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July 24, 2026

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

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

Dear Sir/Madam,

Sub.: Transcript of Earnings Call for the un-audited Financial Results for the Quarter (Q1) ended June 30, 2026

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

Please find attached the transcript of the earnings call hosted by YES Bank Limited ("the Bank") on July 18, 2026, for the un-audited Financial Results for the Quarter (Q1) ended June 30, 2026. The same is made available on the Bank's website within the timeline prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and can be accessed at the following link:

https://www.yes.bank.in/pdf?name=q1fy27_analyst_call_transcript.pdf

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

You are requested to take the same on record.

Yours faithfully,

For **YES BANK LIMITED**

SANJAY MADHAV ABHYANKAR
Digitally signed by SANJAY MADHAV ABHYANKAR
Date: 2026.07.24 16:30:45 +05'30'

Sanjay Abhyankar
Company Secretary

Encl.: As above

“YES Bank Limited

Q1FY27 Earnings Conference Call”

July 18, 2026

MANAGEMENT: **MR. VINAY M. TONSE – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**
DR. RAJAN PENTAL – EXECUTIVE DIRECTOR
MR. MANISH JAIN – EXECUTIVE DIRECTOR
MR. NIRANJAN BANODKAR – CHIEF FINANCIAL OFFICER
MR. SUNIL PARNAMI – HEAD INVESTOR RELATIONS AND SUSTAINABILITY

Moderator: Ladies and gentlemen, good day, and welcome to YES Bank's Q1FY27 Earnings Conference Call. On the management panel, we have with us today Mr. Vinay M. Tonse, Managing Director and Chief Executive Officer; Dr. Rajan Pental, Executive Director; Mr. Manish Jain, Executive Director; Mr. Niranjan Banodkar, Chief Financial Officer; and Mr. Sunil Parnami, Head Investor Relations and Sustainability.

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

Participants are requested to ask questions pertaining to the Bank's Q1FY27 results only. For any other information, you may reach out to the Corporate Communications team separately.

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

Vinay M. Tonse: Thank you very much. Good afternoon, everyone. And at the outset, thank you for joining us for the YES Bank Quarter 1 FY27 Earnings Conference Call. I know today, many other banks are also coming up with their results, and I really appreciate all of you joining us.

Here, I'm joined by my senior leadership team, and we look forward to taking you through the key highlights of the quarter, and we'll be very happy to answer your questions thereafter.

Before I turn to our performance, let me start with a few words on the environment in which we operated this quarter. The Q1 quarter was characterized by resilient domestic demand, strong tax buoyancy and steady manufacturing momentum set against rising cost pressures and a more uncertain global backdrop. Encouragingly, the underlying momentum remains firm. Direct tax collections grew a healthy 16.4%. GST stayed strong at nearly INR 1.95 lakh crores of collections in June. Manufacturing has now been in expansion mode for 37 straight months. Industrial production hit a 5-month high, led by capital goods. The strength is also being reflected in the uptick in the system-level loan growth over the past few months. One area of pressure was inflation, which rose to a 17-month high of 4.4% on food and fuel costs, prompting RBI to lift its inflation projection to 5.1%, though the monsoon recovered well after a dry start easing some of that concern. However, on a positive note, the GDP growth forecasts have not been impaired.

<u>Now I turn to the highlights of our Q1 performance.</u>

It's against the backdrop which I just gave that at the core, this has been another encouraging quarter for us. Our Net Profit grew 33.7% that is year-on-year to INR 1,071 crores. What I would really like to highlight is the quality of this quarter's delivery. We achieved these results even after moderation of some of our non-core income streams such as gains from our Security Receipts (SRs) portfolio, which was significantly lower at INR 86 crores this quarter against INR 338 crores in the same quarter last year and Treasury Income too was lower. There was a one-off interest income on tax refunds of INR 119 crores during this quarter. But even normalizing for that one-off, the underlying performance remains strong.

In many ways, this is precisely the outcome we had spoken about last quarter about our core business gradually taking over from the one-off gains, and that's exactly what's happening now with our recurring, sustainable earnings engine increasingly driving performance, and that's exactly the direction we want to be heading towards.

Our Operating Profit grew 25.5% year-on-year to INR 1,704 crores. Net Interest Income was up 17.5% year-on-year at INR 2,786 crores, and our Net Interest Margin improved 20 basis points year-on-year to 2.7%, also holding steady sequentially. We continue to benefit from lower Cost of Deposits even as Yields are impacted by the interest rate cut transmission and the change in mix. Having said this, our near-term aspiration is to move the NIM towards the 3% plus handle over the next 2 years and the underlying levers are well understood. The continued rundown of the low-yielding RIDF and Priority Sector Deposits, disciplined Deposit repricing and improving CASA mix. I would caution that, with the rate cut cycle now on par and Deposit competition intense, margin expansion will be a steady structural climb rather than a straight-line quarter-to-quarter.

