compared to previous quarters, although it had some counter cyclical buffers as well?
- Rajat Monga** Yes, so the current quarter is, we have used the current quarter because a revenue momentum was better to also up the specific provisioning. We have also seen some loan growth in the quarter so general provisioning has been higher, relatively speaking. And we also have had use the opportunity to also step up provisioning on what we have is adversity labeled assets which are not NPAs but have some degree of stress. So the provisioning on account of just NPAs is about Rs. 20 crores for the quarter. The provisioning, if I may say on account of the catch-up, the provisioning cover going up from 78 odd percent close to 93% is another Rs. 25 crores. There is a Rs. 12 crores of general loan loss provisioning and there is a Rs. 25 crores of discretionary provisioning on the adversely labeled kind of category and there is also Rs. 12 crores non-credit related provisioning in the overall number.
- Amit Ganatra** So this relates to?
- Rajat Monga** It is investments and provisioning on account of non-receipt of receivables.
- Moderator** We have the next question from the line of Rajeev Verma from Bank of America. Please go ahead.
- Rajeev Verma** Glad to go through your number and good to hear your guidance and credit call going up 250 bps just want to understand does that also suggest that you are looking at NPAs as slippages probably also normalizing up words as bank continues to grow. And the second part is that and if you do plug in 50 bps, it suggest we are looking at 50% to 70% rise in provisioning, I guess this is probably in that kind of correct in we are thinking. And the third part is, are you also looking at any guidance in terms of cost income ratio because I guess you would be looking at a very stronger thrust into retails piece now in terms of the retail expansion?

Rajat Monga

On the first part which is Rajeev, the provisioning part this assume basically the one part is the consequences on new NPA additions that the bank is assuming. We are also assuming that there will be an opportunity for the bank to realize and monetize some bond gains in the current year, I think, this current year should be a very good year for looking at the monetization, basis the interest rate behavior. And the third thing we are assuming is that the overall metric of the outcomes of the performance of the bank, which could be ROAs and ROEs are not going to be compromised in the process. So this is more an effective number problems, not necessarily a guidance of problems, this is the guidance of how we are going to be kind of utilizing this line in terms of the next 12 months. It is 12 months so it is therefore contextual to the year and we are not recommending that we extrapolate that indefinitely, I think we would be happy to give a prognosis of our outcomes when we are talking again same time next year on the same subject that is.

Rajeev Verma

And just on the retail piece, are we looking at a lot of, should we assume a lot more spend in terms of OPEX as you expand distributions and you roll out retail assets?

Rajat Monga

There will be more spend but I am not guiding a situation where we will be spending more than what we are earning as a bank as a whole. So basically I'm saying is that we will spend into retail assets expansion and also benefit concurrently from an operating leverage benefit from other than retail assets business. That is our broad thinking in terms of that we are expending cost in a manner that we are also having some visibility on affordability. So I don't think we will rock that number significantly but June will be higher because this is when the payroll kicks in. The annual hike of payrolls is usually in our case it kicks in from the April month and the revenues don't easily expand digitally to compensate, so cost income usually see its worst in the June quarter.

Moderator

We have the next question from the line of Amit Mehta from Pimco. Please go ahead.

Amit Mehta

I just want to get (a) an update on your risk appetites, how you see the landscape for Indian in terms of your willingness to lend into it segment, so you can give us update on that, how you see the kind of corporate Indian health etc. and where you are seeing demand from? And second, it is just a kind of balance with your capital ratios, I know you were again renewed your demand for raising capital, but I'm just curious, how do you need, given the growth outlook as you see it, and the ROE that you are printing and obviously the improvement in ROA, so I just want to get some color update there. And then I just want to kind of clarify on the increasing NPAs where you can just give us a bit more color on where that has been coming from in the recent quarter?

Rajat Monga

I think three or four parts of the question, so possibly I will pick up on the loan risk appetite demand, conditions etc. So I think at an overall level, I think we do recognize that the economy is not at its best but I think we are increasingly beginning to believe that economy is also not getting any worse from what we have been seen off late. As far as risk appetite is concerned in

