

Conference call on Q3-2008 results

Moderator

Good evening ladies and gentlemen, I am Priyanka, the moderator for this conference. Welcome to the conference call of ICICI Bank Limited. Mr. Rakesh Jha, Deputy CFO, will be your call leader today. For the duration of the presentation, all participants' lines will be in the listen-only mode. After the presentation, the question and answer session will be conducted for the participants in the conference. Due to constraint of time, participants who wish to ask questions during the question and answer session are requested to restrict the number of questions to two per person. If they have any more questions they are requested to join the queue again by pressing "*" "1". Now I hand over the floor to Mr. Rakesh Jha. Thank you and over to you, Mr. Jha.

Rakesh Jha – ICICI Bank

Thank you. Good evening to all of you. I hope you have received the press release and the presentation that we sent out some time back. I will just briefly touch upon the highlights and then we can straight away go into the Q&A. The bank reported its profit for the quarter ended December 31, 2007, today. The profit after tax was up by 35% to Rs. 12.30 billion from Rs. 9.10 billion in the last quarter with net interest income growing by about 32% to Rs. 19.60 billion and fee revenues growing by 33% to about Rs. 17.85 billion. Loan growth was about 25% on a year-on-year basis with retail loan continuing to show a moderate growth which was at about 12% on a year-on-year basis and the overseas branches continuing to grow at a high pace, of about 100% on a year-on-year basis. The low cost current and savings deposits increased by 33% during the year ended December 31, 2007 with the total deposit growing by 17%, which largely reflected the fact that the bank raised capital during July and the deposit requirement was much lower than last year. So we have tried to focus on the retail deposits and have not rolled over the wholesale deposits as they mature.

On the Profit & Loss statement the key thing I would like to mention is that treasury income for the quarter of Rs. 2.82 billion is net of mark to market impact on our credit derivative portfolio of Rs.1.50 billion during the December 31 quarter, in addition to about Rs.1.20 billion that we have provided in September quarter. The overall credit derivative portfolio for the bank remains nearly at the same level as September 30, 2007. Overall capital adequacy was about 15.8%, with Tier-1 of about 12.1%. During the quarter the bank invested in its life insurance business, overseas banking subsidiaries in UK and Canada and also invested Rs.5.00 billion in ICICI Home Finance Company. All these investments from subsidiaries are directly reduced from Tier-1 capital under the current regulations. The return on average networth was about 11.4% for the nine months ended December 31, 2007 reflecting the capital that was raised in July. The net interest margin for the quarter was about 2.3% showing a marginal improvement over the quarter ended September 30, 2007. The cost-to-income ratio was about just below 40%. The cost-to-average assets was about 1.7% and fee-to-income ratio was about 40%. The gross NPL as December 31, 2007 was about Rs.72.50 billion with net NPL of Rs. 33.00 billion with a net NPL ratio of 1.5%.

Coming to the group companies, market share of ICICI Life Insurance was about 11.8% in the period from April to November with the weighted received premium growing by about 67% compared to the industry growth of 14%. The new business profit was about Rs. 7.50 billion in the nine month ended December 31, 2007 compared to Rs. 5.40 billion

in the corresponding period last year. ICICI General Insurance had a market share of close to 32% amongst the private sector for April to November, 2007 and overall market share of close to 13%. The premiums grew by about 17% during the nine month ended December 31, 2007 and the profit after tax was up about 135% to Rs. 1.15 billion for nine month ended December 31, 2007. For ICICI Prudential Asset Management the total funds under management are about Rs. 692.30 billion as of December 31, 2007 indicating a market share of about 10.3% in mutual fund assets as of December 31, 2007. The profit after tax was up about 127% to Rs. 0.75 billion in nine months ended December 31, 2007. ICICI Venture reported a profit of about Rs. 0.50 bn for the nine-month ended December 31, 2007. For ICICI Securities the total revenues for the quarter ended December 31, 2007 was about Rs. 2.57 bn and for the nine month ended December 31, 2007 was Rs. 5.27 bn and the company's profit after tax for Q3 was Rs.0.71 bn compared to Rs.1.08 bn for the nine month ended December 31, 2007. There has been a separate release which has been issued by ICICI Securities. The Board of Directors of ICICI Securities has approved an initial public offering of equity shares as well as a private placement of equity shares to one or more institutional investors and the maximum dilution of ICICI Bank would be up to 15% of the post issue capital base including the initial public offering as well as the private placement. We would be looking at doing this issue over the next three to six months. With this we can go into the Q&A.

Moderator

We will now begin the question and answer interactive session for the conference participants connected to audio conference service from Airtel. Participants who wish to ask questions may please press "*" "1" on their touchtone enabled telephone keypad. Here I would like to remind that participants who wish to ask questions during the question and answer session are requested to restrict the number of questions to two per person. If you have any more questions you are requested to join the question queue again by pressing "*" "1". On pressing "*" "1" participants will get a chance to present their questions on a first-in line basis. To ask a question please press "*" "1" now. The first question comes from Mr. Dipankar Chaudhary from Deutsche Bank, Mumbai. Mr. Chaudhary, you may ask your question now.

Dipankar Choudhury - Deutsche Bank - Mumbai

Hi, Rakesh. Just two questions. Firstly about I-Sec, what explains the huge swing in profitability the Q3 because the net profit is about double that from the first half? Is it just a purely revenue improvement issue or was there any exceptional?

Rakesh Jha - ICICI Bank

There were no exceptionals. As we have discussed earlier we have seen on a quarter-on-quarter basis increase in the revenues as well as the bottom line. So if you look at the first quarter the profits were close to about Rs. 0.10 bn and in the second quarter it was close to about Rs. 0.30 bn and we are seeing a steady increase in the revenues. Also to some extent the negative contribution of the distribution business, which we have recently started in I-Sec, has reduced the bottom line. But the main driver has been the growth in the top line on the brokerage volumes.

Dipankar Chaudhary - Deutsche Bank - Mumbai

Fine, the second question is about your loan growth. Your retail loans growth has decreased significantly. The severe mortgage slowdown seems to be a case which is specific to you, it is certainly not the same order of magnitude seen in some of your competitors, so have mortgages been aggressively booked in ICICI Home Finance? Is it deliberate? A related question about your loan growth on the international side is that considering what is happening globally, do you expect the momentum on the international business to sustain?