Fee momentum has been a real positive for us. Our Core Fees registered a strong 18.7% growth year-on-year with broad-based traction across cards, third-party products, forex as well as transaction banking. Sustained cost discipline remains core to how we run the franchise. Our Cost-to-Income Ratio improved further to 62.8% from 67.1% a year ago, reflecting genuine operating leverage - income growing well ahead of costs. Return on Assets (ROA) for the quarter was 0.9% and Return on Equity (ROE) was 8.3%.

Moving to the Asset Quality.

We see a further improvement of Asset Quality this quarter, and it has been the case despite the seasonality that the first quarter typically carries. On a reported basis, Gross Slippage was lower at 1.4% of Advances against 1.6% in the previous quarter and 2.4% in quarter 1 FY26. Normalized for an intra-quarter account movement in quarter 4, Slippages are at broadly similar levels quarter-on-quarter. And most encouragingly, the improvement in the Retail segment has continued with Retail Slippages at the lowest in the past 10 quarters. And having said that, our work continues. Our GNPA and NNPA ratio stand at 1.3% and 0.2%, respectively, with Provision Coverage healthy at 81.7%. Our Recoveries and Upgrades for the quarter aggregated to INR 564 crores, including INR 86 crores from Security Receipts portfolio. Despite tepid gains from the SR portfolio in Q1, we maintain our guidance of INR 800 crores to INR 1,000 crores of gains from this portfolio for this financial year '27.

Moving on to the growth and Balance Sheet.

Growth was broad-based across our businesses. Total Advances grew 18.3% year-on-year to INR 2.85 lakh crores. Within this, the Corporate and Institutional Banking grew strongly. Commercial Banking, which largely includes MSME, sustained its momentum at 17% year-on-year and Retail Banking Advances grew 6.9%. I would offer one point of context on the headline number. The part of the Corporate growth is transitional and shorter tenure in nature. However, on an average balance basis, the Bank's underlying loan growth is in the 15% to 16% handle, and that's the growth band we find comfortable for the franchise and it sits squarely with our commitment to grow in line with the industry or slightly ahead of the industry. It's also heartening to see Retail disbursements growing at 27.5% year-on-year for this quarter.

On Deposits, the Total Deposits grew 14.3% year-on-year to INR 3.15 lakh crores. CASA Deposits grew 14.3% year-on-year and stronger still at 15% on an average balance basis, a creditable outcome given the sharp rate actions taken by us during FY26 as well as in Q1FY27. Retail and Branch-led Deposits now comprise close to 60% of our Total Deposits, reflecting the growing granularity of the franchise. In a system where Deposits are the binding constraint, our granular Branch-led liability franchise is exactly where we are choosing to compete. Our capital and liquidity positions remain comfortable with a CET-1 ratio of 14% and LCR of 138.2%.

Now this has also been a quarter of significant external validation, and I would like to specifically highlight the recognition our progress received from the rating agencies this quarter.

Moody's upgraded our issuer rating to Ba1. CARE upgraded our Basel III Tier 2 and Infrastructure bonds to AA+. ICRA upgraded the same instruments to AA and S&P Global has assigned the Bank its inaugural international rating of BB+. Taken together, these actions are an important independent affirmation of the Bank's strengthening fundamentals, our improving Profitability, better liability profile, enhanced Asset Quality, robust capitalization and the confidence drawn from strong institutional sponsorship. These upgrades also carry tangible benefits for our funding costs, our Wholesale and Financial Institutions relationships and our brand.

A few other updates moving towards the conclusion.

- We were awarded the 'Most Sustainable Bank' at Business Today's India's Most Sustainable Companies 2026, and we were also included in the FTSE4Good Index for the fourth consecutive year.
- We were recognized also among the top 25 India's Best Workplaces in BFSI for the year 2026.
- Our NRI homecoming campaigns earned several awards for being most disruptive in the use of AI.

To sum up, we operated this quarter in an environment of resilient domestic demand but heightened external uncertainty and against that backdrop, YES Bank delivered a set of results that reflect consistency, discipline and steady progress on our stated priorities.