that backdrop, we are dealing with more known risks now than we were dealing till a couple of years earlier, so that makes the expression of risk appetite that bit more opportunistic in our outcomes, this is how we are approaching this subject. This is little bit different from what we were about a year ago where we would be possibly suggesting that we are still cautious. On the lending space we are still looking at some de-risking or de-bulking or such risk management measures. Today, I think we are possibly a notch better in terms of our thinking. I think we believe this is the time where we will get situations which we should look at to build also sustainable relationships with our clients. In the process we have to be business developing, we did the same thing in 2009 when the economy in our judgment was no longer worsening. Basically one gear better than what we were about 9-12 months ago in terms of our approach to lending risk appetite and growth in the process. Demand condition of loan is mixed, off late it has been good but there is a seasonality to loan demand in our country, so we could not very quickly extrapolate that. We know that the demand from the new projects is very slow, but new projects related demand is also the more riskier type of demand sometimes because it has gestational risk among others pre-completion, post-completion risks. So the current demand is coming therefore more from working capital kind of sources and between banks it is also coming from refinancing, so take outs in all of that is also something which is possibly moving demand from one bank to the other, but is not creating demand up fresh. So in summary, I think we have been expressing our appetite in two parts, the loan book and the credit substitute book and the later is also found higher shares given the risk environment of late. So the idea is to balance this both with opportunity risk as well as some of our compulsions which includes capital ratios like you mentioned. So I think the aspiration to grow is in the mid to high 20s, if you ask me from the balance between growth and risk that we are seeing as well as the cross sell opportunities that we might get basis the growth that we are possibly seeking. And we are working with similar ROE kind of an outcome, some give some take there, I think we have reported 25% plus ROE for the quarter. So there is an element of matching. There might be some intermittent ups and downs in how we are growing versus how capital is accruing but over a period, I think, in the short run, we don't seem to be stretching ourselves. I think there has been also capital efficiency from our existing books that has been kind of unlocked when it was sort though it is inefficient on time and cost but we always have that ability to unlock some inefficiency in the current capital structuring also. So overall, while we have sought board approvals, and will seek share holders approvals this continues to be an enabling approval given the logistics that capital raising involves. We done this last couple of years as well and we will trouble the shareholders again this time for enabling approval for capital if at all. The reason being that our belief somewhere don't know when but growth will improve. Opportunity will come back, in that respect, very hard to say when and exactly what path it will take to get there, but we can't be missing out on those opportunities. So, as a bank we can be more nimble but we need to be more equipped among others through capital management as well. It is quite enabling situation, I don't think we have finite or a definitive plan around capital, if there was one we would have already raised capital, there have been opportunities, peer group has already accessed our capital market to raise capital for their respective reasons

which they best know. As far as our situation is on between growth and capital ratios it stays in balance unless we see breakout opportunity. From the growth front, I think we would use that enablement on capital side to exercise that option. So it is an open situation, not really working with any definitive timelines in that respect. The last part of your question was on NPAs. I think there has been about Rs. 30-35 crores add to new NPAs to in the current quarter. I mean, predominantly bulk of that comes from three accounts, so it is not a great sample set for us to be able to extrapolating it too far. I think the situation on asset quality as far as the bank is concerned is quite under control, gross NPAs of 20 basis points more or less fully provided, net NPAs of one basis point. Restructured book has come down from its peak of 52 basis points to 31 that basis points, some of them have been through. I think couple of NIMs there have become NPLs and one of them has also been partially recovered and settled consequently. So that shows up in the NPAs picture in any case. So we have already shared some expectation in terms of credit cost that the bank is likely to be incurring over the next 12 months. So broadly, the picture that I am possibly portraying is of balance and comfort and not necessarily any credible excitement on that front.

Amit Mehta

If I can summarize it, the urgency for capital is not urgent, as you see it right now. Can I just understand the on the line credit growth rate for the 4th Quarter seems to be a bit distorted by your priority sector lending catch up that you need to do. So what would you say is the more cleaner under lying trend and the run rate we could continue to see?

Rajat Monga

There is seasonality in the Indian lending market. So the first 3 to 5 months some bank even de-grow and the pickup comes towards the end, so a year-on-year growth number is a fair like-for-like comparison. So loans have grown about 23%- 24%, there will be a case for seasonal lending, priority sector kind of deadlines also, that will come next year. So broadly speaking, like I mentioned, we would want to keep our growth in an opportunity basis, the risk appetite somewhere in the 25% 30% range but I would like to include the credit substitute business as well and look at the denominator as a whole as far as risk appetite is concerned.

Moderator

We have the next question from the line of Hiren Dasani from Goldman Sachs Asset Management. Please go ahead.

Hiren Dasani

Couple of data questions first, and then couple of other questions. Firstly, any trading profits in the financial market line this quarter?

Rajat Monga

Yes, there would be not much trading profits but let's say, the monetization that we do from reserves once in a while, duration adjustment led about Rs. 45 crores. And that also an attempt to also step up our positioning correspondingly ideally.

Hiren Dasani

On the provisions is it possible to get a full year, what's the specific GP and counter cyclical?

Rajat Monga

Yes, this is possible, I just had to see if it is possible right now.

