



YES Bank Limited March Ending Financial Results Conference Call”

May 8, 2020



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*YES Bank Limited
May 8, 2020*

Moderator: Ladies and Gentlemen, Good Day and Welcome to the YES Bank Limited March ending financial results Conference Call. We have with us today from the Management, Mr. Prashant Kumar – MD and CEO; Mr. Anurag Adlakha – Chief Financial Officer; Mr. Ashish Agarwal – Global Head (Wholesale Banking); Mr. Rajan Pental – Global Head (Retail Banking); Mr. Neeraj Dhawan – Chief Risk Officer; and Mr. Niranjana Banodkar – Head (Financial & Investor Strategy).

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 the conference call, please signal an operator by pressing ‘*’ and then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Prashant Kumar from YES Bank Limited. Thank you and over to you, Sir.

Prashant Kumar: Thank you very much and Good Evening to everybody, hope you and your families are safe during the quarantine, and I really know like who are the people who are attending, but I think most of you have interacted earlier in my earlier roll in State Bank of India, so I think that will be great to reconnect with all of you, so I think you must have seen our detailed presentation on our quarterly and annual performance, so I would not like to repeat those numbers. I would give more focus on what are the challenges before the Bank and what is our strategy to overcome those challenges. I think from the presentation, it is very, very clear that we have acknowledged that we are facing challenge in terms of the gap between the liability and on the asset side. We have breached on the capital CET as well as on CRAR. We are having a huge stressed asset portfolio, so I think everybody would be interested in knowing like what is our plan to going forward and meet those challenges and come out very strong from that. We have tried to give a road map in our presentation, but still I would like to give some clarity, some thought process, how we like to do it. I think this Bank has conferred earlier with all of the governance issues, so I think first thing what we have done as to take care of the governance issues and what we have done, you must have seen. Under the reconstruction plan of the Bank, a very, very eminent Board has been involved by the Government of India and the consultation with Reserve Bank, so the people who are in the Board, the Chairman, Mr. Sunil Mehta, who was earlier Chairman of Punjab National Bank and he was also earlier on the Board of State Bank of India, and similarly we have other members who are very eminent and professional.

Now, coming to like how would we like to sit and address what is our guidance and supervision of the Board, we have carried out the reorganization of the Bank and what we have fundamentally done. The credit underwriting has been segregated from the risk, so now we have a separate Chief Risk Officer and Chief Credit Officer. Similarly, what we have done that we have created a separate stressed asset group to give focus on the recovery and resolution on our stressed asset. That third thing what we have done, we were having multiple products in the sales team on the corporate side, so everything has been converged under the head of the corporate, so these are some of the fundamental things what we have done on the restructuring of the organization. Now, on the liability side, post moratorium, I think it was quite expected that there

would be outflows and we have seen those outflows both on the corporate as well as on the retail franchise, but after March 31st the outflows have been more or less stabilized and in fact we are getting huge positive response from our retail customers and during the month of say April 2020, we are able to raise almost 1,03,000 retail fixed deposits which is more than any of the number of FDs which was generated during the last 12 months even during the very good times. Amount wise this is less, but the issue is that since we are moving from our dependence on the bulk deposit on the retail side on more granular, so I think this number is written is more important. Our team, during the current difficult time at the ground level, are constantly in touch with customers.

