



“YES Bank 2Q FY16 Earnings Conference Call”

October 29, 2015



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*YES Bank
October 29, 2015*

Moderator: Ladies and gentlemen, good day and welcome to the YES Bank 2Q FY16 Earnings Conference Call hosted by Macquarie Capital Securities India Private Limited. 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sameer Bhise from Macquarie Capital Securities, thank you and over to you sir.

Sameer Bhise: Thank you, Daryl. Good Evening everyone and welcome to YES Bank's Second Quarter FY16 Earnings Conference Call. First of all I would like to thank the management to give us an opportunity to host this call. We have with us Mr. Rajat Monga - Senior Group President (Financial Markets) and CFO, Mr. Pralay Mondal - Senior Group President (Branch and Retail Banking), Mr. Jaideep Iyer - who is Group President (Financial Management) and Mr. Niranjana Banodkar - President and Country Head (Financial and Investor Strategy). Without much ado I would like to hand over to Mr. Monga. Over to you, sir.

Rajat Monga: Thank you, Sameer and welcome to all participants for the second quarter results call for YES Bank's quarterly performance. I will like to begin our commentary by giving a quick backdrop on the macroeconomic developments during the quarter and into the highlights of the financial results that we have announced today. And also detail a little bit on some of the disclosure changes or more elaboration of disclosures that have also been added to our various releases including to the press on results for this current quarter. I am sure you all are aware the interest rate environment has progressively turned benign in the Indian context in the last quarter particularly and culminating into a 50 basis points surprise maybe on the sizing side by RBI on 29th of September which was also accompanied by a marginal revision lower in the growth forecast as well as inflation in the Indian economy. Believe that the consumer price inflation in India may undershoot the RBI target by closer to 50 basis points which is possibly underpinning the recent rate cut and also laying ground for possibly more rate cuts.

The so called front loading easing this time around I think it was also followed by Bank's reducing their lending rates almost immediately including YES Bank who dropped base rate second time in the last four months and this time around on the 5th of October. Bank has also decided to lower the pricing on its Savings Account offering down from 7% from a bucket which started with Rs.300,000 to 6% so we now have a harmonized 6% rate for retail businesses. Also supported by strong growth in Savings Account that have been witnessed in the bank and that also been accumulating within the last many years.

Another risk that somewhat manifested but we believe was well managed by the Indian authorities was around Southwest monsoon which turned out to be slightly worse than what the Indian authorities had projected. A 14% deficit in the monsoon but with some localized outcomes and some prompt administrative measures by the government we believe is likely to be a relative non-issue as far as inflation is concerned. We believe there is an improvement in farm acreage under cultivation and therefore it should keep the rain deficit consequences in balance. We did witness some volatility triggered by the rebasing of the Chinese Yuan which triggered some volatility and I think has led to some general postponement of right decisions by Central Bank's particularly in the U.S. and has had some volatility consequences on the Indian market as well particularly on the currency.



*YES Bank
October 29, 2015*

On the deficit side both the fiscal as well as Current Account deficit continue to be in the direction of moderation I think both helped by substantial fall in global oil prices as well as certain administrative steps which the Indian government has been taking possibly more will be taken.

We continue to believe that there is a under pinning improvement although a gradual in the real economy activity. There has been some knock-on effects coming from commodity prices into the domestic scenario as well and some of that is also resulting in improvement in domestic demand conditions given the fact that the commodity prices have turned cheaper. However the pass through of input prices has not completely translated into the output prices in the country and therefore we should see the benefits of lower commodity prices to continue to be coming through in the Indian economy over the next month's as well.

We continue to believe a 7.4% to 7.6% GDP growth should in order in the current financial year which will be a small improvement from the growth delivered in India in the previous financial year. This is also supported by government's own actions in terms of the investments that have and will be lining up in many sectors and we believe that the Ministries of Coal, Power, Shipping, Roads, Chemicals, Fertilizers and the MSME Ministries in the government are actively looking towards creating channels for investments to crystallize particularly helped by government spending in these sectors.

Another sector which is seeing government come through is also the renewable energy sector which has already been supported by a full year quota of spending by the government. So the overall macro conditions in summary continue to be progressively supportive. However the translation into economic activity continues to be gradual and we believe there are measures and more facilitation for economic improvement that will keep coming through over the next months as well.

I will quickly move to the financial highlights for the current quarter's performance. The Bank is reporting total asset growth of close to 25% which is essentially underpinned by a loan growth of 29% on a year-on-year. The growth in the current quarter was more subdued in the sequential sense we had close to 1% loan growth. The year-on-year loan growth continues to benefit from the growth that Bank put together in the busy season or the second-half of the last fiscal year.

On the deposit side the book grew by 24% on an aggregate and within the deposits the CASA deposits grew at about 41%. The CASA ratio has now crossed 25%, we are reporting a CASA position of 25.5%. Within CASA Savings Account led the growth, the growth of Savings Account Book has been close to 62% to on a year-on-year comparison basis. Within the total deposits the cut towards Retail Deposits which will include CASA and Retail Time Deposits or Fixed Deposits has also done pretty well with a growth of 42% and the share of this granular deposit book now stands at 52.5% of the total deposit book of the bank.

Few highlights on the income side as well. The profit after tax of Bank grew at 26.5% we are reporting Rs. 6.10 billion of profit after tax for the current quarter. Largely supported by a good growth from NII which in turn has been supported by the Loan Book growth in general. NII improved on a year-on-year basis by 29.4%. NIMs which had been improving have held the improved level at 3.3% in the current quarter. It is a 10 basis points improvement from the corresponding quarter of the previous financial year. We do believe with interest rate actions the bank has taken there is room for further improvement in margins in the ensuing months as well.



*YES Bank
October 29, 2015*

The non-interest income on the other hand grew at relatively lower than NII at 22% which is now totaling to about 6.18 billion which is the total non-interest income and we have also given a new cut of non-interest income especially re-classing some of the income from financial markets and transaction banking into retail which was predominantly led by remittances or services businesses from the branches and the target segment is largely retail and SME customers. So those the share of income has been re-classed in more in line with Retail Banking as we should see this income grow in line with the retail franchise more than anything else. For the benefit of comparison we have given we have presented the non-interest income under both the scenarios the prior scenario that we have been disclosing as well as the new scenario which we have adopted and would migrate progressively to the new scenario in terms of future disclosure given the improving and meaningfully improving share of Retail Banking originated fee income as well.