- Hiren Dasani** Maybe you can later on share that during the call. If I kind of look at the credit substitutes and the overall investment etc., it does appear that the bank is sitting on a decent amount of excess SLR, is that right conclusion?
- Rajat Monga** No, credit substitutes and excess SLR are not overlapping.
- Hiren Dasani** No, it is quite overlapping what I'm trying to tell is that it looks like the credit substitute book is about Rs. 13,000 odd crores and your investment book is Rs. 43,000 crores, so the SLR would be roughly Rs. 30,000 odd crores?
- Rajat Monga** No, there will also be RIDF, there will also be CDs, there will also be Repo or any such noise excess SLR absolutely. Trading book would not be included in the credit substitute portfolio for example.
- Hiren Dasani** So what is the SLR you are sitting in that case?
- Rajat Monga** There is Rs. 3000 to 4000 crores of excess SLR.
- Hiren Dasani** The other thing is on the non-employee OPEX, there seems to be decent amount of increase this quarter, even if I look at as a percentage of average assets. Is this the new run rate or is there any one off there?
- Rajat Monga** Well, there always is someone offs, I think for run rate, we would basically have to plan our expansion and we do that in-line with our affordability, in line with our kind of growth and how it pans out. So I don't want to suggest that if there is a Q-on-Q increase of 15% that you can extrapolate that there would be one off. The one off might be more than one in different line items, but there will be some items which will continue like we have some step up on advertisements. We have taken up a sponsorship burden as well, so some of that will stay for some time in the future but we also have a 30% to 40% OPEX growth we can afford every year basis the top line increase, I mean for example, there is a 42% increase in NII and a 42% increase in non-NII, so there is a correspondence that we always keep in the back of our mind, so we will not over shoot costs beyond a range which we think is acceptable. So therefore, if I answer that from the cost income standpoint, I don't think we are overshooting 40 in a hurry.
- Hiren Dasani** Last the two things, one is that you include any counter cyclical provision, I mean do you assume to be making any counter cyclical provision in FY 14 when you say 40 to 60 bps or is it on top of that, if at all, you make it?
- Rajat Monga** Lets say if we don't incur our 50 to 60 basis points cost on account of actual NPAs, we will fill in the gap by counter cyclical equivalents.
- Hiren Dasani** On the restructuring is there anything in the pipeline?

- Rajat Monga** Nothing of consequence but there will always be. As far as I know pipeline is not even significant single digits, so there would be couple of cases of restructuring always in the pipeline but there has been times where we have the ability to also say no because they were not that kind of situation where a restructuring was warranted. Sometimes restructuring customers ask just because it is an option and you are deferring your repayments and so you lower your management burden in the near term, I think it is in that variety.
- Moderator** We have the next question from the line of Jiten Joshi from Enaam Asset Management. Please go ahead.
- Jiten Joshi** Just wanted to know from you, how you seeing the environment going forward and what sort of growth do you think the entire system would be at and how do you see yourself and the private sector sort of growing in this environment?
- Rajat Monga** Somewhere I was mentioning earlier in my answer to some of the earlier questions. I think we are of the opinion that the economy is bottomed out but also of the opinion that it is not going to be recovering sharply, so there will be gradual improvements. Some of the concurrent conditions and macro variables are also improving, which will enable the underlying economic growth to progressively get better. At a banking sector level, we are looking at a kind of 14% to 15% growth scenario for between loans and deposits over the next 12 months. We are not projecting a case of private sector doing far better than the public sector but in this range I'm assuming the private sector aggregate will be a notch higher than 14% to 15% and the public sector bank will be a notch lower just given the sheer size and the relative complexities. So Yes Bank has of a smaller denominator a little bit of may be an opportunity to outperform the growth by some modest kind of an outcome. So we are looking at, for example, between loans and credit substitutes to be at about 25%-30% growth in this environment. And credit substitutes are bonds and commercial paper much of that issued by top-rated companies, so that is not such a risk appetite lead compulsion, it is more opportunity based. It helps to penetrate some of these large companies which otherwise don't need bank funds given the cost dynamics. I think it is not going to be excellent years as far as growth is concerned. We are looking at 2013-14, being a year similar challenges to 2012-13 but better on the macroeconomic backdrop as such. So we think that the growth progressively will become better as opposed to 2012-13, where the growth was progressively worsening, may be on aggregate might end up at a similar number.
- Jiten Joshi** So where are your internal economist forecasting the GDP during 2013-14?
- Rajat Monga** Well, plus-minus 6%
- Jiten Joshi** How are you seeing the NPAs within the system and for the self?