Rakesh Jha - ICICI Bank

On the loan growth I think the retail loan book has generally shown the same trend in December as till September. If you look at the disbursement levels at about Rs.150.00 billion it is pretty much at the same level as what we saw in Q2. Our home loan portfolio for us consists 95% of retail customers. If you look at any of the indicators in terms of the actual sales of property or any such indicator there has been a slowdown in this particular segment. While we may have lost a bit of a market share in this particular segment, it is predominantly a market phenomenon and not restricted to ICICI Bank as such. In future we do intend to book the mortgage loans in ICICI Home Finance Company. However, in the current quarter there wasn't a significant impact. We would have done less than Rs.10.00 billion of incremental booking in the Home Finance Company. We have also sold about close to Rs. 40.00 billion of retail loans during the current quarter, so to that extent the numbers would look depressed on the loan growth.

Dipankar Chaudhary - Deutsche Bank - Mumbai

The second part of the question on international?

Rakesh Jha - ICICI Bank

You know that international loan growth has been driven basically by lending to Indian corporates either in India or for their overseas expansion. We have been dependent on the capital markets to some extent in terms of our funding requirements. We had together with ICICI Bank UK raised about US\$ 6.7 billion of money in the international bond markets in the calendar year 2007. Going forward given the kind of growth expectations and other funding opportunities through retail and corporate deposits, the bank loan market and the multilateral sources and trade financing we would expect to raise a similar amount of money from bond markets during the calendar year 2008, subject obviously to the market conditions and our ability to deploy these funds at a profitable margin. Currently we feel that the markets have been impacted a lot by what we are seeing in the global markets and some of the disclosures being made by the global banks. We would expect that to stabilize in the next few months and as of now if you look at any of the prevailing conditions, it is difficult to say as to when markets will stabilize, but we would expect over the next few months things to stabilize and then we would continue with our growth opportunities in the international business. But we would be very careful in terms of what rates we borrow money and what volume of funds we raise.

Moderator

Thank you, Mr. Chaudhary. The next question comes from Mr. Rajgopal Ramanathan from FPK, Hong Kong. Mr. Ramanathan, you may ask your question now.

Rajgopal Ramanathan - FPK – Hong Kong

Hi, Rakesh. Good results. Two questions, one is an outlook related question and the other one related to asset quality. Let me put forth the asset quality first. You have indicated your reported gross NPL number as close to Rs. 72.00 billion, right?

Rakesh Jha - ICICI Bank

Yes, right.

Rajgopal Ramanathan - FPK – Hong Kong

Could you just indicate what would this number be including your transfers, if any that have been made in this quarter, and any other technical adjustments which you would have made?

Rakesh Jha - ICICI Bank

The Rs. 72.46 billion number would have been about Rs.78.60 billion, if we add back the loans that we have sold to the Asset Reconstruction Company against security receipts.

Rajgopal Ramanathan - FPK – Hong Kong

How much has been sold in this quarter?

Rakesh Jha - ICICI Bank

The total amount that we have sold in this quarter to ARCIL against security receipts is about Rs. 2.50 billion.

Rajgopal Ramanathan - FPK – Hong Kong

Fine. The second question that I have is given that loan growth has slipped to something like 25% would you expect to be clocking 30% plus growth for the next two to three years, which probably would get the necessary leverage?

Rakesh Jha - ICICI Bank

If you look at our loan growth divided in the retail and the corporate segments, retail segment as you have seen is clearly slowing down significantly for the market as well as for us. As we have said earlier, that the loan growth in the medium term on the retail lending side should be an upwards of 20%, may be closer to 25%, but that will require a lower level of lending rates compared to where the rates are now. Our current view is that maybe in the next three or six months rates will remain at the current levels. In the new financial year if RBI cuts rates or indicates any easing we could see rates coming down. So the loan growth outlook for us on the retail side is contingent on what RBI's actions are on interest rates and thereby the deposit and lending rates for banks. On the international side, as I detailed in the previous query, it will be a function of how the global markets are in terms of the funds that the bank plans to raise through the international bond markets. While we would continue to raise funds through deposits especially in our UK and Canada subsidiaries and other loan markets, these two will be the critical factors for the loan growth going forward from what we look at. Currently

maybe 30% overall loan growth would look like slightly on the higher end of the estimate. Given the current scenario 25% is something which looks possible, but it is overall a function of where the rates move in the domestic markets.

Ramnathan – FPK - Mumbai

I am actually overshooting, but this will be just one more at this point. But realistically speaking if you scale down your loan assumptions, do you expect to probably touch something like 16% ROE in the next three years for the bank. I am not talking about the other subsidiaries. Would you be in a position to touch something like a 16% ROE?

Rakesh Jha - ICICI Bank

When we had raised capital, we had indicated a growth expectation of about 30% over the next three years. At that point we did not assume that we will be investing in say the life insurance business. We thought that we would be able to go ahead with the holding company structure. To that extent some of the capital has been deployed in our insurance businesses since then. Going forward on the leveraging side, we may be a bit slower, but profitability improvement is going to come through on the funding side in terms of repricing of deposits and in the more medium and long-term, growth in the low cost deposits. So that should still continue to grow the profits. So, in terms of banking ROE numbers that we have mentioned earlier, I do not think we are talking about any lower numbers than the target of high teens by 2010.

Moderator

Thank you Mr. Ramnath. Next question comes from Mr. Mohit Aneja from Pipal Research, Delhi. Mr. Aneja you may ask your question now.

Mohit Aneja - Pipal Research – New Delhi

Hi Rakesh. First of all I would like to ask what was your mortgage loans growth for this quarter year-on-year and what was the percentage in the overall retail loan growth?

Rakesh Jha - ICICI Bank

It was about 12% the growth year-on-year-on for home loan. If we include the disbursement that we did towards the end of the quarter in the home finance company, it will be about 13 or 14%.

Mohit Aneja - Pipal Research – New Delhi

The next question, I would like to ask is that at what rates are you currently lending to corporates. What rate are you maintaining for lending to corporates above the PLR?

Rakesh Jha - ICICI Bank

Most of the lending as you know is below PLR. For us the PLR is upwards of 15%. On corporate side lending it depends on the maturity and the rating of the client, but the

lending rates will be in the region of 11% - 13 or 14% depending on the rating of the client.

Mohit Aneja - Pipal Research – New Delhi

So the positive spread is coming from the retail loans than from corporate loans?

Rakesh Jha - ICICI Bank

No, corporate loans as well. The deposit cost for us is about 7.5%.