My senior leadership team is also talking to the customers both on corporate as well as on the retail side. I am also talking to the retail customer on daily basis and it is a very, very good feedback from the retail customers and corporate customers, people are very appreciative of the way our team at the ground has taken care of their needs during the moratorium as well as during the current lockdown, and everybody is more than satisfied that the customer services provided by the Bank even earlier and during the current times, so we are quite hopeful that with this type of customer confidence, with the type of support we got from Government of India, Reserve Bank of India, investors led by State Bank of India and seven other private sector banks, I think this confidence is coming and gradually we would be able to build our liability portfolio to just have a better alignment in our balance sheet. At the same time, we continue to get the support from Reserve of India in terms of funding and that support would continue, so we do not see any issues out of it only thing is we need to win the liability portfolio on our books. The second thing is you see on the asset side, apart from creating a very, very focused vertical for speedy recovery and resolution of this portfolio, we have also made 74% provisional coverage both on the loan side as well as on the investment side, so basically attempt has been made to insulate the balance sheet from any past event, so 74% is more or less in alignment with the LGD and we believe like going forward, we need to take clear or visiting requirement more or less only for the fresh slippage. We believe like we need to say do our capital ratios and we do not believe like meeting just regulatory requirement would be enough, so we would like to go beyond that and our target is like we should maintain at least CET1 of say 10%. We already got the approval to this capital to the extent of 15,000 crores. We have already appointed six merchant bankers to take it forward and all the basis of that while from a merchant banker, we will decide the mode in which we are going to raise capital, it could be a QIP, it could be right issue, it could FPO, it could be a combination of those things.

You must have also observed that despite the moratorium for almost 15 days, despite very, very difficult times during the last quarter, still the bank is able to generate a very small amount of operating profit. We continue to work on this to have a decent operating profit and far that one part about the control on the cost is very, very critical for us, so what we are trying to do that we are targeting a reduction of the cost to the extent of somewhere around 10% approximately and you must have seen like during the current year also the cost increase has come down from 20% to something around even then it was 7%, so now we are targeting the reduction to the extent of

10% and this would happen in terms of both cost on the staff side as well as cost on doing the operations. At this point of time I would also like to draw your attention about the fact that we continue to be the market leader on the payment space and this is mainly driven by our superior technological capability on the payment side. We are very, very happy to share with you that during moratorium very large customers were moved away from us, have come back in total, because their feedback is that the way we were able to take care of their requirement other even large private sector banks have not been able to do that, so we are seeing that those customers who are having the cash arrangement product, who are having integrated system on the payment side, they have come back so I think that is a continuous journey and going forward the technology would be very critical for us and what we are now trying to do, that apart from having our stress on the transaction side, we are also building our technology capability for the data analytics, for the artificial intelligence, the customer acquisition through data analytics, the acquisition of customer and the total loan life-cycle management on digital, so I think going forward on the digital platform would not only give us lot of competitive advantage in terms of cost reduction, it would also help us in having a very, very focused marketing and our data analytics team would be able to generate, they are in the process, we already have a large team working on this, so that we can have a very targeted approach for both liability as well as on the asset side.

One very strategic shift which we are making in the bank, as of now we are almost like 55% on the corporate and 45% on the retail and on the MSME side, so gradually we will be moving like to the extent of 60% on the retail and MSME and 40% on the corporate, but one thing is very, very clear that in the immediate future, on the corporate side the focus is asset light, more liability generation more on the transaction, so our relationship with corporate would continue but would depend more on the liability transaction and the cash management instead of on the asset side, so gradually it would come down and going forward I am not saying that we would be out of the corporate finance, but definitely yes for the time being we have taken a pause and once the situation improves, both internally and externally then we would scale up our operations on the corporate asset side also. I think I will stop here, these were the initial comments, I just thought I should give some thought process on the strategy for the bank going forward and now I would be very, very happy and my team is also here to have your questions and try to respond to those questions. Thank you.

Moderator: Thank you. Ladies and Gentlemen, we will now begin the question and answer session. The first question is from the line of Aakash Dattani from HDFC Securities. Please go ahead.

Participant: My first question is could you provide a breakup of the borrowings as on March 31st please? My second question is if you could dive deeper into your strategy on the deposit front?