- Rajat Monga** Well, I think NPAs what we are seeing and will see more and more banks come out with their numbers is that while NPAs will grow but the rate at which NPAs are going will fall. So, as a system we are not going to be adding more NPAs than we added in previous quarters. We are going to be adding less NPAs but the stock of NPAs will grow. But in this year, the banks will have a good revenue opportunity also from bonds. So the affordability of NPAs is going to be much better this year.
- Jiten Joshi** And you have guided for 60 basis points increase in cost of funds?
- Rajat Monga** No, we have guided for a 60 basis points credit cost line.
- Jiten Joshi** So what is driving that guidance? What are the factors that are driving you to?
- Rajat Monga** One is our expectation of how much NPAs we will add. Second, our expectations of our ability to earn counter cyclical income from monetizing the gains on bonds. We would like to use that to take to provisions and growth which also takes its own burden on account of general loan loss provisioning. So all of that put together we are saying is that our P&L will be able to kind of balance itself by about 50 to 60 basis points cost line on account of credit provisioning. I'm saying is we will also have more affordability, so if we have less NPA related provisioning, we will put counter cyclical options into play.
- Jiten Joshi** So are you actually taking yourself into a very high risk trajectory, trying to forecast and achieve 25% to 30% growth in this environment?
- Rajat Monga** It is not going to be one for one, there are also an opportunities in this environment. What I was mentioning earlier is that this environment is relatively better because risks are now known. We can lend by factoring those risks in our structure. This is a situation where we need to be opportunistic, we don't have to be heroes, we are not suggesting that we have to go out of our way and we do lending. We have to be smart about the business we are doing because if everything is good you don't get the best business because that every guy gets because they have the biggest balance sheet, they have the best pricing that they can also offer.
- Jiten Joshi** And where are you in your Yes Bank Version 2.0 which you have launched about three years back and given a vision? How much are you falling back on that right now?
- Rajat Monga** Well, actually not a whole lot, in fact, we are more or less there if you allow us some benefit of doubt which I can explain. We had for example projected a to start with a \$1.5 trillion or Rs. 1.5 lakh crores balance sheet and we had about little just under Rs. 1 lakh crores as in March. So actually balance sheet is very much on track, in fact, it might be slightly ahead of the Version 2.0 targets. We are behind on loans, so which is again a function of the fact that the environment got challenged in two of the first three years of Version 2.0, so loan growth has fallen behind. We did get opportunity to do business with good customers in the credit

substitutes business as we call it which should be bond and commercial papers. If I aggregate, these numbers, if I add loans and credit substitutes and then look at the total number. I think then we are on track as far as a loan target that we have set, but the benefit of doubt, I'm asking for is that we are including the credit substitute number in that delivery which is about Rs. 60,000-65,000 today and we have a loan target of about Rs. 1 lakh crores, so Rs.1 trillion which is visible in terms of outcomes but through both these means. We didn't have a very significant fresh substitute book, nor did we anticipate that this will change like this, etc., so otherwise on track. We had a targets we had were on liabilities, deposits, CASA was a 30% target March 2015, it holds, we are at little less than 19% as of this March. When we started version 2.0 we were at 10, so we have come halfway but we have covered most of that halfway in the last two years. So if we maintain our last two years improvement into the next two years we will get there and thankfully it is only getting better.

- Moderator** We have the next question is from the line of Ajitesh Nair from Premji Invest, please go ahead
- Ajitesh Nair** Just couple of questions, one is on the, you mentioned this before on the fixed advisory revenue based being a deal base revenue stream, so getting into next year do you see enough pipeline to sustain this revenue in line with overall income growth for us?
- Rajat Monga** Pipeline for the full year, it will be difficult to predict right now and I don't have the pipeline for full-year right now. But is this something which we feel confident of the visibility of the pipeline for the next couple of months because if you look at even the breakdown of some of those deals you have to look at the gestation, investment banking would have a long gestation from pipeline to conversion and probabilities are also that bit lower if you look at business like loans syndication. There is not as long a gestation as loan syndication but we will still take 3 to 6 months to start to finish a deal from getting a mandate discuss with the customer to finally closing out the financial documentation. There will be structured financing opportunities which have a shorter gestation, they are more bilateral, they are not necessarily very process oriented, they are more risk and structured oriented and some of that can be kind of from start to finish is shorter in that sense. So, depending upon the product within advisories that we're talking about, I mean, I would not have a very long-term visibility on the short gestation products. DCM is another though it is not advisory but DCM is a product which comes and goes within weeks. So we know customers will have more requirements into the future but we are not talking transactions.
- Ajitesh Nair** Is there other segments in the fee income pie which can pick up the slack from financial advisory, if at all?
- Rajat Monga** No, financial advisory will not slack, even if it does, while I have made that statement, it will not slacken but you have to allow some ups and downs. Like last quarter we would have mentioned an above trend quarter. Now this quarter financial advisory is similar, but it is of a bigger balance sheet etc, so it s some give and take will be there but there always be business

to be done on that line. So there will be two items which will do contextually better without having to try and kind of have a very micro prediction, one is financial markets on account of bonds, the other is retail on account of growing penetration and growing client base. So these two numbers will definitely do better. Will they cut slack or will they add to the surplus is something that I will ask you to at least give some benefit of doubt that even financial advisory will have some momentum, it's not just going to fall off, they are more deals to be done.