Mohit Aneja - Pipal Research – New Delhi

Okay. Thanks

Moderator

Thank you Mr. Aneja. Next question comes from Mr. R. Balasubramaniam from HSBC Securities, Bangalore. Mr. Balasubramaniam you may ask your question now.

Balasubramaniam – HSBC Securities – Bangalore

Good evening Mr. Rakesh. This is Bala from Bangalore. I have two questions on the life insurance business. I wanted to know what has been the capital infusion in the life insurance business during the third quarter and what is the total capital outstanding of the entity as of December 2007, and also wanted to know what has been the premiums mobilized by the life insurance business for the nine months, both in terms of the total new business as well as in terms of the annualized premium equivalent.

Pankaj – ICICI Bank

Hi this is Pankaj here. On the capital, we have infused Rs. 4.3 billion in the third quarter - that takes the total capital infused to Rs. 34 billion till date. I am giving you the numbers for the company as a whole - ICICI Bank has infused 74% of that amount. Total premiums for the 9 months have been over Rs. 77.00 billion, including renewal premiums.

Balasubramaniam – HSBC Securities – Bangalore

Total premium is Rs. 77.00 billion, okay?

Pankaj – ICICI Bank

That is right and if we look just at the new business premiums, regular and single put together, it would be a little over Rs. 46.00 billion.

Balasubramaniam – HSBC Securities – Bangalore

Okay. This is new business, both in terms of the regular and single put together. If you convert into APE terms, could you give a breakup of regular and single?

Pankaj – ICICI Bank

What I can give you is the APE number. The APE was Rs. 38.80 bn with a growth of about 55% over the corresponding period last year.

Moderator

Thank you Mr. Balasubramaniam. Next question comes from Ms. Mahrukh Adajania from UBS, Mumbai. Ms. Adajania you may ask your question now.

Mahrukh Adajania – UBS - Mumbai

Hi Rakesh. There are a couple of questions, firstly what is the split between current and savings deposit?

Rakesh Jha - ICICI Bank

Savings deposit is about Rs. 380.00 bn and current is about Rs. 240.00 bn.

Mahrukh Adajania – UBS – Mumbai

Okay thanks. Do you have details on yield on assets and cost of deposits and cost of funds?

Rakesh Jha - ICICI Bank

The cost of deposit is about 7.4% in the third quarter and the cost of funds was nearly the same. The overall yield on interest earning assets was about 9.3%.

Mahrukh Adajania – UBS – Mumbai

And what was it last year?

Rakesh Jha - ICICI Bank

The cost of deposits was 6.2% in Q3-2007.

Mahrukh Adajania – UBS – Mumbai

And yield on assets because that would be adjusted for premium amortization right?

Rakesh Jha - ICICI Bank

It was 8.6% in Q3-2007.

Mahrukh Adajania – UBS – Mumbai

Okay. Also wanted to check on I-Sec, what is the split between cash and F&O and how much of the I-Sec revenue is from ICICI direct in the third quarter?

Rakesh Jha - ICICI Bank

Because of the IPO process we are not able to give any additional numbers in addition to what we have disclosed in the release. About 75% of overall revenue would be coming from the retail business, which is almost all coming from the online brokerage business.

Mahrukh Adajania – UBS – Mumbai

Okay. Will you be able to give the breakdown of loans and the housing disbursement separately?

Rakesh Jha - ICICI Bank

The retail loans, total disbursement is about Rs. 150.00 bn and it is pretty much more or less in line with the second quarter.

Mahrukh Adajania – UBS – Mumbai

Okay. In terms of housing and non-housing?

Rakesh Jha - ICICI Bank

In retail loans there has been a sell down of about Rs. 40.00 bn. Retail loans have gone up by about Rs. 15.00 bn and most of that increase will be in the personal loans and credit cards. On the secured loans it is pretty much at the same level as September.

Mahrukh Adajania – UBS – Mumbai

Okay. Thanks.

Moderator

Thank you Ms. Adajania. Next question comes from Mr. Kashyap Jhaveri from Emkay Shares, Mumbai. Mr. Jhaveri you may ask your question now.

Kashyap Jhaveri - Emkay Shares - Mumbai

Hi Rakesh. You have mentioned in press release that we would be looking at further resource raising in non-dollar and non-euro kind of currencies. I wanted to know how is the bond yield moving overseas. A lot of companies from India like Tata's have gone and borrowed money abroad? Will the appetite for Indian companies in the overseas market not be little less than what it has been earlier? So how has the cost of borrowing in the overseas market moved and is it as profitable as it earlier was?

Rakesh Jha - ICICI Bank

As I mentioned earlier, the current spreads are clearly quite wide compared to what they were six months or nine months back. It is in line with the expansion of spreads in credit default swaps for other banks or other indices. It has much more to do with the global credit scenario right now and not really us. As I mentioned, we will continue to evaluate the volume of funds that we want to raise and at what level, only if we are able to profitably deploy these funds, would we be coming into the market for raising these funds.

Kashyap Jhaveri - Emkay Shares - Mumbai

Is it okay to assume that international portfolio might not grow at the pace at which it has grown for the current quarter?

Rakesh Jha - ICICI Bank

It depends on the level of the credit spreads that are there for us and other banks. So if we assume that the levels remain at where it is currently, it will be a very fair assumption to assume that international growth will be much lower than what we saw in this quarter.

Kashyap Jhaveri - Emkay Shares - Mumbai

What are the current CDS spreads?

Rakesh Jha - ICICI Bank

It is about I think 350 bps right now.

Kashyap Jhaveri - Emkay Shares - Mumbai

Okay. I have another question. On ICICI home finance, if you could give some light on what is the rationale behind now starting the whole business. Is it for segregating the collateralized and non- collateralized businesses?

Rakesh Jha - ICICI Bank

No it is the mortgage business that we will be booking in a home finance company.

Kashyap Zaveri - Emkay Shares - Mumbai

Okay.

Rakesh Jha - ICICI Bank

Given the current scenario there is some benefit that the housing finance companies get. If you look at the fact that the marginal money that we raise in the bank, in the housing finance company, there is not much of regulatory reserve requirements. So it has some benefit on that count.

Kashyap Jhaveri - Emkay Shares - Mumbai

Okay.

Rakesh Jha - ICICI Bank

That is one of the reasons for booking loans in the home finance company and other primary reason obviously is that we have received RBI approval only recently to infuse capital in this company.