A yield of advances has moved down by 30 basis points. The Bank has taken a couple of base rates cuts as well so we are now reporting a yield of advances at 11.6% versus earlier reporting number of 11.9%. Correspondingly cost of funds have also seen a 30 basis points correction, we are reporting a cost of fund position of 7.3% down from last reported cost of fund position of 7.6% as well as therefore resulting in sequentially constant margin performance.

The Return on Asset Position is at 1.7% a small improvement over the sequentially previous quarter and similar to the corresponding quarter of last year. The ROE position has improved 19.4% which had actually resided lower since our capital raise in the month of June 2014 that has since been improving from what should have been 15%-16% number post capital raising to now about 19.4%.

Some comments on the asset quality position as well. We believe the asset quality outcomes continue to show resilience in the outcomes that we are reporting under the financials. We are have seen a small uptick in gross NPAs. We are reporting gross NPA position of 61 basis points and a net NPA position of 20 basis points. Both the outcomes are resultant of and within I should say the credit cost guidance we have made earlier of an expectation of 50 basis points to 70 basis points of credit cost for the year. The gross slippages of NPAs this quarter have been at Rs.1.46 billion and the net slippage which is net of recovery have been at to Rs.1.3 billion I think this is also among the first signs that we have picked-up on momentum building on recovery as well. There was no fresh sale made to any asset reconstruction company in the current quarter. There was no refinancing undertaken under these 5/25 route either.

The security Receipt Book that the bank is holding from its legacy sales to ARCs constitutes about 31 basis points of the advances book. On a gross basis it would be more like 26 basis points - 27 basis points on the net of provisioning basis. The restructured book again mostly legacy books stayed flat in the current quarter on an absolute basis there has been a small dip in the position of the total restructured assets. The Bank is reporting a provisioning coverage ratio of reasonably good at 68% somewhat also reflective of the near-term visibility of recovery that is shaping-up. Total provisions that the Bank made in the current quarter was Rs.1.04 billion, this results in an annualized credit cost of 52 basis points for this quarter gone by and like I was highlighting we are maintaining a 50 basis points to 70 basis points expectation on the credit cost for the full year as well more or less in line with what we saw in the current quarter. We have also added enhanced disclosures, we have just consolidated our sectoral reporting in what the Bank has been reporting under Basel III disclosures till the prior quarter this was disclosure of the funded book. Their disclosure from this quarter has been made to be including the non-funded book as well and it aligns with the discloser that the Bank would be also separately putting together under the Basel III disclosure requirements.



*YES Bank
October 29, 2015*

Capital position has been static in the current quarter. The bank is reporting a Tier-I capital position of 10.9% and a total capital adequacy at 14.9% which was same as what the Bank reported as at June 30th 2015 the previous quarter as well. Total capital funds not stand at Rs.175 billion which is including the Tier-II capital as well this position as of September 30th. The position of Bank on liquidity coverage ratio or LCR continued to be healthy in September quarter. We are reporting a quarterly average LCR at 83.6% which is more than the currently mandated 60% requirement from the Reserve Bank of India. The Bank also had an opportunity to look at some and fulfill some of its expansion initiative in the quarter gone by. The Bank has been able to commence operations at its newly licensed international banking branch in the GIFTCity which is a new initiative of the government where Indian Bank's could operate in an international position from Indian shores. This will help Bank add to its product proposition to more towards the corporate clients as the Bank has not allowed to yet allow to do retail businesses out of the international branch.

The Bank has also received the approval from Reserve Bank of India to set up an asset management company. The Bank also had operationalize its operations of primary dealership in the current quarter and with the all this initiatives of AMC primary dealership securities and now in international banking branch as well. We believe it is helping complement the Bank's offerings to its clients particularly retail clients and corporate clients pretty nicely.

The Bank is also investing in its expansion we have taken a substantially large facility in Chennai to how is the future national centralized operation management of service delivery center for the Bank. This will become the main delivery design of operations for the bank including particularly the sharply expanding retail operations where we will also add Credit Cards as a new offering as soon as six months from now.

On a separate note the Bank also is privileged to be now included in the Dow Jones Sustainability Indices in the emerging markets index and possibly the only Bank in that index from the emerging markets. It is I think a significant recognition the bank has received for all the efforts and delivery the Bank has been making in the sustainability space and clean energy space.

The Bank also uniquely partnered with an e-commerce company called Snapdeal and a logistics company called Blue Dart to sharply improve the turnaround time of money in both the sale and the refund leg of the e-commerce delivery system. This has been down with first in India API banking payments model which we believe should be able to facilitate e-commerce across the board and we will be able to turnaround the e-commerce payment business much faster for our clients.

Some of the other recognitions the Bank received was among others being adjudged as the strongest Bank in India by balance sheet in the year 2015. This recognition was done by the Asian Banker Magazine based out in Singapore, third time in the last four years that the Bank has received this recognition. Several other recognitions particularly on account of Bank's commitment to sustainability and responsible banking which include Golden Peacock Award for sustainability 2015, at the 15th London Global Convention, Bombay Chamber Civic Award for the year 2014-2015 and Energy and Environmental Foundation Global Excellence Award of Renewable Energy at the 6th World Renewable Energy Technology Congress-2015. Separately which will be very useful for our retail business as well that the YES Bank was also recognized in the top ten and brands in the Top 10 Brands in the Paul Writer Mumbai Hot 50 Brand List in the last quarter. So this was about the summary that we wanted to present about the Bank's macroeconomic operating backdrop it's financial as well as key development and recognitions that the Bank came across and the last quarter particularly. So we will be happy to make more questions here on. Thank you.