Moderator We have the next question from the line of MB Mahesh from Kotak Securities. Please go ahead.

MB Mahesh If you could just highlight a little bit on where you are on the retail asset growth because we have kind of invested for the last few quarters, just wanted to get some color on that. Second thing another question would be on the financial advisory again, if you were to break this in let us say 50% of income, how many deals would that contribute to this fee income?

Rajat Monga I will borrow Pralay help for the former part of the question and I will hopefully in meantime get you the answer to the second one though I'm not carrying that precise data. I think your first question was on retail assets and our current position.

Pralay Mandal Retail assets growth, which has been shown here and the contribution includes SME and retail assets. However, if you specifically take out retail assets currently we are building the retail asset franchise and we have all the products in the shelf, except for home loans and the credit cards which we are selling as the fee-based products based on our alliances with the DHFL, India Bulls, and Amex, currently, we are driving the growth in the branch through the liability franchise, building up the customer base and cross selling to them. So to that extent we are trying to drive the retail assets primarily through commercial vehicles and loan against properties on a reasonably low scale at this stage, but the real play on retail assets will begin once we start cross selling to our current customers franchise on the bank branch side which as a process has started, but it will take a while before it picks up completely. So, in short, we have overall on the retail assets, it is a combination of SME and retail assets, but we will start picking it up as and when the retail branch banking franchise and the customer base starts growing at a significant pace.

MB Mahesh Could you share some numbers where we are today and where you are seeing the next one year?

Rajat Monga Retail assets, our approach at the moment is not really as quantitative as it should be when the business is more established. While we will get numbers and numbers will be observed because you will have some 100% to 200% growth because the base is too small, so that is not great the really very let's say the precise objective. I think our objective is to be able to get the products into a stable level where the scale up can be built visibly, that's our challenge predominant through the last couple of quarters and will be so for the next 3-4 quarters and the

idea is not to rush into the retail asset business, maybe I'm not giving you the answer, but it is not near-term quantity that we want to deliver.

Pralay Mandal

Want to ensure the processes are right and your cross selling process happening and we have all the products on the shelf that's what we have done, as the franchise builds up, we will be able to show numbers as well. It is not so difficult as we begin the critical mass.

Moderator

We have the next question from the line of Anish Dawakley from Barclay. Please go ahead.

Anish Dawakley

Just in terms of I think you are expecting rates moving down, could you talk about how the savings accounts strategy will be adapted in that kind of environment and if you could sort of put that the context of what's your marginal cost of funds today and how is that, compared with saving accounts in a fully constant basis, that would be helpful. And if I could squeeze on a very fact based quick question, do you have the same priority sector requirements as all the other banks or is there any concession that are applicable at this stage which will revert at a later stage?

Rajat Monga

So the second part first, I think while there will be some gives and takes which RBI will have between bank to bank depending upon their respective situation. But we have no unique dispensation from RBI on priority sector. So like there was dispensation for banks that started in 1994 Yes bank did not have any dispensation even when we started and when we started and we were a six month old bank on March 2005, even then we had a full priority sector requirement.

Anish

So that's 40% like for everybody else basically.

Rajat Monga

Yes there would be some differentiation here and there but that is not really tweaking more than anything else give some uniqueness from different banks and different structures or businesses that they do.

Anish

And that doesn't lapse at any stage soon?

Rajat Monga

It does if RBI says okay this is something we know we have allowed as priority sector but we will disallow 2 years later or something like that might be there. So they say we have taken your point. We agree you are right but you are not fully right. So let's at least have a way forward. So there would be some situations where there could be peculiar dispensations but those will lapse and they will be clearly minority. That is not going to alter the big picture of 40% significantly. On the former point that you were raising which is savings account, I think the way the industry and we look at savings account on the effectiveness scale as if it is a 3 – 5 year liability which is what will also go in terms of driving the pricing behavior of our savings account product. The 3 – 5 year marginal cost today is close to 9%. If we have to let's say either issue paper or though that's not a great option practically speaking or raise fixed deposits from

the retail or in this case it will be predominantly retail markets. So 7 compares with 9 as far as the marginal cost is concerned. So the moment of truth even if rates come down is at least 2 years away where there is going to be a kind of a rub off in terms of it will be a moment of truth. What do we do? Is an FD at 7% better or savings account at 7% better for the bank I don't know. I think at some level it's the same. But the FDs have a property where they are predictable in terms of offshore time lines and if we start getting too much of FD flow into savings account we will have a volatile savings account book which is also not desirable. So I think there will be compulsions which will come and we will have to tackle those when they come at the moment there is still a gap between the relative measure that we will benchmark ourselves is on the 3- 5 year marginal cost versus savings account pricing.