Our compass for the year ahead is unchanged: While our aspiration would be delivering a full year ROA around 1%, our focus would remain on improving the core Profitability and grow Advances and Deposits around in a Profitable and calibrated way; deepen our Deposit and CASA franchise; move margins structurally higher over the medium term; hold the line on Asset Quality with conservative provisioning. All of this anchored in our People-Product-Processes-Technology (PPPT) structure and also along with collaboration with SMBC, all within the strong governance framework.

We are ambitious about where this Bank can go and also as realistic about the environment we operate in. Our foundation is solid, our strategy is clear, and our execution is getting better every quarter - and that gives me a lot of confidence on the road ahead.

Thank you very much again for joining us. We would now be happy to take your questions.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Dev Dey with HorsePower Securities.

Dev Dey: Heartiest congratulations to you for maintaining the performance up to the level expected by us. And excellent set of EPS numbers. So again, I would like to ask you about the road map in future. So what would be the net order loan book you are targeting by the end of this year?

Vinay M. Tonse: Yes. So now Dev ji, thank you very much for this question. What we are looking at is, what sort of funding resources we have, and that gives us a lot of comfort as to our liquidity available. So now moving forward, we endeavor to grow at a little above what the industry would be growing at and which is what makes us happy is, it could be in the range of may be 15% to 17%.

Dev Dey: And my another, question would be just a few days ago, your Board has passed a resolution regarding the raising of capital, if I am not wrong?

Vinay M. Tonse: Yes. So as far as the capital is concerned, this is an enabling or enabler for us to keep in readiness. But at the moment, we have sufficient cushion to grow for the next maybe 3 or 4 quarters. But at the same time, we are keeping ourselves open, and this is a market where we keep looking at opportunities. And if there is an opportunity for increasing our capital cushion, we would definitely not mind doing that. And that is where we kept the enabler in place.

And we also have this thought process within ourselves that if our peers are better capitalized than us, is there a point where we should be looking at increasing our own capital, but at the moment, we are comfortable. That's the point I would like to make.

Dev Dey: Okay. So, by the end of this year, are we going to see, very pleasant picture by the end of FY27? What is the view of management?

Vinay M. Tonse: Dev ji, I didn't get you. What was it you said?

Dev Dey: By the end of 2027, will we be able to give a very pleasant picture about this Bank?

Vinay M. Tonse: Yes, we are quite confident the way we are seeing the last few quarters.

Dev Dey: Sure. Let's, hope for the best.

Moderator: Our next question comes from the line of M. B. Mahesh with Kotak Securities.

M. B. Mahesh: Good afternoon sir, 2 questions. One is on the entire FCNR Deposits, just wanted to understand how are you looking at that underlying opportunity? And where are you positioned on it currently?

Vinay M. Tonse: On the FCNR, Mahesh, a couple of things I would like to mention. One is there is a very strong demand that we see. And this comes from 2 aspects. One is the aspect of the pure Deposits that come in. And second is the aspect of leverage.

On both of these, we are seeing very strong demand. And for the leverage part, you may be aware that we need to have certain limits in place. And whatever limits we have already got, we have filled them also on the leverage part. As of now, we have decided that we'll keep it to 9% - I mean 9x.

And going forward, we may change the leverage also if we feel that the market would look at us that way. If there is an expectation that we should raise it. But otherwise, as of now, we are keeping it at 9x. Though I cannot give a specific number to it, Mahesh, we are quite ahead of the market, I would say, or some of the other banks.

M. B. Mahesh: Sir, just one clarification. On this product, would you be getting any support from your largest investor at this point of time? Or is it still a very arm's length kind of a transaction that is happening on the ground? Second is that how...

Vinay M. Tonse: Sorry, I'll answer this. For this particular transaction, we are not having a constraint of any arm's length. And we are in the process of working out certain limits. So, we are looking actually at getting something out of that.

Manish Jain: So just to add, we are working with many international banks for the limits to make this facility available, including SMBC.

M. B. Mahesh: And how easy or difficult is it on the ground today? Or if I were to ask, what is the constraining factor for this product not having picked up as much as one would have expected it to be.

Niranjan Banodkar: So, if you just think about what's playing out, there are 2 macro themes playing out. One, the borrowing spreads globally have inched up, let's say, for the overseas financial institutions to take a macro view on India for a 5-year period, the spreads are higher now. That's number one.

Number two, it's also a function of where the Global liquidity is sitting. As you think about it, it's not that it is equally available everywhere because ultimately, some overseas geography or in a set of geographies will have to fund India for the size that we're looking at, for which the risk limit has to go up by that much leverage.

So, it is a function of the process of the risk review and the limits getting set up across different institutions for a period of 3 years to 5 years in a manner that is also commercially viable and conducive is I think that play is underway, and therefore, it has not been as fast as one would have expected because there are also macro themes of geopolitical issues going on.

