Yes Bank Ltd — Apr 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Strong Beat on Profitability and Asset Quality Cleanup. **One-line:** The structural turnaround is complete: YES Bank has neutralized its legacy "Security Receipt" (SR) drag to NIL and successfully begun the high-yield pivot by shrinking its RIDF drag from 11% to 8.7% of assets.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance	Strong Beat	PAT of □738 Cr (+63% YoY) far outpaced the PPoP growth trajectory; SR book value reached NIL ahead of expectations.	□
Earnings Quality	High (Core driven)	Growth driven by 21.8% QoQ PPoP surge and sequential NIM expansion to 2.5%; tax reversals were minimal.	□
Guidance Confidence	Strong	Delivered on "Cost-to-Income" reduction (67.3% vs 71.1% in Q3) and "RIDF reduction" targets.	□
Management Credibility	Strong	Achieved NIL Net SR carrying value and met FY25 PSL requirements, removing the threat of fresh RIDF drags.	□
Business Quality Signal	Improving	The liability franchise is proving "sticky"; CASA ratio improved 120bps QoQ to 34.3% despite a tight liquidity environment.	□
Key Q&A Exchange	Not applicable	PPT_ONLY mode.	—
The Street's Primary Anxiety	Unsecured Stress	Management reports Retail slippages improved 40bps QoQ to 4.3%; 31-90 DPD book fell from □3,980 Cr to □3,705 Cr.	□
Capital Cycle Stage	Consolidation/ Pivot	Recycled capital from low-yield Retail (-3.4% YoY) into high-ROE SME (+23.6%) and Mid-Corp (+21.8%).	□
Margin / Return Trajectory	Improving	RoA hit 0.7% (annualized) vs 0.6% in Q3; NIM expanded 10bps QoQ as high-cost borrowings were retired.	□
Pricing Power	Stable	Blended Cost of Deposits held flat at 6.1% for three consecutive quarters while CASA grew.	□
FCF Conversion & Quality	Strong	Total Recoveries (□1,480 Cr) in Q4 alone show the "bad bank" recovery engine remains a potent P&L buffer.	□
Competitive Moat Signals	Widening	Leadership in UPI (57% Payee share) and AEPS (27% share) provides a massive, low-cost "float" and fee income advantage.	□
Balance Sheet Strength	Strong	CET-1 improved to 13.5% (up 20bps QoQ); RWA to Total Assets fell to 71.3% (from 72.3% in Q3).	□
Working Capital Efficiency	Improving	RIDF Deposits (low-yield drag) dropped from ~11% to 8.7% of Total Assets, a massive liquidity efficiency unlock.	□
Mgmt Guidance Track Record	Reliable	Delivered on the "Profitability Driven Growth" roadmap across all four key pillars (C/I, NIM, Credit Cost, RIDF).	□
Key Vulnerability	Retail Growth	Intentional de-growth in Retail (-3.4% YoY) means the bank is currently dependent on Wholesale for loan momentum.	□
Management Tone	Disciplined	Focusing on "calibration" and "profitability over growth" in the retail segment to protect asset quality.	□

Sentiment: □Positive | □Negative | □Neutral

Key Takeaways: * **Positives:** The most significant "thesis-changer" is the **Zero Net Carrying Value of Security Receipts**. This removes the single largest valuation overhang on the stock. Simultaneously, the bank successfully defended its NIMs (2.5%) by reducing high-cost borrowings (-10.4% YoY) and beginning the long-awaited unwinding of RIDF deposits (now 8.7% of assets). The CASA engine is operating at high efficiency, with SA balances growing 32% YoY—far outstripping the private sector average. * **Negatives:** Retail lending remains in a defensive crouch, with advances down 3.4% YoY and slippages, while improving, still elevated at 4.3%. The bank is effectively a "SME/Corporate" growth story right now, with Retail acting as a stabilizer rather than an engine. * **Forward-looking Watchpoint:** Watch for the "RIDF-to-Loan" swap to accelerate in FY26. As the □37,017 Cr stuck in low-yield RIDF matures and is redeployed into the 10%+ yielding SME/Mid-Corp books, there is a clear path to a 1.0% RoA.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — commentary absent.