Prashant Kumar: If you see that in case of borrowings as of March 31st the total borrowing were almost like 1,13,000, out of which the re-finance was 23,700, it was a RBI window available to us to the extent of 50,000 and they were overseas borrowing to the extent of 9400, and there were IBPC subject of about 18,500 crores. Coming on the retail side so basically what is happening when

you move on the retail side it will become more difficult, but it is also more sustainable, so it is more on the customer connect and what we have observed, what is the feedback I think our customer service is really very good and people are happy both on our digital capability as well as on the personalized customer service, so I think what we are doing our bank was having a deposit base of almost 2 lakh crore as on September 30, 2019, so everybody who were having a deposit with us as on September 30th and as on April 1st, we are targeting all those customers and we are following them our team even during the current times where everybody is not able to attend office, but I think during that time of lockdown period, the customer calls, the customer connect which have been made by our team have been the highest, so it is one-to-one connect at all levels giving the comfort, assuring them, the safety sharing with them, what are the developments which has happened in terms of new investors which has come up, that support which we are getting from Government, RBI, and other banks and at the same time extending all those facilities, so it is a process which will take time, it cannot happen overnight but definitely the COVID situation has made it more difficult, but still in the COVID situation we are finding continuous inflows and the data which I have given in terms of number of retail term deposits which we have taken.

- Participant:** Sir, lastly, would you be able to quantify the total deposits as on April 15th, please?
- Prashant Kumar:** April 15th, we do not like have the data date wise, I can give you deposit of three years, I think which we have published on May 2nd.
- Participant:** That would be as on which date, second date, if you could please provide that figure?
- Prashant Kumar:** It is there in the presentation, 1,03,000.
- Moderator:** Thank you. The next question is from the line of Aakriti Kakkar from Goldman Sachs. Please go ahead.
- Aakriti Kakkar:** Sir, I just have two questions around the capital raised, the first is that what are the options for fundraising that we have, and the second one is that how relevant a right issuance at a discounted pricing given the urgency of capital raised and the time needed to fix the financial ratio?
- Prashant Kumar:** Aakriti, actually few on the option side, I think we are working on all the three options are available, QIP, rights issue, and the FPO. QIP, I would be very happy because it happens very fast, so only thing is as per SEBI formula we cannot give more than 5% discount on the last two weeks average, so if we find investors who are willing to put money at this rate, we would be more than willing to do it very fast, but that situation seems difficult so I think what we have done, we applied for both fast track rights issue as well as fast track FPO which SEBI and if we get that then it can happen very fast, otherwise in the normal route also we will do and definitely we go for say, rights issue or the FPO route then depending on the advice and investors interest, we will decide on the price.

Moderator: Thank you. The next question is from the line of Manish Karwa from Axis Capital. Please go ahead.

Manish Karwa: My question is on the cost front, look our balance sheet now is almost 60% of the historical balance sheet and it is unlikely that this number will grow in the near-term, but our cost base has still grown this year, apparently for us to do any profitable business it is very clear that our operating expenses need to be at least 30%-40% lower in absolute numbers from here on, how do you see that playing out because a large part of your cost related to employees and branches would be fixed and it may be a bit difficult, so I just wanted to have your thoughts about what you are thinking on rationalizing the cost average?

Prashant Kumar: Manish, like if you see this from a little different angle, the cost is one part but the intent on the operating profit is also because we do not have that type of income and most of the impact on the income side has happened because of the huge slippage, now I think the slippage part I cannot comment on what will be the impact of the COVID on the slippage, but I think in all the entire say slippage on the portfolio has been taken care, so that way by income generation would not be adversely impacted, but at the same time like I was sharing not 30%, but definitely we are targeting a reduction of cost to the extent of 10%. It will happen both on the say employee side as well as non-employee, so what we are doing on the employee side we are not going for any fresh hiring as there is a normal attrition, so you must have seen like our number of employees are coming down, so we are not going to go for hiring and increase the number, so numbers are coming down and that would happen, that is one part. Second thing, our leadership team has taken a voluntary call for cut in the compensation and we cut more in terms of converting from fixed pay to a variable pay that is one part. Second thing there is a huge cost on the operation side, so we are moving on digital that would save cost, we are also looking for all our premises and the premises which are not required in the current times, I think we are going to move from those premises to the lower area as well as lower cost, so we are seeing the cost on the premises very actively, so I think basically these are some of the things where we would be able to achieving a cost reduction by at least 10%.