M. B. Mahesh: Perfect. Vinay, sir, you have seen this company now for close to 5 months. And could you tell us in terms of having seen this now for a little longer, the issue that we are seeing from the outside is that the margin is the key problem, there are two sides.

One, we understand the cost side. There is also a problem on the yield side. So, do you have some thought process on how does this improve from here onwards? Or do you think that you will still need some more time to give an answer to this?

Vinay M. Tonse: No, answer I have and of course, this is one of the most important priorities for us also as I came in here. And both these initial thoughts which I had, the drivers of how do I expand the margin, and they're working fairly well, what I have seen in the Q1. See, basically, you are also aware that since previous financial year April, we have actually substantially come down on the Cost of Deposits. And that has played out very well for us without actually resulting in any attrition of Deposits, right. So, this is something which gives me a better pricing power. The Cost of Deposits going down, the Cost of Funding going down gives me a better leverage on the type of Assets we are picking up. And also at our discretion, we are also looking at products which are increasingly giving us more yield, right. So, I think that way, this is something which is not too much of a worry for us right now for the NIM expansion.

M. B. Mahesh: Okay. And you do have any number in mind for, let's say, in FY28, where do you want to see the margins?

Vinay M. Tonse: Yes. I think north of 3% is something we would be able to achieve.

Moderator: Our next question comes from the line of Narendra Porwal, an Individual Investor.

Narrendra Porwal: Hello. Namaskar sir.

Vinay M. Tonse: Namaskar, Narendra ji.

Narendra Porwal: Thank you, sir, first of all for giving me the opportunity to speak. Sir, we have been observing for some time that our Bank is not able to grow the CASA Deposits ratio as it should, whereas a Bank of our size like IDFC First Bank is growing CASA very well. So, what are the reasons for that? Please look into it because sir, I think that in the coming time, there are many large-sized multiple IPOs coming like NSE, Jio, etc., and a large number of investors will deposit their money in our Bank to subscribe to those IPOs.

So, sir, let's plan something like our Bank's cut-off time for filling IPOs is 3:30 PM, whereas IDFC Bank gives it until 4:30 PM and State Bank of India keeps the time until 5:00 PM. So, sir, why don't we plan such a thing to increase our CASA? Like sir, I told you a year ago as well, IDFC Bank has increased its customers by doing aggressive marketing and from there you see how its CASA Retail has grown.

So, sir, let's also plan something like this by increasing our timing and aggressively taking Retail customers to growth, so that when large IPOs come, once a customer has opened an account in our Bank and kept a balance, then they don't transfer to another Bank very quickly. Please pay attention to this, sir. This was my suggestion that the Bank can grow well in Retail from here, sir.

Rajan Pental: Sir, thank you very much for your suggestion, and we will definitely work on it. Thank you.

Narendra Porwal: Because there is a lot of trouble, sir. Many times, for us as well, in the last moment, many IPO subscriptions are left, so it causes a lot of trouble, sir. Please pay attention to this, sir.

Rajan Pental: Definitely. Thank you for your suggestion, sir. We will definitely work on it.

Moderator: Our next question comes from the line of Sajal Raj from Zenflow Finance Private Limited.

Sajal Raj: Good afternoon sir, my first question will be Advances have grown faster than Deposits this quarter. So how do you plan to balance loan growth with Deposit mobilization going forward? Should we expect Deposit growth to catch up over the coming quarters?

Niranjan Banodkar: Thanks for the question. So, Advances growth for us is, yes, certainly higher, but we said that in our opening remarks as well that we always go through some transient flows or movements on the end of period balances. And therefore, a metric that we internally track is actually the daily average balances.

And if I see the daily average balances for both Advances and Deposits for June quarter versus March quarter, the CD ratio actually has remained the same. So, there's not been a worsening CD ratio. In fact, both growth rates for Deposits as well as Advances are in line.

Number two, and it's a very important principle question that we will continue to focus on liability-led Balance Sheet expansion. The idea is never to really aggressively pursue Assets in the absence of a Deposit construct. And you would have seen that over the last 3 years, our singular focus has been to continue to improve the quality of our Balance Sheet. So, improving the CASA ratio, getting the higher share from Branch Banking or Retail Deposits have been areas of focus, and that's getting reflected in our Cost of Deposits as well.

So, if you look through the last 3 years, our Bank actually has possibly delivered the best outcome on Cost of Deposits as compared to the industry at large. So, I think that's an area that we are absolutely focused on. And I think your point is absolutely well taken that Deposit growth will be an important constituent, and we will make sure that we are not accelerating on Advances in the absence of Deposits.