Anish

the savings account price is not adding any OPEX burden to it when you are doing this comparison?

Rajat Monga

In any case the savings account OPEX is a fixed cost in nature. It is basically branches. There is lot of servicing in electronics that's also a fixed cost. So, while we are expanding the network but it is unfair to call that an operating cost to the current savings account book. That will be the operating cost of the incremental savings account book when that comes. In our judgment it is actually a operating leverage structure. The more savings account we get, the better. Even at 7% because servicing cost which is a variable cost is not more than 0.5%. And on top of that you get to cross sell with the same customers. The argument of total cost will be valid. But how much of total cost will I allocate to a savings account or to a current account or to a cross sell opportunity or to lending or to branding or corporate banking work the branches do is to hypothetical, while we can do that but with all this fixed cost we can do nothing to change the rent of the branch. Either we shut the branch which is not the part of the analysis. Or we cut the electricity bill we can use some LED lighting more but that's not really going to determine savings account pricing. More the merrier is the outcome whichever way we look at it, even at 7%.

Pralay Mondal

Our average balances in our savings account is significant in the industry. From that perspective, cost bar rupee is lower than generally what the industry cost is and add to that ability to cross sell third party products or insurance or assets and other products I think there is significant opportune in savings account base.

Moderator

Thank you. The next question is from the line of Alpesh Mehta from Motilal Oswal Securities. Please go ahead.

Alpesh Mehta

First of all if I look at your risk weighted assets in this quarter as a proportion of your total assets it has come down sharply. Is it just because of priority sector lending or something else is also reason for that?

- Rajat Monga** I think this was one of those quarters where we actually did spend time and energy to optimize capital. So we have increased the rated portfolio contribution in this quarter. So if you don't have a rated loan it attracts 100% risk weight. But if the same loan is rated and rated A or better it attracts lower risk weight. But typically you don't take in a loan rating is usually not a pre-disbursement condition. It is a post-disbursement condition.
- Alpesh Mehta** And secondly what was the trading profits during the year FY13?
- Rajat Monga** During the year, we don't do a whole lot of trading firstly. There are two avenues where we booked gains on a so called investment. One is when we manage duration in SLR. So if we have bought high duration, high yielding papers when interest rates were high, when we sell them they are in the money and we realized those gains. So we realized about 40 – 45 crores in Q4. I don't think we had any great opportunity earlier. There might have been 5 – 7 crores here and there. That's not in the trading sense that's more duration management in the resolved book.
- Alpesh Mehta** So non-SLR....
- Rajat Monga** So non-SLR also would have had may be a 10 – 15 crores kind of a sale on gain outcome.
- Moderator** We have the next question from the line of Adarsh from Prabhudhas Lilladher. Please go ahead.
- Adarsh** Wanted to check on this counter cyclical provision what's the stock that you would be carrying now which is obviously not part of the NPA provisions that you all show?
- Rajat Monga** I don't have the number right now. But I was hoping we can compute it.
- Adarsh** No I think just to follow up on this one was that obviously, just wanted to check, is there a mathematical link of this particular number that you all provide in the P&L to some adverse leveling that is happening in your book or its more a function of when you book more treasury gains you will provide, the link is fairly limited as of now?
- Rajat Monga** No the link is clearly to adversely labeling but the board level discretion that you have is to up the consequence of adversely labeling.
- Adarsh** So you are saying you increase to 20% on some adverse level.
- Rajat Monga** Not like random. We would have decided now that we will raise the provisioning on account of adverse leveling and then we will catch up to come to that target.
- Adarsh** So now it will represent what target, is it like 10 – 15 – 20% where we would be just give a sense on what kind of assets you all have is adversely labeled?

- Rajat Monga** I think the adversely labeled assets will be devoted closer to 1% but higher than 1%.
- Adarsh** This is on loan book?
- Rajat Monga** Loan book yeah.
- Adarsh** So your provisioning could be just higher because your loan book is 1% of that may be 400 – 500 crores and on that, that basically means you have a, if your stock is 100 odd crores then you will have much more than 20% cover on that.
- Rajat Monga** Yeah it will not be more than 20% though on aggregate. Not all those loans will have NPA consequences. Some will exit, some will also naturally improve.
- Adarsh** So is there been anything adverse leveling on the investment book side or that has not seen or you all do not anticipate too many of those issues there?
- Rajat Monga** Adversely labeling can happen on investment. It can also happen on off balance sheet. So it's actually a risk measure. It is not a loan measure. So when we take provisioning we take provisioning on exposure. I don't have to take provisioning only on the loan. I might have a LC which is likely to devolve and customer may not be able to service it. So it might come to me finally in the form of loan. But the LC exposure also has to be labeled accordingly and given the same treatment as the loan would be given.
- Adarsh** Just that anytime during the call if you can just give out approximate numbers of the stock of that provisions. Thanks.
- Moderator** Next question is from the line of Manish Oswal from KR Choksey Shares and Securities. Please go ahead.
- Manish Oswal** My question on the margin front, because currently we have a CASA for 18.9% and going forward we will definitely improve the CASA ratio. Secondly we have a large proportion of relationship deposit corporate deposits and rates are going down on that side also. So how do you see the margin picture pan out in FY14?
- Rajat Monga** Margin in FY14 in our judgment will improve. We are hoping for a 15 may be even 20 basis points of margin improvement not for the year but towards the end of the year. So may be in March quarter of '13-14 should have a 3.2 – 3.15 – 3.2% margin outcome. Now the predominant driver that we are assuming for this margin improvement will be improvement in CASA. So, there might be other noises on account of how interest rates behave and how reprising pattern emerge on loans and deposits. So, there is an unexpected part where it depends again also on how RBI acts on rate cuts as well as on transmission through liquidity