Manish Karwa: This 10% you are saying it would be on absolute cost?

Prashant Kumar: Yeah.

Moderator: Thank you. The next question is from the line of Jai Mundhra from B&K Securities. Please go ahead.

Jai Mundhra: Sir, the question is you have a loan book of 1.7 lakh, deposit of 1 lakh crore and a borrowing of also 1 trillion, just wanted to check Sir, how do you plan to sort of go ahead with this kind of a structure, are there any assets which you think can be monetized in a fairly good way, what is the thought process on this?

- Prashant Kumar:** Basically, this issue has been handled in two different ways, we need to say rest of our liability and at the same time we also need to see how we can reduce on the asset side, but there is a risk involved in the reduce on the asset side because it would impact your income generation capabilities, so our focus is more on increasing the liabilities and I think if you see the liabilities as on September 30th was 2 lakh crores. If 2 lakh crore liability can come down to 1 lakh crore in six months, it can also go back to 2 lakh crores if not in six months, but definitely in one year, so I think our approach would not be just too down sale on the asset side, because it would impact your fee income and we would like to see what we can do on the stressed asset side because that is something which is not an income generating asset, so that can come down and at the same time increasing the liability. We are also working on having more CASA deposit and also reducing the pricing on the interest which is there on the deposit, I think we have already started moving in the direction May 1st, there was a cut of 25 basis points on our fixed deposits from 7.50 to 7.25%, so I think that will continue to go on and gradually our rate of interest on the deposit will be almost in alignment with the market, but that would happen over a period of time, so it is very, very as you have been seeing in calibrated way, there is no straightforward answer how the balance sheet would be managed, but we have to do it in a very artistic way where we continue to increase the deposit and reduce the assets which are not generating income for us or which are generating income which is on the lower side, so we are talking to some banks, I think all the banks are supporting us, we are looking for our portfolio, so we have a target we would be able to down sell something, we would be able to have the IBPC for certain things, so that it can come back to us, so it is a multipronged approach.
- Jai Mundhra:** Sir, just a continuation to this, just wanted to confirm the bank would be rating all payments which are let us say due on interbank purpose, interbank LC, BG, right, do you see any challenge on cash front or that kind of a systemic problem has been completely taken care of?
- Prashant Kumar:** That has been taken care of, you must have seen like since the day moratorium has been lifted, not for a single day, single transaction, single customer, there was any default, any difficult.
- Jai Mundhra:** Sir, just two things also in this press release you have mentioned that the slippages came from IBU, International Business Unit, because probably the moratorium was not allowed there, so I think the entity which are working in IBU, they are part of Indian corporate which have some offices or some linking with the other domestic corporates, what led to that slippages right because these are not standalone entities, they have their parents or sister concerns operating elsewhere, so how to read that and is there any sort of sector concentration there?
- Prashant Kumar:** Basically, these were the assets which were in overseas location and there is no connection between the domestic corporate and those entities, so whatever has been slipped is exclusive overseas asset and there is no guidelines applicable for an overseas assets, so we have not extended the moratorium.