Kashyap Jhaveri - Emkay Shares - Mumbai

Is regulatory reserve requirement the only benefit that we are looking at for segregating this business?

Rakesh Jha - ICICI Bank

Yes, plus whatever other benefits the housing finance company has in terms of the capital requirements and diversification of our funding base.

Kashyap Jhaveri - Emkay Shares - Mumbai

Okay.

Rakesh Jha - ICICI Bank

It is essentially linked to the fact that we have now received approval to invest in this company and while we continue to grow our deposit base in the bank it will be a very useful source of diversifying our funding sources.

Kashyap Jhaveri - Emkay Shares - Mumbai

Okay, thanks.

Moderator

Thank you Mr. Jhaveri. Next question comes from Mr. Punit Srivastava from Enam Securities, Mumbai. Mr. Srivastava you may ask your question now.

Punit Srivastava - Enam Securities - Mumbai

Hi Rakesh. Just wanted to know what was the outstanding overseas loan book, both on a consolidated and standalone basis?

Rakesh Jha - ICICI Bank

The overseas loan book was about Rs. 450.00 bn on December 31, 2007.

Puneet Srivastava - Enam Securities - Mumbai

That is the advance from branches. What would it be on a consolidated basis?

Rakesh Jha - ICICI Bank

The subsidiaries was about Rs. 170.00 bn.

Puneet Srivastava - Enam Securities - Mumbai

So, Rs. 620.00 bn. On the gross NPLs front, what was the total amount added, adjusting for the ARCIL sale?

Rakesh Jha - ICICI Bank

We don't give the exact movement in terms of additions or deletions during the quarter but I mentioned to you that as on December 31, 2007 the reported gross NPL of Rs. 72.50 billion would have been about Rs. 78.50 billion, adjusting for the sale of non-performing loans to ARCIL against investment in security receipts. The reported gross NPL in September 30, 2007 quarter was Rs. 66.90 billion. After a similar adjustment for a loan sale in the September quarter, this number was about Rs. 70.00 billion.

Punit Srivastava - Enam Securities - Mumbai

How much is the gross NPLs in percentage terms?

Rakesh Jha - ICICI Bank

For reported gross NPL of Rs. 72.46 billion it is 3.1%.

Puneet Srivastava - Enam Securities - Mumbai

Okay and yield on advances?

Rakesh Jha - ICICI Bank

It will be at a similar level to Q2-2008 of about 11%.

Puneet Srivastava - Enam Securities - Mumbai

Okay. Thanks a lot.

Moderator

Thank you Mr. Srivastava. Next question comes from Ms. Saumya Agarwal from HSBC Securities, Mumbai. Ms. Agarwal you may ask your question now.

Saumya Agarwal - HSBC securities - Mumbai

Hi Rakesh. I just wanted to know how has the cost of International borrowing shaped up during this quarter?

Rakesh Jha - ICICI Bank

In the current quarter we have not done any bond financing so it is not reflected in these numbers.

Saumya Agarwal - HSBC securities - Mumbai

But what would be the cost of overall borrowings?

Rakesh Jha - ICICI Bank

Our last borrowing from the bond market was at Libor plus 170 basis points.

Saumya Agarwal - HSBC securities - Mumbai

Okay and would it be possible for you to give me a breakup of the retail NPLs?

Rakesh Jha - ICICI Bank

We do not disclose the breakdown of retail NPLs into individual products.

Saumya Agarwal - HSBC securities - Mumbai

Okay. Thanks.

Moderator

Thank you Ms. Agarwal. Next question comes from Ms. Lakshmi Manohar from Capital Market, Chennai. Ms. Manohar you may ask your question now.

Lakshmi Manohar - Capital Market - Chennai

Hello. This is regarding the gross NPLs figure. In your presentation it is Rs. 72.46 bn while in the result table it is Rs. 64.74 bn, so what is the difference?

Rakesh Jha - ICICI Bank

There are two differences, which have always been there. I think we will put a foot note from next time. In the stock exchange release, the number given is the gross non-performing advances and does not include other credit substitutes like debentures. Secondly, the number as you see in the press release is net of the technical write-offs. Those are the two differences.

Lakshmi Manohar - Capital Market - Chennai

Okay fine. Your gross NPLs and net NPLs have increased from the September quarter. Why is it, can you give the reason for it?

Rakesh Jha - ICICI Bank

The increase is because of addition to NPLs during the current quarter, similar to the trend seen earlier. If you look at the last two or three quarters we have seen an increase in the NPLs, mainly coming from the retail side due to the change in the mix of the portfolio. Our unsecured retail portfolio has increased substantially compared to the secured loan portfolio. The unsecured portfolio is now about 17% of our total loans which was a much lower about 18 months back or so. While we earn a much higher yield on these loans, the NPLs and delinquencies on this portfolio has also been higher. To that extent the NPL ratio has increased from 1.40% to about 1.47%.

Lakshmi Manohar - Capital Market - Chennai

Okay. Your retail loan forms 61% of the total loan book?

Rakesh Jha - ICICI Bank

Yes.

Lakshmi Manohar - Capital Market - Chennai

Okay. Thank you.

Moderator

Thank you Ms. Manohar. Next question comes from Mr. Rajgopal Ramanathan from FPK, Hong Kong. Mr. Ramanathan you may ask your question now.

Rajgopal Ramanathan - FPK – Hong Kong

I have got two more questions. About value unlocking of the insurance and various other businesses, I heard in the press that you are also contemplating a value unlocking for the Home Finance Company, any thoughts?

Rakesh Jha - ICICI Bank

On the insurance business nothing has changed since our last communication. We are still waiting for guidance from RBI on final views on the holding company structure and we would see what their final conclusion is and then decide in terms of the capital needs of the insurance businesses. More than unlocking value point of view, actually it is the capital needs of the insurance business because given the regulations applicable to the Bank, there is a constraint on a how much capital the bank itself can contribute.

In terms of Home Finance Company we have not decided and it may be a little premature to think of listing. I think Mr. Kamath got quoted slightly out of context. Value unlocking did not mean listing of these subsidiaries and group companies. It can also be more through communication and more disclosures. We are currently not contemplating any immediate unlocking of value through listing of the home finance company.

Rajgopal Ramanathan - FPK – Hong Kong

The second thing is you do give a break-up on your gross NPL into collateralized and non- collateralized. Could we have the break-up?

Rakesh Jha - ICICI Bank

Non-collateralized NPL is about 67% of retail NPLs and about 58% on adjusting for sale of loans to ARCIL against investments in security receipts.