*YES Bank
October 29, 2015*

- Moderator:** Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session. Our first question is from the line of Auguste Dave from CAO Capital. Please go ahead.
- Auguste Dave:** I just wanted some comments if you look at your loan book and the tranches which are just above the stressed asset limit I mean which are not stressed as of now but could be stressed going forward. How much are they if you can disclose that and how is the trend in that set of growth? And how do you see things progressing over the next six months? My second quarter is on your fund raising any additional comments on the exact timing whether this will be this financial year or the next you have disclosed next calendar year but whether this will be at the end of this financial year or the next financial year? And how much of this funding will get in that GIFTCity branch is it going to be a big capital guzzler? Thank you very much.
- Rajat Monga:** I will maybe answer them in the reverse order given the complexity. The international branch is going to be branch therefore it will be able to benefit from the entire capital base of the Bank. So don't have to be using this as a capital structured lending so to say. So it does not require dedicated capital the Bank's own capital will be provisioned just that the loan will be booked in another branch like we would do in any other branch in any the Bank's business in any case.
- Auguste Dave:** It is not structured as a sub, it is not.
- Rajat Monga:** It is a branch. So second part of your question on capital so, yes are at this point in time of the opinion it is calendar 2016 transaction, we ourselves are not very we do not have that information ourselves whether it will be in the before March month or after. We have to look at the interim outcome how much we broke from here, what is the opportunity then our market is conducive and all of that so it is and this capital that we are raising for next three years of growth so, it will need that kind of time leeway for it to fit itself in. And on the first part of your question I think there is if you look at the sum total of disclosures that we have I would assume that one is that the Bank's credit cost will continue to stay in the 50 basis points to 70 basis points guidance that we have offered/issued in the past and we are maintaining that and naturally the credit cost utilization will come from the problems in various sectors and there are problems in different sectors some more some less. We have also given a full rating breakdown of our exposures. So naturally it is we will expect that the problems will come from the below investment grade sectors position that the bank is holding not in a hurry from the above investment grade position unless there are some very sharp changes in the operating environment of our clients which at the moment is an isolated risk in our judgment. Some of the sectors that we have also detailed a little bit of rating position including in some of the perceptibly let us say stressed sectors which also have been added supplemented by how much of our exposure is above threshold rating of A for example. So you will see a lot of our 70-80%-85% of our exposures in many of these sectors are above the rating threshold of A. And if I have to just go by statistics of rating migration 'A' rating becoming a default rating in years it is not month and a lot will happen those years not all A will go down some A will go up as well. So the situation is pretty much in this sort of picture that I am describing that we continue to expect in the next six months our credit cost are between 50 basis points and 70 basis points.
- Moderator:** Thank you. Our next question is from the line of Vishal Goyal from UBS Securities. Please go ahead.
- Vishal Goyal:** On this rating disclosure which we have what is the denominator for that?
- Rajat Monga:** It is all our corporate exposure, all.



*YES Bank
October 29, 2015*

- Vishal Goyal:** No, but corporate exposure which includes your non-funded and investment.
- Rajat Monga:** It also includes treasury exposures if I have. If I have a counter-party exposure with a corporate I have a forward exchange transaction and he owes me money. All corporate exposures that we put capital for in Bank is included.
- Vishal Goyal:** Okay. So, because we just trying to see what kind of numbers we can get so for example, when you report a total exposure number in the Basel III disclosure that is the right number denominator for this?
- Rajat Monga:** Minus the SME and retail, yes.
- Vishal Goyal:** That would be 68% I think you say is corporate.
- Rajat Monga:** So 68% naturally that cut is for the funded loan book. So it should be more because retail you will not have treasury, retail you will not have off balance sheet so it will be more but it is complete.
- Vishal Goyal:** Okay. It is complete. And one more question on the externally rated book. So now of this how much like externally rated?
- Rajat Monga:** If it is the corporate book 70% would be external rated.
- Vishal Goyal:** 70% is externally rated and how this would have change in last like one year or six months just external rated number because we have seen a lot of rating being withdrawn or suspended in last one year.
- Rajat Monga:** Well I do not think we have not see because our ratings always comes with a lag as well so, there could have been migrations in rating, at least that is not a majority problem clearly for us so it cannot change the picture significant it might change maybe 2%-3% here and there it cannot be more than that.
- Moderator:** Thank you. Our next question is from the line of Dhaval Gala from Birla Sun Life Mutual Fund. Please go ahead.
- Dhaval Gala:** So I had a question on Savings Account. Could you give me numbers on Savings Account number of Savings Accounts we added in the quarter and what was the outstanding number for current half year and end of March 2015?
- Rajat Monga:** We would have added about 1.25 lakhs and the outstanding number would be 1.3 million.
- Dhaval Gala:** Okay. That would be as on September end 2015?
- Rajat Monga:** Yes.
- Dhaval Gala:** If at all I can get same number for March? Also if you could explain the delta in terms of numbers of account of it has been so you have seen a very strong growth in Savings Account per say in the current quarter. So much of that is either any large ticket or one-offs or it is sustainable. And also why the intensity on current account is fairly sluggish given that we are running at 25% plus loan growth for last four quarters now?



YES Bank
October 29, 2015

- Rajat Monga:** Yeah, so Savings I will start with so, it is what we the effect of Savings Account balances will come more from old accounts not so much from new accounts because it also takes time for activation for the new accounts. So if there is a balance trajectory we will be looking at a little bit of retrospect in terms of Savings Accounts how they have been coming and developing. Recent Savings Accounts will not be the major contributor to the balances there will always be a lag. Having said that there will be some let us say 80% to 90% share of Savings Account which is individual on 10 basis points to 20 basis points which is non-individual. 10% to 20% I am sorry which will be non-individuals and that varies because the non-individual sometimes have so if we have a trust account that does have more money than an individual in terms of flow and on the quarter gone by there is an influence of some of these non-individual sort of balances. I would not say not sustainable but that there is an influence. On Current Accounts I will not be able to relate loans and Current Accounts that well is because our Current Account balances actually come more from the non-borrowing customers. So our let us say the Current Account balance is from if it is retail it will be predominantly a trade oriented customer and we still do not put credit limits in retail trade oriented customer, we are doing more service and more remittance type of business. If it is a corporate let us say one of our largest corporate segments for Current Accounts will be the financial institutions LIC for example might be one of our large Current Account holder. There is a not a great case to have a loan there. So we also see that borrower's account also use CCs or ODs. The borrower's do not therefore accumulate surpluses as much as the saver's will do. So I would not recommend a strong correlation there will be some but not the strongest. We will get CA balances more from savings customer so MNCs, Retail, SMEs, Trust, Societies, Clubs, so all of this segment which is a classical non-borrower segment will have a fairly high share of contribution to Current Account and that will change in our outcomes also because now the retail savings is far under control and a lot of delivery has happened and more will happen, the focus in retail will also shift more and more to current accounts.
- Dhaval Gala:** No, because our retail and SME book has been growing reasonably faster. So I was just assuming means is there any...
- Rajat Monga:** There is not I would not recommend you assume a strong co-relation a lot of retail will be term loans maybe mortgages you will have an overlap with the Savings Account but let us say if you are doing a CV loan I may not have a branch where he operates for his convenience for example but I have the ability to have some coverage in terms of disbursements. We do not get a whole lot of our Current Account from borrower's is the point I am essentially making.
- Dhaval Gala:** Okay. Sir, a couple of more questions, one is on your Savings Account you mentioned non-individual what would be the cost of that portion and what will be the average cost of total savings balance as on end of September?
- Rajat Monga:** As of end of September we will be 6.9 on an average cost and we have now only two rate 6 and 7.5. So I am giving you where we have already migrated to or are migrating to. So beginning 3rd October and also now beginning 1st November we will have only two rates one is 6 the other is 7.5.
- Dhaval Gala:** So now onwards you would not have any deposits which would be higher than 7.5?
- Rajat Monga:** Yeah, that is right. We already do not have because that was the 3rd October let us say migration and the seven to six migration is happening on 1st November.
- Dhaval Gala:** Okay. And just a part on your NIMs outlook and if you could also touch upon I think this would be common question for many, how would you be impacted on the new base rate guidelines whenever they get implemented if they are going to come as per the current draft and what would be the impact on net interest margins? One because of that the other also improving savings cost for us?