- Jai Mundhra:** Last thing Sir, we have disclosed a lot of things in this presentation also, you have given the rating of breakup of this corporate book, if you have the rating breakup of the advances that would be most helpful?
- Prashant Kumar:** So what we are doing here Jai you must have seen from our earlier practice, we are giving the SMA1 and SMA2, rating has no meaning in the current time.
- Moderator:** Thank you. The next question is from the line of M. B. Mahesh from Kotak Securities. Please go ahead.
- M. B. Mahesh:** First question was a simple one, you have a loan book I just wanted to understand how much do you think you can reduce over the next 12 months based on the customer close and whatever views that has been contracted to be disbursed? Of your deposit book if you could just give some color of the existing customer base, you have got their deposits on the retail and corporate side, what has been the kind of rollovers that you have been able to do on that particular customer book?
- Prashant Kumar:** Basically, giving answer to the simple question first, on the loan book side what we are seeing on the corporate there will be a reduction say to the extent of 7000 to 8000 crores, but we would like to grow at least 20% on the retail side, so our loan book is expected to grow in overall terms by almost 10% and on the deposit side if we see the deposit as on March 31st or even if I can give you number on May 2nd, out of almost like 1,03,000 crores of deposit, 40,000 crores was corporate and almost 53,000 crores of the retail, so what is happening on the retail side, basically the corporate who wanted to withdraw have already withdrawn, so now what we are seeing that we are coming back to the old situation where the rollover is more than the 50%, so it is normalizing. Earlier the rollover has come down to 20% in the post-moratorium period.
- M. B. Mahesh:** The question is simple now that you have had more time to sift through the book, are you making any changes to your estimates on the expected slippages during the course of this year, 5% to 6% in one place and about 9% in the other, just wanted to understand that?
- Prashant Kumar:** You are asking all difficult questions and saying they are simple, so Mahesh basically if you say in terms of slippage, I think we have given a guidance of something around 5% and at that point of time, the COVID structure was not there. We have done some analysis and analysis was based on two-three scenarios, one scenario was like it is the moratorium or this lockdown is lifted say by April end, it has not happened. Second scenario was if the lockdown is lifted at the May end, we need to see whether that happens or not and the third scenario would be that if the lockdown is lifted may be June end or afterwards, so we are working for the second scenario where the lockdown may be lifted by say May end and our liquidity may go beyond say almost 7% to 8% and I do not want to say gear for the third situation where the lockdown would not be lifted even beyond June, that I think that would be very, very uncertain times and I really do not know whether we will be there to answer that.

- M. B. Mahesh:** Just a follow up, which part of the loan book kind of moved so dramatically in this case, because the SMA book so far has not seen that stress, in case it is reasonably low on contribution, so is it the corporate side which is kind of moving the needle?
- Prashant Kumar:** When we are talking of the slippage, we had basically seen from the SMA1 and SMA2 side, that is one part. Second estimate is that what type of industries are impacted most because of the COVID so what is our exposure in this, so there is no SMA1 or 2 in those portfolios, but since there is a likelihood of impact on growth of industry segments because of the COVID that is how we are estimating that there will be slippage in the worst case scenario.
- Moderator:** Thank you. The next question is from the line of Marukh Adajania from Elara. Please go ahead.
- Marukh Adajania:** Sir, I had a couple of questions, you said in your presentation you talked about loans under moratorium and you said that the overdue loans were 148 billion of which the NPL classification freeze was on 27 billion on loans, so how does that 148 billion tie in with SMA figures?
- Prashant Kumar:** Basically what happened if you see in the regulatory guidelines, it was about if the RBI dispensation has not come then what would be that book which could have slipped by March 31st, so 27 billion is the number which we have slipped to NPA as on March 31st if the RBI dispensation has not come out of the other portfolio.
- Marukh Adajania:** But the one 148 billion would then be a 0, 1+2, is it?
- Prashant Kumar:** Yes, whichever is overdue of the moratorium.
- Marukh Adajania:** You are expecting around 35% to 40% of your total domestic book to be under moratorium?
- Prashant Kumar:** This is what people have opted and we have given.
- Marukh Adajania:** Sir, how do you view your Tier-2 now, your AT1 bonds have been written off, what is your view on Tier-2 anyway just now it is kept at 2%?
- Prashant Kumar:** Actually, we are adding 4.8%, all in all we were not able to CET, so we would account for only 2%.
- Marukh Adajania:** Okay, but the Tier-2 stays as it is and while the Tier-1...
- Prashant Kumar:** Yes, absolutely.
- Marukh Adajania:** Sir, one more thing how much did you borrow from RBI?
- Prashant Kumar:** Let it be revealed within RBI and us.