Rajgopal Ramanathan - FPK – Hong Kong

So, should I take it as 58% or Rs. 78.50 billion?

Rakesh Jha - ICICI Bank

It is 58% of retail NPLs.

Rajgopal Ramanathan - FPK – Hong Kong

Okay 58% of the retail NPLs.

Rakesh Jha - ICICI Bank

The non- collateralized number will be close to about Rs. 50.00 bn.

Rajgopal Ramanathan - FPK – Hong Kong

Thanks.

Moderator

Thank you Mr. Ramanathan, the next question comes from Mr. R. Balasubramaniam from HSBC securities, Bangalore. Mr. Balasubramaniam, you may ask your question now.

Balasubramaniam – HSBC Securities – Bangalore

This is Bala once again, just wanted a small clarification. We talked of new business life APE premium of Rs. 38.8 billion for the nine months for this year and it was Rs. 25 billion for the previous nine months? The next point is whether there has there been any fresh infusion of capital in the non-life venture as well and what is the shareholders' funds in the non-life venture as of December 31, 2007?

Pankaj Jain - ICICI Bank

Shareholders funds you mean the total capital infused?

Balasubramaniam – HSBC Securities – Bangalore

No, not capital infused, the net asset value or the book value.

Pankaj Jain - ICICI Bank

We have not been disclosing that quarterly. We disclose it as part of the annual report.

Balasubramaniam – HSBC Securities – Bangalore

What was the capital infusion during the nine months in the life venture?

Pankaj Jain - ICICI Bank

In the life venture capital infusion has been Rs. 12.90 billion. In the non-life venture this was about Rs. 1.00 billion and there was no infusion in the third quarter. On the APE numbers, you rightly said there is a 55% growth.

Balasubramaniam – HSBC Securities – Bangalore

We have seen a huge drop in the business written in the non-life venture in the third quarter. When we talk of Rs. 27.00 billion of gross premium for the nine months, we see that Rs. 26.00 billion has been written in the first half and only about Rs. 1.00 billion in the

third quarter. That means an 86% drop, which has happened in the third quarter. Any particular reason this substantial drop in the third quarter?

Pankaj Jain - ICICI Bank

First half was Rs. 17.00 billion. We added another Rs. 10.00 billion in terms of premiums taking the total to Rs. 27.00 billion.

Balasubramaniam – HSBC Securities – Bangalore

Okay fine, thank you.

Moderator

Thank you Mr. Balasubramaniam, the next question comes from the Ms. Mahrukh Adajania from UBS, Mumbai. Ms. Adajania, you may ask your question now.

Mahrukh Adajania – UBS – Mumbai

Hi Rakesh. What is the current networth of ICICI home finance?

Rakesh Jha - ICICI Bank

It is about Rs. 8.00 bn.

Mahrukh Adajania – UBS – Mumbai

Rs. 8.00 bn and this would not have too much of a profit?

Rakesh Jha - ICICI Bank

The profit was about Rs. 0.55 bn.

Mahrukh Adajania – UBS – Mumbai

In case international business gets affected, do you think those corporates who wanted to borrow internationally would shift to domestic loans?

Rakesh Jha - ICICI Bank

I think a part of it would shift to domestic loans. But companies looking for an overseas acquisition would want dollar funding. So the entire part cannot shift into rupees.

Mahrukh Adajania – UBS – Mumbai

Okay, thanks.

Moderator

Thank you Ms. Adajania, the next question comes from Mr. Sheshadri Sen from Macquire, Mumbai. Mr. Sen, you may ask your question now.

Sheshadri Sen – Macquire Securities – Mumbai

Hi, my question is already been answered, thank you very much.

Moderator

Thank you Mr. Sen, the next question comes from Ms. Tabassum Inamdar from Kotak Securities, Mumbai. Mr. Inamdar, you may ask your question now.

Tabassum Inamdar – Kotak Securities – Mumbai

Hi Rakesh. Two things, first you said that deposit growth has slowed down primarily because of bulk deposit being reduced. What is the proportion of retail and wholesale deposits and term deposits now?

Rakesh Jha ,ICICI Bank – Mumbai

It is about 50%.

Tabassum Inamdar – Kotak Securities – Mumbai

In terms of your fee income, I would have expected growth to be around 25% or so given your international business, where you are helping companies borrow overseas, has slowed down. So where does the fee growth come from?

Rakesh Jha - ICICI Bank

It is inline with what you saw in the earlier quarters. Only the second quarter was a bit weak because of some of the ECB transactions that we had contracted, but never got consummated. Fee income has mainly been driven by the retail segment. Distribution fees on the insurance side where the revenues and premium are growing at 70%, the fees are growing strongly and the SME segment as well as cards segment continues to grow at a very strong pace. The retail lending fees have reduced because of lower business volumes compared to last year. On the corporate side, fees has been from forex and derivatives revenues as well as project appraisal advisory and syndication revenues.

Tabassum Inamdar – Kotak Securities – Mumbai

Have you booked any losses in the derivative business in terms of the forex exposure taken by some corporates?

Rakesh Jha - ICICI Bank

In terms of the overall marked to market, there is no loss that we have booked on customer transactions on the forex derivatives. What has actually happened is that in November the forex rates moved out of line compared to the general anticipation, and the mark to market numbers had increased. We had also called on margin from some of

our customers. But if you look at December, the mark to market positions from a client viewpoint improved. In a couple of cases, which we have seen in the media, we don't really have large exposures. There could be a couple of cases of that sort where we make provisions on unwinding the contract. Those will be very small or immaterial.

Tabassum Inamdar – Kotak Securities – Mumbai

Just one last thing, for UK and Canada can you give some idea about how these businesses have been doing? Earlier you used to report some kind of an ROE or profit number.

Rakesh Jha - ICICI Bank

Profit for ICICI Bank UK for the nine-month would be close to US\$ 50.0 million, an ROE of slightly above 20%. Canada and Eurasia have about broken even.

Tabassum Inamdar - Kotak Securities - Mumbai

Thank you.

Moderator

Thank you, Ms. Inamdar. The next question comes from Mr. Aditya Narain from Citi Group, Mumbai. Mr. Narain, you may ask your question now.