*YES Bank
October 29, 2015*

Rajat Monga: Yes, Dhaval I will begin with the margins outlook assuming let us say base rate may not be impacting us greatly but we will discuss that maybe in the second part of my answer. So on the first part which is without base rate we should be looking at 10 basis points to 15 basis points improvement in margins over the next two quarters - three quarters also among others because the Savings Account rates have been dropped. So about 10 basis points benefit will come straight from the Savings Account drop but that is still accruing and it will be fully visible only in the March quarter. The other part is that CASA will also grow somewhat in the usually the second-half is also stronger for CASA and therefore we do hope that there will be follow through of that into margins as well. So I would be building 10 basis points to 15 basis points in margin improvement case over the next I would say six months to nine months. On the base rate I have to acknowledge that in my opinion RBI draft will not come in this particular shape finally. Having said that we operate on the marginal deposit pricing already, I have always been operating on the marginal deposit pricing. So the risk of shifting from average to marginal pricing should not be the bigger issue here and we have also different discussions with people in RBI and others and we believe that RBI will have to allow a transit design. So just by shifting your computation should not result in a change of your base rate. You should be allowed adjustment basis and thereon you should be driven by the future changes in the underlying whether it is marginal or whatever the new underlying base rate will be. And as far as we understand that this is not impossible suggestion. We have to have a migration strategy like we had from PLR to base rate. So it is unlikely that RBI will implement the...

Dhaval Gala: You said two types of rates will continue. Suggestion would be like that?

Rajat Monga: Suggestion should be you have a new base rate for example. You had new base rate be driven all new loans should move to new base rate firstly like it happened with base rate and PLR should be sunset. Similarly here the old base rate should be sunset or bank should be allowed to demonstrate the basis shift from one method to the other and that basis should be allowed to remain permanently in the new base rate computation. Because the reason the rates have not been transmitted is not because of just that the base rates have not come down there is also competition effects there Banks have accumulated NPAs they have lost margin there is a reason for sort of shortage of transmission there should be a longer period for Banks to evaluate base rates because marginal pricing means there is also going to be faster impact in terms of pricing on Banks. So they should be given more time to adjust which they got on the average model. Banks on marginal had only a quarter to adjust. Banks on average...

Also had a quarter to adjust but their average has only moved much slowly so they had practically a year to adjust. So somewhere I think a good middle ground has to be established so it is little bit unfair to conclude that RBI will just do what is there in their draft circular at this moment.

Moderator: Thank you. Our next question is from the line of Nilesh Parekh from Edelwiess. Please go ahead.

Nilesh Parekh: The first question pertains to the non-fund base business. Now again this quarter we have seen a sequential jump by almost about 10 odd percent on the non-fund base business. I am just trying to correlate with the fee growth on the corporate side, yeah. So we have seen a soft quarter for corporate once again on the fee side so just wanted to get your thoughts on that the disconnect between the two.

Rajat Monga: So well disconnect is basically pricing because the business that is coming from low risk segment, government segment pricing there is pretty boring if I may say. So there are two reasons one is that the trade business export and import which plays a part both in corporate fee as well as on the off balance sheet exposures of the Bank particularly trade



*YES Bank
October 29, 2015*

related off balance sheet exposures has had both volume metric challenge because of fall in commodity prices, the dollar denominated trade had reduced effectively so corresponding it has had some impact on the Bank's opportunity as well. And on the other hand the new business that we are doing therefore is more domestic and is more government oriented which is a little bit boring on margins like I was mentioning. So it is the combination of these two factors that while you are seeing some volume growth on the off-balance sheet but it is not risk weight heavy it is risk weight light but you are seeing some correction in the corporate fees side I think the second-half will be better. Naturally because of the seasonality is involved more will also get imported in the second-half other than crude, etc. So there is these two factors which are in play so the corporate fee from transaction banking has been a little weak.

Nilesh Parekh: No, but in terms of when we see the rating profile that we have given out right now I have assumed that includes the non-fund based exposures also. But that if it is government business we have not seen any major change in their rating profiles of say AAA or AA over the last one year, yes. So just wanted to so it short-term business which has happened during the course of the quarter which has not stayed till the quarter end and we maybe not got the adjustment income?

Rajat Monga: To be honest I have not checked that for myself I know behaviorally because I run the business. So there has been for example change in the AA category I know two PSUs which are in AA we have picked-up a lot of business off late which is among others what I already see that our AA share of business has picked-up. I am just also trying to anecdotally relate to what I know and the question you are asking. But fundamentally the reason I have given you is correct but I will have to demonstrate that to you with even more data which I do not have right now. Other than the fact that you can see the AA has got better and I know two names which are AA PSU that we have done a lot of business in the last six months particularly.

Nilesh Parekh: Okay, fair point. See the other metrics that we track is the return on risk weighted assets so now that has come off so even though the consumption of capital you are saying is not much to that extent but since the revenue is not flowing through in terms of fees ideally for whatever additional capital I am putting through even for a better rated one I should be getting compensated to that extent but that is not happening. So that return on risk weighted asset is coming off so what level are we comfortable in terms of that number going forward?

Rajat Monga: I do not know if we target that number that holistically because this is a churn business I am not permanently blocking my capital. So these LCs, these are trade sort of financing structures we can stop doing it because these are self-liquidating sort of structure they do not have to be worried about from the standpoint that how do you get back? They are self-liquidated. So that kind of business if it is self liquidating particularly and if it is low RAROC if I may say I think we will be doing that business more for top line rather than the relational capital sort of comparison because a walk back is very simple. You raise your pricing next time client will go to someone else is as simple as that. You will not get the next deal essentially. But the first deal will be self-liquidated irrespectively. So we are not so seriously looking at RAROC or what you are saying in your sort of comparison is the return on risk adjusted capital. In many of the PSUs do not justify RAROC at all because returns are lower than AA client also I might pricing him like an AAA client because he is a PSU. So I am not sure if I am completely answering your question but the point I am making is that RAROC is not necessarily a model we will for in churn business.