- Moderator:** Thank you. The next question is from the line of Kabir Gulati from _____ Capital. Please go ahead.
- Kabir Gulati:** Just wanted to understand if this quarter you would have recognized any interest income on the loan accounts that you would have recognized as NPAs, have you received it in cash this quarter?
- Niranjan Banodkar:** There has been actually a reversal of interest in this quarter because of the NPAs and NPI.
- Kabir Gulati:** Sir that would be net thing, but would there be any interest in cash debt you will be receiving on this big NPA book that you have now?
- Niranjan Banodkar:** Because we have not had cash recovery that has not been part of the NII for the quarter.
- Moderator:** Thank you. The next question is from the line of Vikas Rungta. Please go ahead.
- Vikas Rungta:** Sir, just wanted to understand that you have reported earlier that there was a combined breach in foreign loans, so what is the status of those foreign loans as of now?
- Prashant Kumar:** You must have seen it has come down, so earlier like if you see in this overseas borrowing it was 23,000 as on December 31st which has come down to 9474 as on March 31st.
- Vikas Rungta:** We are repaying them, or we are getting extension, what is the strategy of the management as of now?
- Prashant Kumar:** We would be happy to retain them, but wherever if there is any demand or any requirement, we immediately meet our commitment on the same.
- Vikas Rungta:** The other part, in one of the interview after the results, you have said that moratorium can be declared if 5.5% is a breach, that is a very strong statement, though I know that the management is planning to raise capital, but getting into moratorium again will definitely you know let us say keep the confidence of the depositors, so what is your view?
- Prashant Kumar:** I think I have not made this statement, what I have told that if we breach the CET below 5.5 then only there is a possibility of having a moratorium, but we have not breached 5.5, so one the question which was asked of me that what would be the implication when we are not meeting the CET requirement so basically I have answered this there could be only one thing, it could be only like as per the current calculation, bank can be put under PCA, but in our conversation with the RBI, we are not getting any such stance or any such indication, whether there is a possibility of putting under moratorium, I will say that would happen only if we reach below 5.5.
- Vikas Rungta:** Right Sir but there is not much gap left as of now?
- Prashant Kumar:** Still there is a gap of 80 basis points and 80 basis point converts into almost 2000 crores.

- Vikas Rungta:** Other thing I wanted to know in terms of like you have been successfully able to raise CDs in the market, so what is the CD outstanding in the market as of March 31st or the latest number?
- Prashant Kumar:** March 31st is something around 7000 crores.
- Moderator:** Thank you. The next question is from the line of Manish Shukla from Citigroup. Please go ahead.
- Manish Shukla:** My first question on the capital side, do you have any comfort from SBI and other banks which participated that if there were to be a shortfall going forward, that they will come back again?
- Prashant Kumar:** So other banks are quite confident as we will be able to raise capital as per our requirement and the other thing is that our strategy is to broad-base our investors, so I think we will be able to do that, but since the State Bank of India has other seven private sector banks, they have already put in their money, so I do not see any possibility that they would not support us.
- Manish Shukla:** Secondly, besides capital there are few other points where you are in breach of regulatory norms, so is there any agreed milestones with RBI which we need to meet in the absence of which, the regulator might take some regulatory action?
- Prashant Kumar:** I think there is only one breach that is in terms of SLR, is well aware of it and silence from RBI is more than comfortable.
- Manish Shukla:** But the question here is that how long does that silence last, Sir?
- Prashant Kumar:** I think we need to read that silence and regulator silence is always read in this way.
- Manish Shukla:** Last question, you said that at 74% coverage, your assessment is that this would kind of cover for LGD and as we know in the past a lot of the lending on the wholesale side has happened on asset backed than cash flow backed, and given the lockdown all the economic assumptions that we were working with two months back have gone for a toss, do you still believe that those LGD you would be comfortable with that 74% kind of a coverage number?
- Prashant Kumar:** I think the worst case scenario is 70 for impairment may go up to 80, but it depends again on the individual cases, there are certain assets where we have made 74% provision but recovery probability would be almost 40% to 45%, so it is a mix of pool so in some places we would be able to recover more than what we have provided and within some of the assets we need to make some additional to this, but on the pool basis, I think it would be a variation of 2% to 3%, not more than that.
- Manish Shukla:** While the wholesale book has been contracting at the same time, the RWA of balance sheet continues to go up driven by the rating downgrades which you are seeing, so what can be done to arrest that, I mean is the asset sales an option or is there anything else which you can work on to improve that?