Aditya Narain - Citi Group - Mumbai

Hi, Rakesh. Just two questions, first on the growth in the agriculture portfolio. What has growth in the rural and agriculture portfolio been like? Secondly on the NPLs, I just wanted some clarification. Rs. 66.80 bn has gone to Rs. 72.50 bn and you mentioned to Rs. 78.50 bn with the write-off of about Rs. 2.60 bn. Where is the balance amount? What is the aggregate including loans sold to ARCIL or any other asset recovery firm? Thirdly, amongst provisions what is the write-off level?

Rakesh Jha - ICICI Bank

One by one, on the rural book, basically at the same level as September, which was about Rs. 90.00 bn. We would expect that in the current quarter the book will grow significantly.

Aditya Narain - Citi Group - Mumbai

On the NPLs what is the write-off level?

Rakesh Jha - ICICI Bank

The difference which was there was basically in the previous quarter as well when we had sold some loans to ARCIL. So we have sold about Rs. 2.60 billion to ARCIL in the

current quarter against investment in security receipts and we had sold the balance in the previous quarter.

Aditya Narain - Citi Group - Mumbai

What is the cumulative outstanding to ARCIL now in the form of investment in security receipts?

Rakesh Jha - ICICI Bank

The cumulative outstanding with ARCIL is about Rs. 30.00 bn.

Aditya Narain - Citi Group - Mumbai

On the investment receipt has there been any hit at any point in time or have you got recovery from there.

Rakesh Jha - ICICI Bank

We have made recoveries over the past several quarters. In terms of markdowns, if you look at the total security receipt value of Rs. 30.00 bn as on date, security receipt redemptions have been happening over a period. For example, about Rs. 4.00 bn happened in March of 2006, about Rs. 3.00 bn in March 2007 and in the current year about to Rs. 4.00 bn – Rs. 5.00 bn. We cannot take any markup upon this portfolio. We have to mark it down to the lower of the NAV or the holding cost and now RBI has said that the NAV has to be determined by a rating agency based on the actual recovery expectations on a present value basis. Also, going forward in instances where the cases have not been resolved over a certain period of time, there could be mark to market provision on that account.

Aditya Narain - Citi Group - Mumbai

But so far there has been nothing?

Rakesh Jha - ICICI Bank

Nothing material.

Aditya Narain - Citi Group - Mumbai

Thanks.

Moderator

Thank you, Mr. Narain. The next question comes from Mr. Srikanth Vadlamani from Lehman Brothers, Mumbai. Mr. Srikanth Vadlamani, you may ask your question now.

Srikanth Vadlamani - Lehman Brothers – Mumbai

Hi Rakesh. Wanted the breakup of your fee income into retail, wholesale and international retail?

Rakesh Jha - ICICI Bank

The retail fee income is about 53% and the international retail will be about 8%. The balance will be corporate.

Srikanth Vadlamani - Lehman Brothers - Mumbai

Can you give me some idea of what part of the corporate fees is derived from the balance sheet of the international business? I am trying to understand if you see a slowdown in the international businesses, how will you get back the fee income?

Rakesh Jha - ICICI Bank

It will indeed impact the fee income. In the international businesses the fee income is the significant component of our total revenues because the margins there are low.

Srikanth Vadlamani - Lehman Brothers - Mumbai

What I am trying to understand is that approximately of the 35% coming from corporates, how much would be coming from these sort of revenue sources?

Rakesh Jha - ICICI Bank

We do not have a ready number on that.

Srikanth Vadlamani - Lehman Brothers - Mumbai

In terms of the NPLs, I just wanted to understand the maths of a sale to ARCIL? Lets say you sold around Rs. 2.80 bn this quarter and lets say you did not provide anything on it. So if you sell it to ARCIL, then your net NPLs also comes down by Rs. 2.80 bn?

Rakesh Jha - ICICI Bank

When we sell to ARCIL, the value at which we sell and the difference between this and net in our book is what is to taken to the P&L. The net numbers go away from our books.

Srikanth Vadlamani - Lehman Brothers - Mumbai

This new norm that you were discussing from RBI about independent agency evaluating the mark-to-market things. What is the sort of guidance in terms of any mark-to-market that you will have to take?

Just trying to understand so far you would have some sort of recovery sense with ARCIL. How far has the recoveries been vis-à-vis that timetable?

Rakesh Jha - ICICI Bank

On a net basis on this book we do not expect to make any loss. But because when you are doing an NAV you will look at the present value of the recovery. As the recovery comes over three years, there could be some provision requirement.

Srikanth Vadlamani - Lehman Brothers - Mumbai

Thanks.

Moderator

Thank you Mr. Vadlamani. Next question comes from Mr. Kashyap Jhaveri from Emkay Shares & Stock Brokers, Mumbai. Mr. Jhaveri, you may ask your question now.

Kashyap Jhaveri - Emkay Shares & Stock Brokers - Mumbai

Hi Rakesh. Last year in the corresponding quarter we had about Rs. 0.85 bn of write-offs from the agri-portfolio and a couple of expenses that pertained to one-time provisioning for standard assets as well as increased provisioning. So if you were to adjust these from the corresponding quarter last year, profit growth would have more or less remained flat over last year?

Rakesh Jha - ICICI Bank

But last time we never had mark to market losses of Rs. 1.50 bn. Often things also would have changed between last year and this year.

Kashyap Jhaveri - Emkay Shares & Stock Brokers - Mumbai

After the Sangli Bank merger, you have not done much business from the branches which you took over. If you look at quarterly incremental business, it has still been about the same at about Rs. 80.00-90.00 bn. So have these branches contributed in a meaningful manner or they are still in the phase of consolidation?

Rakesh Jha - ICICI Bank

The Sangli branches will take some time to contribute because it has only been about eight or nine months since we took those branches. These are as good as the new licenses that we have got. While their contribution has started but in terms of overall benefit, we would expect that to contribute more going forward.

Kashyap Jhaveri - Emkay Shares & Stock Brokers - Mumbai

How many branches have you added over the last three quarters?

Rakesh Jha - ICICI Bank

We added about 110 branches over last year's size.

Kashyap Jhaveri - Emkay Shares & Stock Brokers - Mumbai

When do you see these branches doing any meaningful addition to your business?

Rakesh Jha - ICICI Bank

It will happen over the period of time. It is not going to impact in any particular quarter, it will happen over time.

Kashyap Jhaveri - Emkay Shares & Stock Brokers - Mumbai

Thank you.

Moderator

Thank you Mr. Jhaveri. Next question comes from Mr. Hiren Dasani from Goldman Sachs Mumbai. Mr. Dasani you may ask your question now.