Nilesh Parekh: Okay. So there is an expectation that at some point that gets converted into a profitable fund business right?



*YES Bank
October 29, 2015*

- Rajat Monga:** It is profitable business on an absolute basis. Conversion from non-fund to fund may not happen in this case. May not because let us say if it is particularly a cross broader trade transaction that we are working on the financing is done by a foreign bank not by us because it is dollar financing. Some of that will now shift to our international branch we will do that ourselves once we are ready. It is operational but we will lead to size and scale it up. Some of this non-fund based may also have a concurrent fund base in the international branch. To that extent it will migrate from non-fund to fund but in the current model it migrates to our non-fund to a foreign bank's fund.
- Nilesh Parekh:** Okay. Just one final question, so on the corporate fund based book so we have not seen too much of momentum on period-end book on a Q-on-Q basis is it also because that we have seen some run downs of opportunistic funding that we have done at the beginning of the quarter or maybe earlier?
- Rajat Monga:** Yes, on the last point I also wanted to add that some of the flow through of cross-sell on off balance sheet is also on FX because these are LCs. If these are LCs they will also be a hedge so the hedge also has a correspondence. So when we look at for example the performance measurement of our trade finance business in the bank, we also include FX income. Though they do not do the FX business but is a concurrent business essentially. They do not run it, a separate team runs it and nor do we give that to you combined in the cut that we have given on a disclosure but when we measure our trade business we look at FX as well and some of these clients we make sometimes we make better earnings on FX than we make on fees. On the second point yes, your observation on the loan book is correct. It was both a little slow so it was higher during the quarter but towards the end of the quarter we have seen some run-offs on the book. Some of our structured loans were paid down as well. You may know a couple of them so that has also resulted and loan book being sort loan book pulling back from its growth trajectory of it.
- Moderator:** Thank you. Our next question is from the line of Manish Karwa from Deutsche Bank. Please go ahead.
- Manish Karwa:** Rajat, my question was again on Savings Account how much is the non-individual balance in the Savings Account as a percentage of total?
- Rajat Monga:** Yeah, it ranges between 10 and 20 and it has gone higher in this last quarter so, it should be my guess is mid-to high-teens.
- Manish Karwa:** Okay, so it goes up to 20%?
- Rajat Monga:** I do not have the exact number but it will be somewhere in that range. 19% maybe is a good number to sort of look for discussion.
- Manish Karwa:** So now you have got two rates so above Rs.1 lakh you will get 7.5% or above Rs.3 lakh you get 7.5%?
- Rajat Monga:** No, above Rs. 10 million number.
- Manish Karwa:** Above 10 million you get 7.5 and below 10 million you get 6?
- Rajat Monga:** That is right.
- Manish Karwa:** And when you move from 7 to 6 what is the quantum of deposit that you will have to pay less?



YES Bank
October 29, 2015

- Rajat Monga:** It would be 60% to 70% of the book.
- Manish Karwa:** Is it, is that large?
- Rajat Monga:** Yeah. See the thing is it is not as simple as what I am saying. Like it also happen last time when we **revised** the buckets customers will migrate also. Customers will have let us say short of the next bucket balances might want to increase their balances also. So we ourselves will never know what is the exact sort of migration because of we have not perfected the outcome process here. We have done a couple of tweaks in the past but the expectation is that some might migrate here and there but the half the book should be re-pricing down. There was another bucket at 8% in the past that has also been taken out in the new quarter. So there is also the both the actions which in terms of consequences on re-pricing which are underway.
- Manish Karwa:** Sure. And in the current interest rate environment what is the sense of keeping at 7.5% because any your term deposit rate would also be close to 7.5% any corporate, any raising money that you will do so the wholesale market should be close to 7.5% only today.
- Rajat Monga:** The decision was taken before RBI rate cut unfortunately and communicated also to customers.
- Manish Karwa:** So you can change that right?
- Rajat Monga:** Yes, we will change that. It is just that we have just taken one change. So we had communicated in early September that with effects from October because we have to give notice to customers also that the rate is moving down. Now we did not know the 0-5% rate cut that was coming at the month end that point of time and we do not want change this soon and so shortly and frequently customers may have some reason to be upset.
- Manish Karwa:** Okay. But then it is fair assumption in say three months - six months' time period 7.5 should move down.
- Rajat Monga:** Yes, I mean if RBI cuts rate then gives us another let us say good pretext to make that again I am also saying is that a 25 basis points move in the pricing may not be worth the effort that the bank has to take so we will also to have to wait for the move to aggregate a bit. So I mean I cannot exactly predict that but what I can predict clearly is that as the rates go down in the backdrop helps RBI we will also keep ratcheting our pricing lower such that as we complete this interest falling cycle we should be able to hold on to our Savings Account pricing and let us begin to grow up again and in the mean time also fulfill our volume requirements. So that is the simplistic sort of strategy. It will have some execution and road blocks, push back from our own internal businesses that we do not want to lower pricing, etc., but we will have to overcome them. Our Bank has become big enough that it is looking like the government of India now too much democracy. So the process is clear that we will lower the rates as along the interest rate trajectory in the current cycle so basically fall in line in terms of the strategy at that time.
- Manish Karwa:** Right. And also your cost of funds today is already at 7.4% and you are not offering any product except for the Savings product below 6%. There is a lot of room for your cost of funds to decline as rates come off until you change the rates?
- Rajat Monga:** I am taking from a very indicative numbers, 9% is CA there is no room to reduce rates it is all 0, 17% is SA there is room to reduce rates and that will happen. See our average till the last quarter was 6.9 so let me just say 7. And Banks pay 4, large Banks, big Banks, old Banks they all pay 4 so there is a 300 basis points reduction opportunity irrespective of what



*YES Bank
October 29, 2015*

happens in the interest environment. But for the fact that I need to align it, time it but our ultimate position will be to be in line with where the rest of the larger competition is. So that benefit will come in course of time we just have to take it out. On margins it will show a lot more when rates begin to go up. It will still show on margin that is because of the fact of the balance between re-priceable loans and re-priceable deposits. We do not have enough fixed rate loans as compared to other Banks because as and when the retail consumer lending business sort of begins to take more and more share that will also create its own fixed rate pricing risk.