measures. Some of them will be the noise. But the trend margin should have had a 15 – 20 basis point improvement by the time we wrap up this current financial year.

- Manish Oswal** A small clarification on the 2 – 4% sell down book, is it a customer asset book or is it a loan book?
- Rajat Monga** It is a loan book.
- Moderator** The next question is from the line of Hiren Desai from IAlpha Enterprises. Please go ahead.
- Hiren Desai** Just wanted to know on the 13,000 crores credit substitutes book that we have, how much of that would be driven by refinancing where people are shifting from high credit cost to low credit cost? And a linked question would be any customers that we have common in terms of our loan book and the credit substitute portfolio.
- Rajat Monga** Well a majority will be on account of cost savings for customers. And there will be common customers. Some of our design strategy in credit substitutes is also to be able to do that business because that comes relatively faster than we are able to get in to the consortium of the same customer. Also desire to become consortium members of the same customers.
- Hiren Desai** Lastly, just wanted to check any internal cap on credit substitutes that you are working with respect to the total customer assets.
- Rajat Monga** These are all risk limit based because credit substitutes come with exposure limits and they come with market risk limits. So the appetite is captured. So I might have a bigger credit substitute book with lower risk customer of a low duration structure. There is no real control on that because if you want to do that it is very good risk. I don't know how we will make money of that that. So the control is more on the risk measure not the quantity measure.
- Moderator** The next question is from the line of Prashant Shah from Vantage Securities. Please go ahead.
- Prashant Shah** Just wanted one clarification regarding your NIMs for this quarter. Now they are sequentially flat but if you see your yield on advances going up 10 bps and cost of account going down 10 bps. So how do you reconcile the 20 bps improvement in spread but your NIM remaining flat?
- Rajat Monga** I will do that for you. 9 basis points NIMs is lost because of investments. Mix change in favor of investments we lost 9 basis point. We lost 5 – 6 basis points on account of increase in leverage. In this quarter we have added more business but because of dividend we have not added equity. Mathematically and otherwise the leverage as it increases mathematically, NIM falls. Everything else being the same. So 5 – 6 basis point is that. The rest is rounding of error.
- Moderator** The next question is from the line of Prakhar Agarwal from Edelweiss Securities. Please go ahead.

- Nilesh** Just wanted to get your thoughts on we have seen a big pick up in your corporate deposits during this quarter. Just wanted to understand the duration and do they run down in line with the PSL run downs.
- Rajat Monga** Deposits, they all run down but they also rollover. So there is a good 60 – 70% rollover I would say you can assume that 60 – 70% will roll over without extraordinary efforts. If you put little bit more effort you might have more rollovers. Because deposits are there to stay as far as the total book is concerned. But they move from bank to bank at times. It depends whether you are needing those deposits and are you giving the rate which keeps the deposit with you etc. So these are I don't think there is any linkage with priority sector but basically this quarter has been little bit out of trend deposit growth.
- Nilesh** So was it more conscious because our strategy to build granularity in the deposit base maybe we were working with it over the last few quarters. But this quarter we have seen an aberration there. Just wanted to get your thoughts.
- Rajat Monga** No aberration will correct because this phenomenon is not repeating in June quarter for example. June quarter might actually reverse out this phenomenon a bit. I think this is just a point in time issue, it is not a trend issue.
- Moderator** The next question is from the line of Ujjwal Somani from ICICI Securities. Please go ahead.
- Ujjwal Somani** Sir basically I need couple of data points. So what is the outstanding SLR book as of March '13 and what was the net increase during the quarter?
- Rajat Monga** The outstanding SLR book as at March 31st is 19,000 crores. And looking for a December number, SLR I will repeat its 23,500 crores, the SLR book.
- Ujjwal Somani** And sir what are your plans for branch expansion during the year FY14 and also increase in employee headcount.
- Rajat Monga** Branch increase between 150 and 175 and employee head count is about 1400 – 1600.
- Ujjwal Somani** And sir have you also done any kind of interest rate sensitive analysis where in what could be the trading gains on your non-SLR book given say 50 to 100 basis points decline in interest rates.
- Rajat Monga** We do that but that's all hypothetical. All of that has to sell and at a price that the model is telling. So the reality will always be a little bit different.
- Moderator** The next question is from the line of Kashyap Zaveri from Emkay Global. Please go ahead.