Hiren Dasani - Goldman Sach – Mumbai

Hi Rakesh. This is Hiren here. Just to understand like if things were to continue in the international market what they are today, would you be looking at domestic corporate for funding in a much more active manner or would you look at a lower loan growth rate altogether?

Rakesh Jha - ICICI Bank

I think it will be a mix of both, Hiren. As I said you we do expect the current volatility in the global credit markets to smoothen out over the next few months, but in a medium-long-term strategy, I do not think anything changes. We would do a lower growth if the current conditions persist. In any case given that these Indian corporates are looking for funding, we would definitely be involved in their funding process, it can be through the domestic market.

Hiren Dasani - Goldman Sach – Mumbai

On the retail side like we hear from some of the banks that they have considerably tightened up the processes for personal loans and some of the other unsecured products. Is that the case for you as well?

Rakesh Jha - ICICI Bank

In terms of the high yielding personal loans as we said in the previous quarter that we have exited that business from November onwards. Given all the information that we have got from this set of customers we are trying to build these into our credit scoring models and credit screens and to some extent we have indeed tightened some of our credit norms across the retail products. But that is more an ongoing thing and not really a one off thing, depending on the portfolio performance we do tighten or ease the credit screening norms. You are right in saying that over the last few months it would have more been tilted towards tightening the credit screens, and especially given the current lending rates we would not want to be in a situation where we want to accelerate the loan growth, we would much rather continue growing at the pace at which market is growing and be tight on the credit screens.

Hiren Dasani - Goldman Sach – Mumbai

Would you still say that the performance of these products are in line with your budgeted credit loss expectations?

Rakesh Jha - ICICI Bank

In terms of the credit loss expectations, I am not sure if that has been considered appropriately by everyone because if you look at the secured and unsecured mix because of the change in the mix the overall credit loss number for bank has increased, but in terms of individual portfolios we are comfortable with the kind of trends that we are seeing now. We were obviously not comfortable with the kind of trends that we have seen on the high yielding personal loans and that is something that we have exited.

Hiren Dasani - Goldman Sach – Mumbai

Okay. Lastly on the branches side, there are media reports that you got 400 branches, but this quarter you have not added anything materially so should one expect in the next quarter a ramp up in the branches?

Rakesh Jha - ICICI Bank

Yes. In this quarter I think we opened up only about five branches. We have about 40 or 50 branches ready for opening. Over the next few months you will see a significant addition in branches. I think it is the initial phase, which takes time in setting things up.

Hiren Dasani - Goldman Sach – Mumbai

Okay and one last question, on the non-collateralized and collateralized NPL, is the breakup same for gross and net, both at 58%?

Rakesh Jha - ICICI Bank

On the net it will be a bit lower because the provisions are obviously higher on the unsecured side. Comparable number will be about 45% on the net basis.

Hiren Dasani - Goldman Sach – Mumbai

Thanks a lot.

Moderator

Thank you, Mr. Dasani. Next question comes from Mr. Ajitesh Nair from Edelweiss Capital, Mumbai. Mr. Nair you may ask your question now.

Ajitesh Nair - Edelweiss Capital - Mumbai

Hi Rakesh. Just needed one data point, how much would have been the dividend from subsidiaries this quarter?

Rakesh Jha - ICICI Bank

We have disclosed the total number of lease and other income which includes dividend from subsidiaries.

Ajitesh Nair - Edelweiss Capital - Mumbai

Okay.

Moderator

Thank you Mr. Nair. Next question comes from Mr. Sanjay Jain from Credit Suisse, Singapore. Mr. Jain you may ask your question now.

Sanjay Jain - Credit Suisse - Singapore

Hi everyone, just a couple of quick ones. On the NPL if I am calculating correctly, the retail NPLs increased by 82% year-on-year, but the other NPLs also increased by 44%. Can you give us some colour on that, because it seems to be at odds with other banks.

Rakesh Jha - ICICI Bank

Some of the additions that we have had on the rural loans is what has led to that growth. If you look at the current quarter there is no change in the trend. I think we have mentioned earlier that we had seen a much higher addition on the rural lending side compared to the earlier periods. So most of the growth in the NPLs other than retail would have come on the rural side.

Sanjay Jain - Credit Suisse - Singapore

Okay fine, and the 54% coverage on both retail and non-retail NPLs, are you happy with that?

Rakesh Jha - ICICI Bank

On an aggregate basis, we are comfortable with the overall level of provisions. In terms of provision coverage comfort from we also hold close to about Rs. 15.00 bn of general provision on standard assets. So, if you include that the coverage would be closer to 70%.

Sanjay Jain - Credit Suisse - Singapore

So the cumulative write-off in provisions figure mentioned here excludes general provisioning?

Rakesh Jha - ICICI Bank

That excludes the general provisioning on standard assets.

Sanjay Jain - Credit Suisse - Singapore

Okay. If you can remind me why are you still selling loans I mean you have got enough capital, growth is slowing down anyway. Why sell the loans?

Rakesh Jha - ICICI Bank

If you recall with the change in RBI guidelines, it is actually not so much to do with the capital point of view because the capital that you are required to maintain on a securitized portfolio is now only slightly lower than if you retain it. Earlier it used to be significantly lower than what we used to maintain if you retain it. Securitization is more to do with two things - one is that when we securitize we do not have any requirement on the SLR and CRR. The general provision requirement also goes down and it is a source of funding as well.

Sanjay Jain - Credit Suisse - Singapore

Finally, now that you have mentioned that retail loans and especially mortgages are slowing down for the market as a whole not just for you, any chance you think of RBI easing specific norms especially on mortgages like I think if I remember correctly it is still 75% risk weightage isn't it?

Rakesh Jha - ICICI Bank

For less than Rs. 2.0 million it is 50%, but as you know now we do not get too many mortgages less than Rs. 2.0 million. We do not expect RBI to actually ease anything in the near future.

Sanjay Jain - Credit Suisse - Singapore

Although the loan growth has slowed down and that was the part of the reason why they raise the risk weightage or all those various measures to control loan growth?

Rakesh Jha - ICICI Bank

As long as I think the system is growing at about 20% RBI is comfortable. If you ask me for a two to three year view I think RBI will rationalize some of these risk weightages on the retail side not just mortgages but even others.

Sanjay Jain - Credit Suisse - Singapore

Thank you, very much.