- Manish Karwa:** Right. And on the retail lending side what is the product that we are doing and what are the yields that you are making because that is growing at a reasonably good pace now?
- Rajat Monga:** Yeah, so the broader products that we are doing basically on retail will be CV Loans, Auto Loans, some CE Loans, and LAP. We are doing Micro-lending, we are doing some Mortgage, and we are doing Loans against Gold Jewelry. We will be launching Credit Cards in most likely Q1 fiscal 2016 and 2017 and then there is a dash of Personal Loans not much.
- Manish Karwa:** Okay. And the average yield would be higher than the corporate book that you are running?
- Rajat Monga:** I would suspect no, because we are currently doing the lower risk varieties in all of these segments till we acquire the seasoning and distribution and confidence in the respective businesses so currently the yields will be about 50 basis points higher in the SME and retail segment as compared to corporate segment on an aggregate. But the point I am making is that let us say we have to do a CV loan we may be doing only fleet operators we may not be doing the small truck SRTOs or first time truck owners and we are far from doing second hand truck loans because that will be the yield sort of structure in the order that I mentioned in terms of the pricing. So we might be still doing the first category or maybe trying to nudge the second category. So as we get more established in the businesses we will also get more into deep geography or more I do not want to say higher risk but at least the higher sophisticated product.
- Manish Karwa:** Okay. And the base rate cut would impact almost all our loan book?
- Rajat Monga:** See the loan book which is directly linked to base rate will be between 60% and 70% which is formula link to base rate. There will be another 10%-15% which though not linked to base rate but is short-term so it will eventually have to set it itself on the new rate environment base rate notwithstanding if rates are fallen it will settle over in any case.
- Manish Karwa:** Okay. And just couple of data points, how much is treasury income?
- Rajat Monga:** Treasury, when you say treasury you would say...
- Manish Karwa:** Short-term sale and investment?
- Rajat Monga:** About 50 crores.
- Manish Karwa:** And that is the part of FOREX, debt capital market, right?
- Rajat Monga:** Yeah, FOREX, debt capital markets and securities, yes.
- Manish Karwa:** Yea. And have you made any floating provisions?



*YES Bank
October 29, 2015*

- Rajat Monga:** Well, maybe a notch up. We would have...
- Manish Karwa:** It remains similar at 50 basis points, right?
- Rajat Monga:** Yeah, number outcomes are flattish. 30 crore is the top-up.
- Manish Karwa:** 30 crores?
- Rajat Monga:** Yeah.
- Moderator** Thank you. Our next question is from the line of M B Mahesh from Kotak Securities. Please go ahead.
- M B Mahesh** A couple of questions from my end, this was in question which was asked earlier if our credit rating agency were to suspend a rating, how does the portfolio reflect that specific change?
- Rajat Monga:** See, I mean we have discussed that on the last Earnings Call as well Mahesh, is the ratings that we are giving to you are for our total corporate portfolio. But they are back tested with wherever ratings are available because we have our own internal reading model. Let us say there are two companies, one is externally rated one is not externally rated. If both of them have the same internal rating from me, I will place the significant statistical sample and if it is proven good I will apply the rating to the other as if it is the external rating without using the benefit of it being an external rating, I am not sure if I am able to clearly explain. So we have a 70% of our loans where we have external rating. We also have internal ratings for all of them. From this 70% base we establish a map. That map we apply for all our loans.
- M B Mahesh:** No, the question comes as to let us assume that....
- Rajat Monga:** If an external rating falls, , it already had an internal rating. And I already had an internal rating map to the external ratings. My internal ratings are not driven by external ratings.
- M B Mahesh:** Okay. Now the reason why we are asking is that I think this question again and again is because there has been fair bit of dropage in the rating especially for this stress corporate off late I mean, it is difficult for us to understand merely on the internal ratings because the external rating is probably suggesting something different at this stage so.
- Rajat Monga:** There always will be a gap, because rating agencies if you ask them, they rate an unsecured obligation of a corporate and they rate them on the basis of probability of default that is not Bank's view of looking at risk they we are completely different animals. Ratings is used for rating capital market instruments But the concept philosophy has been applied to loans also. It is according to me, it is a faulty application. There will be differences what if you have loan to a poor rated company but you have very good third party collateral. Rating agency do not factor collateral at all other than cash. What if you have recourse to some buyer, some seller here and there? Rating agencies will ignore all of that. They will just look at the unsecured obligation of the borrower, they do not look at structures. That is our business. I am not saying that is only thing we do. But as Bank if I have to basically draw the line, the rating agency's business is probability of default, Bank's business is loss given default. So we will always be looking at the latter and they are the former. There will be diversion. Rating agencies will not give you asset quality indicators. They will not, they can indicate payment stress, they cannot indicate in terms of whether it will be NPA, whether it will be a loss to the banks and how much, not



*YES Bank
October 29, 2015*

at all. Their life ends at just payment default. So one day delinquency for rating agency is a de-rating. If you delay your loan payment by one day other than technical reasons and if you can explain that, it is a de-rating.

- M B Mahesh:** Sure. So my second question is on the exposure that you have in the commercial real estate, if I look at the Annual Report it says that the exposure that you have is about 10,000 crores out there. And that is fairly large sum when you compare it with the loan book so but the commercial real estate that you have reported today shows about 6.5%. Just trying to understand if I look at 6.5%, how much would that translate to in terms of a quantum? Because you are including both on-balance sheet and off-balance sheet in the current exposure but in real estate may not have a significant amount of off balance sheet.
- Rajat Monga:** Yeah. So we are just working the number, hold on.
- M B Mahesh:** And also would you include lease rental discounting as a part of your commercial real estate exposure or is it reported separately?
- Rajat Monga:** No it is separate.
- M B Mahesh:** It would be separate, is it?
- Rajat Monga:** It would be separate.
- M B Mahesh:** Where would you report that particular line item?
- Rajat Monga:** In our various communications.
- M B Mahesh:** No, sorry in that pie where would you report it?
- Rajat Monga:** It is there. It is other real estate in the pie. I will maybe give it to you differently so it will help you compute yourself and we do not have to give it to you for sector by sector, the universe of the new pie chart is 1.3 lakhs crores. That includes the loans, bonds, off-balance sheet, and all the exposure of the bank are here.
- M B Mahesh:** Fair. And my last question is this Savings Account deposit again, sorry to come back on this question. Is it possible for us to kind of give an idea as to what would be the contribution of let us say the top 5% or 10% of your overall Savings Account customers, would it be number north of 15% to 20% or is it very low single-digit number?
- Rajat Monga:** 5% may be.
- M B Mahesh:** At best.
- Rajat Monga:** Yeah, a couple of accounts which might be little bulky basically.
- M B Mahesh:** Fair. And sorry one last question the growth which slowed down in the corporate side, is it got to do anything with the pressure that you are seeing on the yield side in the environment today that you are seeing?