Moderator: Our next question is from the line of Shreyas Pimple from Nomura.

Shreyas Pimple: Good afternoon sir and thank you so much for the opportunity. My question was on SR recovery. In this quarter, we had SR recoveries of around INR 86 crores versus last quarter of around INR 446 crores and higher in the previous quarter. Can you explain what is the reason for lower recoveries this quarter?

Niranjan Banodkar: So, Shreyas, thank you for the question. So, on Security Receipts, I think absolutely a right observation. We have had SR redemptions at INR 86 crores as compared to INR 450 crores. We have also been saying that the face value of Security Receipts, which is now outstanding at INR 1,500 crores, it's coming down, right.

So, the recoveries that are going to come through are going to be a little bit more unpredictable, not that there is no stored capital or stored value sitting in the Security Receipts book. It is still very much there. So, we have a face value outstanding of INR 1,500 crores. Against that, actually, the NAVs are upwards of INR 2,000 crores and NAVs are today's present value. So, if you actually look through from a Gross Recovery standpoint, the number could be slightly higher than that.

But the resolution is a function of what J.C. Flower does, their execution, and we have no control on the pace or the timing of those executions. So we will go through these periods where one quarter could have a higher Security Receipts resolution. In another quarter, we may have a much lower.

But at a very structural level, we said that during fiscal '27, we do believe, let's say, anywhere between INR 800 crores to INR 1,000 crores for the full year should be a number that we expect to come through. But as I said, I want to caveat that, it's finally a function of what J.C. Flower does. So it is possible that we could get higher than INR 800 crores to INR 1,000 crores. It is also possible that we could also be slightly lower.

But our sense is INR 800 crores to INR 1,000 crores should be a reasonable probability to ascribe for fiscal '27.

Shreyas Pimple: Yeah. Thank you so much for that explanation. My second question was on one-off in Net Interest Margins. You highlighted that INR 119 crores of interest on IT refund. If we remove that, the margins are down around 6, 7 basis points according to my calculations. Can you explain, I mean, what are the things that will help us improve margin from here on?

Niranjan Banodkar: So Shreyas, I think one clarification is that Interest on Refund actually forms part of our Non-Interest Income and not part of the Net Interest Income. Although it is Interest on Income tax refund. We do not include that as part of the NII line. And therefore, it's also not part of the Net Interest Margin computation. So to that extent, there is actually no adjustment.

Our Net Interest Margin continues to be stable on a Q-o-Q basis.

Shreyas Pimple: Understood. Thank you so much for the explanation. Those were my questions.

Niranjan Banodkar: Thank you.

Moderator: Thank you. Our next question comes from the line of Jai Mundhra from ICICI Securities.

Jai Mundhra: Sir, I wanted to check on your capital raising plan. We have a Board approval in place. And we also have a court case, which is pending. The outcome is still pending. We have a decent 14% CET-1, but just wanted to check your time line and quantum. And would this have any bearing from the court case?

Niranjan Banodkar: So Jai, first quick clarification, which is your second part of the question, whether this capital raise has a linkage with the Board with the AT1 case. So we follow a practice of having an enabling approval in play. And that is something we've continued from last year. So we had the same approval for fiscal '26. We also have the same approval effectively for fiscal '27, actually till the date of AGM. So it is not a trigger of any particular event or court case. I think that's the first clarification.

The second point is at 14% Core Equity Ratio, we do believe that we have reasonable capital for at least the next one year of growth. What gives us that confidence is also because we do have the Deferred Tax Asset (DTA), which is available to us. So one, the ROE structure itself is improving.

So let's say, a ROE of about 8% to 8.5% is accreting to my capital. But more importantly, the effect of DTA on that ROE is also playing out, meaning the Bank is able to actually grow at anywhere between 12% to 13% of Risk-Weighted Assets and not consume capital, right.

And therefore, even if the growth were to be in excess of 13%, let's say, 15% to 16%, the quantum of consumption of capital is lower. So the limited point I wanted to make is we believe 14% is reasonable for the next 4 quarters of growth.

Having said that, capital is a subject that the reason we keep an enabling approval is because sometimes capital you want to look through raising capital, which can take the 14%, maybe in line also with some of the peers because it also adds to buffers, right. And we've kind of track some of the other banks, that's the way, let's say, rating agencies also look at us.

More buffers are always good. And that's something we've worked on over the last three to four years. So if you go back to our last capital raise, we had actually raised it when our CET-1 was at about 11% to 11.5%.