- Kashyap Zaveri** Just one initially book keeping question, you mentioned about movement of NPA in FY13 could you repeat that?
- Rajat Monga** We didn't give the full movement. But we said that we have added 234 crores of new NPAs during the year.
- Kashyap Zaveri** And recovery and updates would be or largely any reduction would be those only?
- Rajat Monga** There have been lot of action because this also includes 120 crores of Deccan which has been moved out already. So there is a complexity will be something like this. 243 crores have been added. There has been a recovery of 108, write-off of 108.
- Kashyap Zaveri** And second question on the deposit front, sequentially deposit has moved up by 18% though including credit substitute growth is just about 8 – 9%. So why such steep growth and secondly connected to that are still are cost of funds or cost of deposit hasn't moved up or rather has gone down. So what explains that?
- Rajat Monga** What explains the cost of funds moving down predominantly that the RBI has cut rates. So while the low yield has not fallen because of issues relating to loans on the loan pricing on loan markets. But deposit pricing has been coming off progressively.
- Kashyap Zaveri** There has been revision in deposit cost over for us of about how much. Let's say if we were to look at peak interest rates that we were offering, let's say about 6 months back and today.
- Rajat Monga** Peak panic interest rates we were offering were for example 50 – 60 basis point higher and that was in late February - early March because that was on account of liquidity being tight and March ending having its own issues because of holidays. So banks were little bit over doing the planning.
- Kashyap Zaveri** I am saying vis-à-vis previous 2 – 3 quarters rather not 3 – 4 actually.
- Rajat Monga** Last March panic rate was 11%. This March panic rate was 9.5%. So that's the peak and somewhere the rates actually progressively have been coming down. They moved once down in May last year after RBI rate cut. Then they held on till December rate cut. There was a small fall but it got reversed because of tightness in February and there was a March cut. That also still pan out because of liquidity still being locked in government balance with RBI. So its being progressively moving down with some ups and downs.
- Kashyap Zaveri** And any particular reason for such steep deposit growths.
- Rajat Monga** No just most functions met their targets. So that was the predominant reasons. I don't think if deposits are coming in you have to change the pricing to reduce the momentum and I think it was too late because of the kind of skewness that the March month was experiencing.

Sometimes customers get money and they force to take deposits. We also have that kind of customers. Because they also have to start earning some carry on their surpluses. So it was not something which we planned for. It was above what we would have ideally been happy with.

Kashyap Zaveri

And have we given out RWA number, somebody had a question on RWA?

Rajat Monga

It will be about 66,000 crores. I mean you can work that back from capital adequacy etc just incase mathematically.

Kashyap Zaveri

And one of the questions you replied about this 50 – 60 basis provisions does it cover probably GP or countercyclical also. So I couldn't understand. Does it include any countercyclical rate or it will be over and above this?

Rajat Monga

What we are saying is that in case we don't get NPA for whatever reasons we will still take more provisioning. Because we know we will get earnings. From bonds given the interest rate cycle.

Kashyap Zaveri

And this does not include standard asset provisioning?

Rajat Monga

Yes, it includes standard asset provisioning.

Moderator

We have the last question which is a follow up question from the line of Ajitesh Nair from Premji Invest. Please go ahead.

Ajitesh Nair

Just one date point I wanted to check with you what will be our exposure to gold loan companies direct and indirect?

Rajat Monga

It will be some 60 – 70 basis points of loans. I don't think we have any indirect exposure to the best of my knowledge.

Ajitesh Nair

How are you thinking about it, these are short term exposures that you have to these guys?

Rajat Monga

Predominantly short term, yes. In 3 – 4 months we might have less than one – third of the exposure.

Moderator

I would now like to hand the floor over to Mr. Sumeet Kariwala for closing comments. Over to you sir.

Sumeet Kariwala

Thanks a lot Rana, Rajat and the entire team for this very useful call. Thanks and best of luck for the first quarter next year.

Rajat Monga

Thanks Sumeet and Anil for organizing this and thank you all for hearing us out patiently. Thank you.



Yes Bank
April 17, 2013

Moderator

Thank you sir. Ladies and gentleman, on behalf of Morgan Stanley, that concludes this conference call. Thank you for joining us. You may now disconnect your lines. Thank you.