*YES Bank
October 29, 2015*

- Rajat Monga:** Not really. I think we actually had a higher loan balance through the quarter but we had some run downs towards the end of the quarter which were planned run downs from let us say the designs of loans which were meant to be liquidated. And I was discussing on the earlier question, we know a couple of these names where there were trigger based sort of run offs of the loans so loans have run down because of the underlying transactions have been fulfilled. And that happens towards the middle of this month of September. So the loan book ran off otherwise the average loan book during the quarter was higher. So no particular let us say I do not want to say it was not as per plan but it is not growing is not the planned strategy it is just the outcomes we are discussing.
- Moderator** Thank you. Our next question is from line Anish Tawakley from Barclays. Please go ahead.
- Anish Tawakley:** Rajat, I had three questions if I may. One is one the GIFT branch. How much business can be moved there and how much statutory cost relief would that provide in terms of not having to put SLR not having to do PSL that is the first question. The second is if I look at your advances growth on a quarter-on-quarter basis, it is about 3.5 billion, the RWA growth is about 48 billion so, you mentioned that the non-funded exposures were very high rated. So if the advances growth is slow and the non-funded exposures are very highly rated what is the reason for the RWA growth? And the third is if you could sort of give some guidance on what you expect SA cost to be during this quarter given that the rates have been changed?
- Rajat Monga:** We are still compiling some issues on the second question. Anish, so the third question was, can you repeat that please?
- Anish Tawakley:** SA cost guidance.
- Rajat Monga:** SA cost guidance, okay. So GIFT City the international brand Anish we cannot do any so we are outside FEMA if you know what I am saying. So we are outside the Indian foreign exchange regime. So if we are doing business in Indian company we have to do in ECB. So we do not do ECBs because it is a new business essentially.
- Anish Tawakley:** Maybe I am not understanding the structure so look if I understand this offshore branches like one of the advantages I have always thought was that if you make a loan to an Indian corporate offshore and they bring the money in themselves in the system there is an arbitrage where you do not have like the system you are not putting in SLR you are not doing any PSL because you made the loan offshore and they have got the money in.
- Rajat Monga:** But we do not have current capability of doing offshore lending at all.
- Anish Tawakley:** So the GIFT City does not qualify as offshore then.
- Rajat Monga:** Okay. No, you said migration I said there is no migration situation. This will be fresh type of business.
- Anish Tawakley:** Okay, I understand but would there be opportunities which your customers could sort of pay off the loans in India and take different loans or how much of mix of the loan book shift?
- Rajat Monga:** Right, so if you have to look at how new loans can happen from cross-broader? One channel is ECB. ECBs can be done practically significantly only for new capacities. So you cannot refinance. ECB cannot be used for refinance other than very selective cases. So which means it has to be a first-half capacity expansion type of opportunity which is eligible of ECBs so there is no interchange. The second thing you could do is do trade lending, which currently we are not able to



YES Bank
October 29, 2015

do specially related to import financing or export for paying because both of these have to be done offshore, we end up being the LC Bank provider. There we could also do business where we are discounting our Bank or other Bank's LCs. So we could start doing the trade intermediation business that again is a business we cannot do from India. The business that we can do from India and that is capacity constrained and we will be able to do from the offshore branch and which will not have capacity constraint as much the lending to subsidiaries of Indian companies overseas. That we can do from India onshore branches also but that has a limitation of 20% of capital funds. Once you are offshore you are unlimited. So the third will be an overlap but it is very limited overlap.

Anish Tawakley: Do you expect your like we say look you are growing your loan book by 30% per annum, right so your loan book currently is 80,000 crores we are going to move to 1.3x so it will be 1 lakh crore roughly 1,05,000 crores. So how much can we GIFT next year?

Rajat Monga: Maybe 5,000 of that.

Anish Tawakley: So it will be small then.

Rajat Monga: Yeah, I mean it is too soon because we have to set up the funding structure, we are still seeking a dual rating for us to be issuing paper then we have to wait for opportunities if it is not provided we will limit ourselves to the three categories I described to you. In this branch, we can also do lending to whosoever overseas there is no restriction. But that is not the strategy. I mean we could lend to American companies also let us say hypothetically from that branch. But nationally that is not what we are planning to do. So to do what we are planning to do which is concurrent to our other business will take some time to develop. Funding is more visible to me but if we have to build an ECB book we have to wait for investment and credit worthy opportunities to arise in India and then make some transactions work out with customers. So I will take the third part of the question first, which is the expected fall in savings pricing and this will come through fully only in the next quarter because we will be transiting through the changes in this quarter. So we should expect in my opinion about 60 basis points to 70 basis points fall in pricing of Savings Accounts.

Moderator: Thank you. The next question is from the line of Gaurav Jani from JHP Securities. Please go ahead.

Gaurav Jani: I just had a couple of data points, if you could give me those. The customer assets figures please?

Rajat Monga: 2,000 crores.

Gaurav Jani: Sorry, 2,000 crores?

Rajat Monga: Yeah, we added 9,000 crores to our loan book.

Gaurav Jani: Okay, sure. Can I have the break-up of the provisions please?

Rajat Monga: Broadly by what category do you want the...

Gaurav Jani: NPAs.