This time around, clearly, we don't want to drop to those levels. We will raise it, let's say, in the 13% handle. So we want to keep adding to our buffers as well. So whenever we think that opportunity is right, available with right players that is in the interest of our shareholders, we do want to keep that optionality available to us, hence, an enabling approval.

Jai Mundhra: Sure. Thanks Niranjan that is very helpful. And regarding the court case, of course, this is a matter and we will be hearing from the court itself. But has the Bank - I mean, there's no pending provisions, right? I mean if it comes, it comes, right? there's no backup for in case the decision is adverse, right? That is how it should be?

Niranjan Banodkar: So there is no adjustment to our financial statements on account of this court case at this point in time.

Jai Mundhra: Right. Okay. Secondly, on the Retail growth, right? So overall growth has been strong. We are now 18%, which is slightly higher or maybe similar to system. But that seems to be driven by Corporate in a large part. Retail is still 7% types. So what is your strategy now Retail Slippages also seem to be multi-quarters low. How should one look at the Retail growth for, let's say, FY27?

Rajan Pental: Retail is actually on a very strong wicket and largely one of the reasons being that the Slippages are under control. And last one year, we have really worked on the platform, scorecards and also policy refresh.

So from here onwards, the trajectory from being flat to a 7%. So this is one journey which you look at from a book perspective. But on an incremental basis, actually, this is a business which is growing between 25% to 30% depending on segment to segment. Where our portfolio remains flat for a year or so, the book takes some time.

But on the momentum on the fresh business, we are in a very steady state at a good state to be in a good range of 25% to 30%. Now this will start reflecting in the subsequent quarters when it comes to the book growth point. But right now, we are very, very strong on the disbursements.

Jai Mundhra: Okay. Sure. So I mean, can we reach like mid-teens number by FY27? That is how at some point of time, the disbursement will translate to loan growth, right?

Rajan Pental: Yes, sure. Absolutely. We are working towards that as well.

Jai Mundhra: That's helpful. And secondly, on recovery target, sir, I mean, if you can specify either from SR Recovery and Overall Recovery, we used to have an INR 5,000 crores-odd-number. But of course, after that, a lot of recovery has already happened. So what would be your sense for FY27 recovery numbers?

Niranjan Banodkar: So the other recoveries that we were talking about, one of the reasons we were talking about the gross recovery number at that stage was because some of it was also predicated from the corporate resolution. To be fair, I think we would not ascribe a lot of value now to the corporate resolutions because that story is behind us.

So what we now sit with is really the J.C. Flower ARC and which, like I mentioned, as compared to last year, about INR 1,500 crores, at least we do believe that anywhere between INR 800 crores to INR 1,000 crores is something we should see in fiscal '27 also playing out.

On the Retail Recoveries and Upgrades, that is anyway now forming part of the Net Credit Cost structure at the NPA. So we are now segregating that and grossing up to give you a headline number on the Recoveries and Resolutions. So I would say a very focus for us is really on the core ROA now. We said this last time as well. Our objective continues to improve the core ROA meaningfully.

Our expectation is fiscal '27, we should see a 15 to 20 basis points expansion in the core ROA. And if the resolutions, let's say, the external factors on bond gains and trading with all of those elements also play out, I think we should be able to also deliver the fully reported 1% ROA for fiscal '27.

Jai Mundhra: Right. That is very clear. And Niranjan, lastly, if you have the Expected Credit Loss (ECL) transitional estimate as to what could be the onetime transitional impact for Bank as you transition to ECL next year? Thank you.

Niranjan Banodkar: So Jai, again, we've not publicly disclosed those numbers yet because we are in the process of putting that together. The ECL number, we've said for us has an offset component from the Security Receipts. So for us, if you allow us the benefit of Security Receipts, actually, there is no impact on ECL.

However, what's going to happen is that the ECL adjustment for Security Receipts will not be allowed in the Balance Sheet. So we have to keep taking that through the P&L for the year. So at the gross level, there is likely to have some ECL impact. We don't expect that to be very material.

Also adjust or take into account the fact that the new circular is also coming in on credit Risk-Weighted Assets from 1st April. So when we kind of look at both these circulars together, which is the ECL transition impact and the new Capital Adequacy - credit risk weights, we do believe that the impact, if at all is not going to be material on our core equity.

So I think that's really the headline message, but we will come back during the course of this year as we firm up these numbers so that we can give you a better visibility of what impact could play out.

Jai Mundhra: So now, that is very helpful, Niranjan. Thank you and all the very best.