Metric	Current Qtr (Q4FY25)	YoY Change	QoQ Change	Trend	Mgmt Commentary
NII Growth (%)	5.7%	—	2.4%	→	Aided by reduction of high-cost borrowings.
NIM (%)	2.5%	↑ 10bps	↑ 10bps	↑	Sequential expansion driven by balance sheet mix.
Cost of Deposits (%)	6.1%	→ 0bps	→ 0bps	→	Stable for 6 consecutive quarters despite market pressure.
CASA Ratio (period end %)	34.3%	↑ 340bps	↑ 120bps	↑	Driven by 32% growth in SA balances.
Credit-Deposit Ratio %	86.5%	↑ 100bps	↓ 180bps	↑	Improved liquidity; borrowings down 10% YoY.
Loans Growth (% YoY)	8.1%	—	0.6%	→	Growth led by SME/Mid-Corp; Retail is a drag.
Deposits Growth (% YoY)	6.8%	—	2.6%	→	Focus on granular retail/branch banking deposits (+17.9%).
GNPA %	1.6%	↓ 10bps	→ 0bps	→	Stabilized despite retail stress.
NNPA %	0.3%	↓ 30bps	↓ 20bps	↑	Multi-year low; reflects high provisioning (PCR 79.7%).
Slippage Ratio (%)	2.0%	↓ 40bps	↓ 20bps	↑	Gross slippages at ₹1,223 Cr vs ₹1,348 Cr in Q3.
Credit Cost (% Assets)	0.3%	↓ 20bps	→ 0bps	↑	Normalized cost down 42% YoY for the full year.
Capital Adequacy (CET1 %)	13.5%	↑ 130bps	↑ 20bps	↑	Strong capital cushion including FY25 profits.
PAT (₹Cr)	738	↑ 63.3%	↑ 20.6%	↑	Highest quarterly profit since reconstruction.
Fee Income Growth %	10.9%	—	15.0%	↑	Driven by Corporate Trade & Cash Mgmt (+21%).
RIDF / Total Assets (%)	8.7%	↓ 230bps	↓ 230bps	↑	Critical unlock; balance fell to ₹37,017 Cr.

2B. SEGMENT BREAKDOWN

Segment	Advances (₹ Cr)	YoY Growth	GNPA %	Trend	vs Company Avg	Key Development
Retail	101,560	-3.4%	2.2%	↓	Underperformer	Calibrated de-growth in unsecured (PL/CC).
SME	43,651	23.6%	1.4%	↑	Outperformer	Growth in lower ticket size (<₹2 Cr) via Digital OD.
Mid-Corporate	41,905	21.8%	1.0%	↑	Outperformer	Knowledge banking and supply chain focus.
Corporate	59,073	11.5%	1.1%	→	Inline	Strong trade and cash management fee engine.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Recoveries	₹5,000 Cr+ for FY25.	**Delivered:** Achieved ₹5,923 Cr in FY25.	Reliable	Low
Guidance	RoA	Gradually improving toward 1%.	Currently at 0.6% (FY25). Needs 10bps expansion/year.	Improving	Medium
Guidance	RIDF Reduction	Continued reduction of PSL shortfall drag.	RIDF fell by ₹7,070 Cr in FY25; needs similar pace for FY26.	High	Low
Guidance	Cost Control	C/I ratio reduction.	**Delivered:** FY25 C/I at 71.3% (vs 74.4% FY24).	Reliable	Low
Strategy	Advances Mix	Retail & SME focus (~60%).	Currently 59%; Retail de-growth makes this harder to maintain.	Mixed	Medium
Strategy	Digital Leadership	Maintain #1 share in UPI Payee.	**Delivered:** 57.1% market share in Mar'25.	Consistent	Low
Balance	SR Cleanup	NIL Net Carrying Value.	**Delivered:** SR (Net) hit NIL in Q4FY25.	Reliable	Low

4. ANALYST Q&A

Section not applicable — investor presentation only. No concall conducted or available.

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q3FY25)	This Quarter (Q4FY25)	Direction
SR Valuation	Net carrying value ₹233 Cr.	**NIL.**	↑ (Cleanup complete)
RIDF Drag	~11.0% of Total Assets.	**8.7%** of Total Assets.	↑ (Yield unlock)
NIM	2.4%	**2.5%**	↑ (Expansion)
CASA Ratio	33.1%	**34.3%**	↑ (Liability strength)
PCR (Inc. Tech W/O)	82.4%	**87.6%**	↑ (Provisioning buffer)
Opex Efficiency	71.1% Cost-to-Income.	**67.3%** Cost-to-Income.	↑ (Productivity)
Unsecured Stress	Retail slippages 4.7%.	**4.3%**	↑ (Stabilizing)
Tax Impact	Normal tax provision.	**Tax Reversal** (-₹20 Cr).	□(One-off PAT boost)
Borrowing Profile	High-cost debt drag.	Borrowings down **10.4% YoY.**	↑ (Margin protection)

STOP HERE.