*YES Bank
October 29, 2015*

- Rajat Monga:** NPAs will be 73 crores. The rest is basically variety of provisioning including some top-up we have taken on the contingency provisioning.
- Gaurav Jani:** And can I have the break-up of the NPA reductions basically, in terms of recovery the write-offs and upgradation.
- Rajat Monga:** About 23.5 crores will be split between the write-off and recovery, predominantly it is a recovery.
- Gaurav Jani:** Okay. So write-off should be...
- Rajat Monga:** Recovery is 22 crores, write-off is 1.5 crores.
- Gaurav Jani:** And just on taking the point of the margins forward so we expect a margin improvement of basically 10 basis points to 15 basis points because of the Savings Account re-pricing kicking-in and all that in the six months to nine months?
- Rajat Monga:** That is right among others Savings Account would be playing a role because some of the decisioning has already been done. There will be more improvement in CASA we will get more retail structure on the loan book the business will also get better in general from more retail on liability side as well. So you should see an improvement in NIMs for the next three years - four years.
- Gaurav Jani:** Okay, sure. And on this Savings Account so this 62% growth was predominately driven by the number of accounts or the balance is increasing because the run rate of branches has been maintained.
- Rajat Monga:** See growth of balances is clearly a function of old accounts predominantly, the new account also add up but they might be adding up the minority share of the accumulation. So the effect of accumulation will always be a function of sometimes old accounts getting closed, some old accounts have become more seasoned they are using the Bank's services better so the balances tend to grow. So it will be a combination of that but the influence will be with some dating. The growth of balances. I open a Salary Account sometimes the first month the salary does not come because it has not been set-up in the company and naturally it will start up with the minimum balance but as the salary comes and the salary will come again and again it begins to build up. So there will always be an accumulation.
- Gaurav Jani:** Okay. So no, the question was pertaining to the fact what sort of growth do we consistently see going forward in the Savings Accounts?
- Rajat Monga:** See accounts are growing at close to 40% at the current run rate which means that there should be an indicator of future momentum not necessarily today momentum. Two years ago maybe accounts were going at 60%. So that would have been an indicator of maybe today's momentum.
- Moderator:** Thank you. Our next question is from the line of Adarsh from Nomura. Please go ahead.
- Adarsh:** Yeah, Rajat a couple of questions. Firstly, for the system in general we are seeing decent amount of refinancing happening and arguably some of these are stressed names and we do not see anything for us so, is that more a function of not being part of consortiums but having an exposure there which you would have structured in your own way and we will get repaid or how does one look at that?



YES Bank
October 29, 2015

- Rajat Monga:** So actually, pretty much along the lines what you are saying and I will also add some context to that. First we have to begin to test what is being refinanced now? When did it start? Can I assume it safely three years or four years ago?
- Adarsh:** You are saying when were those loans given out?
- Rajat Monga:** When were the loans made? Exactly, that they have come to a situation of having to be refinanced and these are all term loans as per the need 525 or refinanced.
- Adarsh:** No, there are few guys who got loans in the last five years to seven years and years and yeah need to get refinanced cumulatively now at least in metals.
- Rajat Monga:** Yeah. So let us go back five years ago. YES Bank was one-fifth its size. So by elimination 80% of our book cannot be with that origination. One more anecdote I want to add, this is more a philosophy and our business practice. We do not go into consortiums as a smaller member, we do not. We would rather lead a small consortium in the same balance sheet also. And the case I have been discussing in this call again and again is the example of LANCO where we were the sole lender to a single project on that company's main balance sheet. The rest of the balance went into CDR we did not have to and this is a loan by the way which will go back to that sort of period we were referring to when some of the problems have originated. So we are not part of the problems, in the design which is currently requiring refinancing.
- Adarsh:** Okay. But if you continue to have negligible refinancing and some part of it is stressed in pushing out the problem does one assume that there is no risk or you have some risk and which is still manifest in credit cost in the next couple of years?
- Rajat Monga:** Well, I cannot say that we have no risk, clearly not. And we do believe that we have been holding and delivering pretty much in the credit cost that we have been indicating and we had a 40 basis points to 60 basis points credit cost guidance last year. This year we have started with a 60 basis points to 80 basis points credit cost guidance which we lowered last quarter to 50 to 70 because Q1 was a way below trend. Q2 is on trend at the lower end of the range we have 52 basis points of credit cost. And we are continuing to suggest that you should expect the same range for the remaining part of this year which means I am not suggesting that the trend has shifted and this credit cost I mean naturally refinancing we will miss this competition in any case. So I am not too sure I cannot say that we will do no refinancing at all. It is just that we are not part of the historical bigger problem as such. Another problem which we are a part of which is smaller part of the problem and more working capital part of the problem is example we take is, for example Bhushan Steel. We are a working capital lender. Now we do not need to be only structure so there no case of refinancing. As long as the company is able to export, we are basically on their export financing side. So our cash flows will keep churning. It is a working capital structure of lending. So you do not need a refinancing. Refinancing is required predominantly for term-loans which is where I am saying five years ago we could not have made those term loans.
- Adarsh:** Correct. And when you guide to a 50 bps to 70 bps good credit cost number and assuming that that is a little more longer, say 12 months - 18 months also, would that include consumption of your floating provisions because we have recently seen example where a 50 bps floating provision got consumed in a single quarter.
- Rajat Monga:** See to be fair if it is part of the guidance in the first place it is not considered to be part of the same guidance in the second place. So it depends was that consumption because we are guiding that to be in.



*YES Bank
October 29, 2015*

- Adarsh:** Okay sir it will not be 70 plus 50 in a year?
- Rajat Monga:** So far I mean we are happy to give it a different design as well. So far we have been including it in our credit cost. We only exclude general provisioning from the correct cost which is strictly speaking not credit cost. It is just a mathematical application of provisioning. And that might go away in the new Accounting Standards that are also coming in India.
- Adarsh:** Understand. And the last question, you kind of got repaid from a couple of stressed accounts. Just wanted to understand given there are lot of accounts less and the way you had restructured these would not be like three years to four year transaction so, these will be one year or two years transaction. So do you expect a lot of this to continue in the next 6 months to 12 months?
- Rajat Monga:** Well these were not stressed loans, so let me first say that. They were getting bundled with there are pockets of stress in different groups we just keep bundling them. And I again go back to the example of LANCO which I have been discussing. The loan underlying project was almost perfect there was no delinquency. For our years we have not delinquency with LANCO and now we have been repaid. So I mean I do not know if I can call that stress in the first place. It is just that it is part of a little bit of pre-fix which is LANCO which has got attached to it. But our outcomes are not tied to the average our outcomes are tied to the specifics that we have exposure to and yes, I cannot say that we will not have credit cost we have discuss that out that range we have structures specially when the context gets challenging our structure get stronger. We do not have to structure everything and everyone but there will be method to this madness and can there be more sort of repayment or such like re-financing in terms of not the 525 re-financing but some other bank taking us out that can happen and will happen.
- Moderator:** Thank you. Ladies and gentlemen, due to time constraints that was our last question. I now hand the conference over to Mr. Sameer Bhise for closing comments. Thank you and over to you sir.
- Sameer Bhise:** Thank you everyone for joining this call today. Also big thanks to YES Bank management for taking this time out and giving us this opportunity. Thank you.
- Rajat Monga:** Thanks, Sameer and thank you everyone.
- Moderator:** Thank you very much. Ladies and gentlemen, on behalf of the Macquarie Capital, that concludes this conference call. Thank you all for joining us and you may now disconnect your lines.