Niranjan Banodkar: Thank you Jai. Thank you very much.

Moderator: Our next question comes from the line of Shreyanth KT with Sundaram Asset Management Company. Please go ahead.

Shreyanth KT: Hi. Good afternoon team. I hope all of you are doing well. Just a quick question. I believe you had called out earlier that you're going to be more cautious in the Commercial Banking MSME segment. But then I saw that the Slippages have gone up actually. So could you point out is there any specific segment or cohorts you're seeing stress? And like what is the situation on the ground and impact from the recent Max situation?

Manish Jain: So our Commercial Banking portfolio continues to be of high quality. And the Slippages are quite controlled in Q1 as well. And while we continue to assess and monitor the portfolio very closely for any impacts of the West Asia war, but happy to report that there is very limited impact on the portfolio and the clients have managed this crisis very, very well. So in a nutshell, the portfolio quality continues to be very good.

Shreyanth KT: Okay. Perfect. And quickly one more. Just on the Retail, again, you've already answered some of my questions over there, but just a few more things. One is what products are you planning to be more aggressive on going forward? And where are you being more cautious? That's one. And second, the disbursement number being lower, is that just seasonality or can it be attributed to any other reason?

Niranjan Banodkar: So, I'll take the second question firstly. On the disbursement, on a Q-o-Q basis, it is actually the seasonality because March typically is very high, plus there is an element of co-lending or partnership-led disbursements that kind of come through. But at an organic level, I think we continue to be quite similar levels this quarter as well. If I were to, however, bring your attention to the Y-o-Y growth in disbursements, that is actually close to 30%.

So, we're quite looking at continuing to focus on growing the disbursements because we know, it is a matter of time before the disbursements will start resulting into the book growth because right now, the run-off factors are also there. But as the run-off start tapering because we had slowed down the loan book between '23 to '24, '25. We started slowing that down.

So as the run-off starts slowing down, these disbursements will start also resulting into a book growth. And we do believe, I think that's about 3 to 4 quarters from now, that we should be able to deliver a double-digit growth as well on Retail.

Shreyanth KT: Okay. Perfect. And regarding the product strategy within Retail?

Niranjan Banodkar: So, from our side, there is a multi-product. So, to begin with, when you think about us, Shreyanth, you have to think that we are an all-weather universal structure of Assets. It's not that we are dependent on any particular product. So, when Retail has been slower, we have the ability to work through the Corporate engine or the Commercial Banking engine. So likewise, within Retail, we also operate with multiple products.

And therefore, it's also sometimes a function of where we see this growth tapering off. So, for example, Personal Loans, we had slowed down quite meaningfully over the last 2 years, but we are now again growing that book. But there are certain channels through which we are growing faster than other channels. So, I think that's one part.

The second, there are certain products like Loan Against Property (LAP), where we will continue to do because we did well in the past, and it's a product that will continue to grow. Then there are products that we are now calling it as franchise products, where, as and when our customers will need, let's say, a Home Loan or an Auto Loan, I think these will be products that we will also be willing to offer to these.

So, you combine all of this, and add to it the fact that we also have co-lending structures in place. It is going to be quite diversified product mix. I think certain guardrails with which we operate is, for example, the secured, unsecured. So we will not allow a whole lot of unsecured to be dominant part of this.

So typically, let's say, it's a 75-25 ratio, we will ensure a 75% secured versus 25% unsecured kind of Retail. So, I think that's really the broad theme. So, I'm not sure if you got the gist of the answer, but I think, it will continue to remain largely diversified.

Shreyanth KT: Okay, perfect. Thank you so much for answering all the queries and wish you the best of luck going forward.

Niranjan Banodkar: Thank you.

Moderator: The next question is from the line of Rama Subbareddy, an Individual Investor. Please go ahead.

Rama Subbareddy: So, my question is like recently, Board has approved a capital raise of INR 16,000 crores where 10% equity dilution. So how do you ensure that the existing shareholders will not be impacted with that kind of capital in the future? Because if you see earlier, right, we were like okay, basically, you have given a lot of discounts for the new shareholders such as PE investors. And even SMBC also, they got in good price.

So in future, when you are raising this equity, so how do you ensure that existing shareholders are not going to be impacted? Because we have been staying for the last 6 years and you have not paid any dividends. And still we are expecting the Bank will deliver the good numbers and been waiting for so many years. And you have to take care. So that is my concern. So, can you please address?

Niranjan Banodkar: Thank you very much for the question. And first and foremost, thank you very much for being a patient supporter of the Bank over the last many years. Our objective clearly has been to solve for what we think is the right strategy and the right quality of the Bank. And you would see that over the last 2 to 3 years, the performance of the Bank has continued to improve.