- Prashant Kumar:** It would be a combination of asset sales and also originating those loans where the risk weight would be, so it would be combined steadily, and it would gradually be able to release them.
- Moderator:** Thank you. The next question is from the line of Nilanjan Karfa from IDFC. Please go ahead.
- Nilanjan Karfa:** Sir, sorry joined a little late, have you given out the rating split of the loan book?
- Prashant Kumar:** We do not give the ratings of the loan book, we are giving the position of SMA1 and SMA2.
- Nilanjan Karfa:** Could you help me tying this SMA1 and 2 which is about 11,000 crores with the standstill figures that we have given, which is I think 14,900 odd crores less to 713, which is NPA.
- Niranjan Banodkar:** Niranjan, what we are talking about is actually all overdues as of the Feb 29th which would include SMA0, 1, and 2, whereas what gets reported as SMA1 and 2 is as per the RBI database where it is reported SMA1 and 2 and there is also a small difference in the number of days calculation to be precise, which has resulted into, for example, you see a 2700 crores as a standstill NPA as of March 31st, but that actually was part of the SMA1 as on Feb 29th, so what you will see is the standstill getting in SMA1 and we have reported in our presentation site, but it is just the number of days in reconciliation sheet.
- Nilanjan Karfa:** Sir, I had a question on Tier-2, did you mention anything about any potential write-down in Tier-2 as well or?
- Prashant Kumar:** No, we are not considering
- Nilanjan Karfa:** The AT1 continues to be there and will be based on the court decision, is that the broad understanding?
- Prashant Kumar:** That is right.
- Moderator:** Thank you. The next question is from the line of Bhavin Shah from B&K Securities. Please go ahead.
- Bhavin Shah:** Sir, even after write-off our AT1 stands at 0.2%, so just wanted to understand what is it exactly?
- Prashant Kumar:** So basically these were the AT1 bonds which were not BASEL-III compliant, so they could not be written-off.
- Bhavin Shah:** So these are non-BASEL compliant AT1 bonds which are not written-off?
- Prashant Kumar:** Yes.
- Bhavin Shah:** Sir, our fee income, corporate fee income, I understand there was a change in accounting in fourth quarter '19, but in fourth quarter '20, we still have it negative, why?



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Niranjan Banodkar: It was account of a sell down fee that we had to pay for the loan.

Bhavin Shah: Sell down?

Niranjan Banodkar: There was not gross booking of fees that we had in the corporate banking line, but there were sell down of loans that happened there, which were netted against the corporate banking fees.

Moderator: Thank you. Ladies and Gentlemen, that was the last question. I now hand the conference over to the management for their closing comments.

Prashant Kumar: Thank you very much and we really appreciate the time taken by you and asking these clarifications , but I think you must have seen like we have been very, very careful and trying to say almost everything to our presentation and would be very happy if there is still any question, you can always come off-line and talk to our team, we would be very happy to respond to all those queries and we would also like to have your suggestion if you can give in further improving our disclosure in our quarterly or annual direction which will really help us, so thank you very much.

Moderator: Thank you. Ladies and Gentlemen, on behalf of YES Bank Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.