We had always stated that the Bank will deliver an ROA to exit FY26 with 1%. I think we've delivered that as well. And there are clearly signs of sustenance that's playing out as well. Now as the Bank continues to grow, there will be need for capital because when we compare our Core Equity Ratio compared to others, the other banks are also higher than us.

But there are going to be levers that the Bank will continue to use to make sure that we are not compromising or it is not coming at the cost of shareholder value. I think that's also an important factor that we consider when we think through elements of capital raise.

Having said that, what I want to clarify, which I did in one of the previous questions, is that this resolution is an enabling resolution that we are seeking. This was a resolution that was also approved by the shareholders last year, and we are only refreshing that enabling resolution.

This resolution only gives the Bank the optionality to trigger a capital raise in the event we believe that the raise is going to be beneficial for the Bank for its growth and ultimately for creating value for its shareholders. And that's really the objective with which we have gone about taking this resolution.

Rama Subbareddy: Thank you.

Moderator: Our next question is from the line of Sunil Choksey with Indus Equity Advisors.

Sunil Choksey: Congratulations on stable results. Sir, I have a little different question than normal analysts would ask. Prospects for India, Japan businesses are getting better every day. Infrastructure financing, Japan is taking a big lead in India, be it bullet train, maybe now shipbuilding, many other aspects. Trade is concerned, India is likely to do much better with the country.

And there are certain other specific government-related industry like defense and many other aspects also taking place. Can you throw some light that being a preferred partner in our Bank, we have some scope of business growth in the Indo-Japanese business corridor?

Vinay M. Tonse: Thank you, Choksey sir. Thank you for this question, which you said is a little different to what normally we get in the analyst meet. See, a couple of things which we observe now is that the Indo-Japanese corridor itself is getting strengthened, year after year. And particularly after the recent meeting, inter-government meeting, which happened and also between the Prime Ministers as well as the trade teams, we see a lot of traction happening, much more than what has been seen in the last few years, I would say.

And now with also the agreements that are in place, the corridor gets busy, that's for sure. Now the aspect of how we would be leveraging our partnership with SMBC is something we have already started working upon. We already have some Memorandums of Understanding (MOUs) in place. And eventually, our endeavor is to get the max that happens in this corridor between these two countries, should happen through our Bank.

So this is our endeavor, and that's what we are already working towards. And there are certain specifics which at this point of time, I'm not able to mention because of confidentiality reasons. But otherwise, we are very strongly working on these aspects, be it trade or be it investments or what you rightly said that there's a lot of infrastructure investment that is coming in from Japan into the Indian projects.

And there is also a lot of interest that is seen from the Japanese corporates establishing some project or the other in India, be it in the form of a wholly owned subsidiary or a joint venture or even some distribution channels out. I hope that answers.

Sunil Choksey: Yes, that answers. At least there is some visibility visible in your comment.

Vinay M. Tonse: Definitely. Definitely.

Sunil Choksey: It means that we have a very good partner where the Government of India's new scheme for FCNR (B) by RBI is visible. I am quite sure that we should be doing well because people tap Japan very often for the yields and the rate. No doubt the Japanese are looking upward trend right now. FCNR (B), we should be doing much better than most of the other banks. I had missed the question because there were too many calls at the same hour. So, pardon me for that. Sir, any color which you think you would do on a leverage trade or a straight deposit?

Vinay M. Tonse: Yes. So in fact, you're right that this question had come up in the earlier part of this. But then what we are looking at is a max leverage of 9x at this point of time rather. So we will perhaps be sticking to that. And we are seeing a lot of interest that is coming in from various geographies, and one of which is towards the East also, importantly for us.

And now whatever limits we had for the leveraging, one aspect is, of course, getting the Deposits, the straight one is to one sort of a Deposit, there is a pureplay FCNR (B) Deposit. That is something which we are absolutely no constraint. We are getting quite a bit, which happens in our Branch Banking franchise.

The leveraging part is something which we are also looking at fairly strongly, and we see a good growth that has already happened. And further growth will depend on the limits which we get from some of our partners or the foreign banks. Thank you, Choksey sir.

Sunil Choksey: Thank you, sir. Thank you for answering all my questions and good luck for the years.

Vinay M. Tonse: Thank you so much.

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

Vinay M. Tonse: Yes. Thank you very much. And to all the participants in this call also, I would like to convey our sincere appreciation for coming in and joining us, knowing fully well that today is the day of many Bank results that are coming up. Thank you very much.

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