Moderator

Thank you, Mr. Jain. Next question comes from Mr. Mohit Aneja from Pipal Research Private Limited, New Delhi. Mr. Aneja, you may ask your quarter now.

Mohit Aneja - Pipal Research - New Delhi

Hi, Rakesh. Just a followup. Do you see that your fee income what would continue to grow at a pace it has always been and do you think that the more of it will come from corporate side and the international side of lending?

Rakesh Jha - ICICI Bank

We would target to grow our fee revenues in line with the growth that we have seen in the nine months, but it is contingent on many factors. So, it is very difficult to say that on

a quarter-to-quarter basis that the fee revenues will grow at this kind of a pace. Given the much stronger growth on the corporate side it will be fair to assume that the contribution to fee revenues would be strong going forward.

Mohit Aneja - Pipal Research - New Delhi

The next thing is that initially you have mentioned something about investments in subsidiaries, just at the start of the conference call. Can you repeat that again?

Rakesh Jha - ICICI Bank

I had mentioned that we invested about Rs.17.00 billion in the current quarter in subsidiaries - life Insurance, overseas banking subsidiaries and ICICI Home Finance Company.

Mohit Aneja - Pipal Research - New Delhi

Thanks.

Moderator

Thank you, Mr. Aneja. Next question comes from Mr. Srikanth Vadlamani from Lehman Brothers, Mumbai. Mr. Vadlamani, you may ask your question now.

Srikanth Vadlamani - Lehman Brothers - Mumbai

On staff cost what have been the employee numbers? What is the total employee strength right now? How it has been over the last three quarters?

Rakesh Jha - ICICI Bank

The current quarter we added about 2,400 employees. We now have about 39,000 employees.

Srikanth Vadlamani - Lehman Brothers - Mumbai

Last two quarters how much was it, I mean, Q1 and Q2 ending how much was it?

Rakesh Jha - ICICI Bank

It was 33,300 in March, 35,800 in June, 36,800 in September, 39,600 in December.

The employee increase has been lower in the current year compared to the earlier years. If you look at the employee base, it is growing at about 25%. Average salary increase for us is about 10% to 12%.

Srikanth Vadlamani - Lehman Brothers - Mumbai

Going forward with so many branches coming in how do you see your employee requirements?

Rakesh Jha - ICICI Bank

The December quarter additions already reflects some of the employees that we are recruiting for our new branches. In addition, as you mentioned we are also looking at redeploying our employees from other businesses into the retail liabilities.

Srikanth Vadlamani - Lehman Brothers - Mumbai

Just to put the numbers you are adding 50% more branches so in terms of employees would it be anywhere close to that number?

Rakesh Jha - ICICI Bank

Much less than that, because typically in branches there are 8 to 10 employees per branch.

Srikanth Vadlamani - Lehman Brothers - Mumbai

Thanks Rakesh.

Moderator

Thank you, Mr. Vadlamani. Next question comes from Mr. Partho from India Info Line, Mumbai. Mr. Partho, you may ask your question now.

Partho - India Info Line - Mumbai

Hi sir. I have just one clarification. Regarding your gross NPL like the total figure is at Rs. 72.46 billion in the presentation and you were mentioning Rs. 78.60 bn if you include that sale to ARCIL right?

Rakesh Jha - ICICI Bank

Yes.

Partho - India Info Line - Mumbai

So you have sold around Rs. 2.80 billion in this quarter so what is the rest amount like?

Rakesh Jha - ICICI Bank

We sold something in the previous quarter to ARCIL and some in the current quarter. In our books the number is Rs. 72.50 billion, all other numbers that I am saying are just pro forma estimated adjusted numbers.

Partho - India Info Line - Mumbai

Okay and one more thing, how many branches are you planning to open in 2009.

Rakesh Jha - ICICI Bank

That will depend on the licenses that we get.

Partho – India Info Line – Mumbai

Media report says that you have received around 400 odd branch licenses?

Rakesh Jha - ICICI Bank

We have not given out the exact number but it is in line with what the media has been saying.

Partho – India Info Line – Mumbai

Okay. Can you give sort of guidance as to what percentage of branches are you likely to open?

Rakesh Jha - ICICI Bank

We have said that we would open all these new branches by May.

Partho – India Info Line – Mumbai

Sir one more thing is CASA which has improved quite a lot in this quarter, it is around 27% if I am not wrong.

Rakesh Jha - ICICI Bank

Yes. Only thing I would like to point out is that while the absolute growth in CASA has been quite good and the percentage growth has been quite good, in terms of the CASA ratio because of the much lower growth on the deposits, that number is slightly more flattering than it should have been.

Partho – India Info Line – Mumbai

Okay. Thanks a lot.

Moderator

Thank you Mr. Partho, the next question comes from Ms. Mahrukh Adajania from UBS, Mumbai. Ms. Adajania, you may ask your question now.

Mahrukh Adajania – UBS – Mumbai

Hi. Just wanted one final number. What is your total investment in subsidiaries as of December?

Rakesh Jha - ICICI Bank

The equity investment is about Rs. 72.00 billion.

Mahrukh Adajania – UBS – Mumbai

Thanks.

Moderator

Thank you Ms. Adajania. The next question comes from Mr. Jatinder Agarwal from ABN Amro, Mumbai. Mr. Agarwal you may ask your question now.

Jatinder Agarwal - ABN Amro - Mumbai

Hi. Just want to understand on this security receipt to ARCIL. You earlier mentioned that you have about Rs. 30.00 bn of these security receipts now on your balance sheet is that okay?

Rakesh Jha - ICICI Bank

Yeah.

Jatinder Agarwal ABN Amro-Mumbai

And typically, how does this accounting work? When you read any press notes from ARCIL, their recovery rates are in the range of about 20-30%. Typically when you talk about assets reconstruction companies, they are running at about 20-30%. So, do you get any benefit when they actually close those accounts?

Rakesh Jha - ICICI Bank

It depends on eventual recovery depending on each how the particular transaction was structured. For example, in some cases we would get 9% yield on the asset that we have sold plus whatever recoveries are there.

Jatinder Agarwal ABN Amro-Mumbai

Okay. So you will basically get all the amount of your capital, which is the security receipt.

Jatinder Agarwal ABN Amro-Mumbai

And typically, how long does it take to come out of each transaction? In your history have you seen those Rs. 3.00 bn and Rs. 4.00 bn come back?

Rakesh Jha - ICICI Bank

For corporate loans it will take 3-5 years.

Jatinder Agarwal ABN Amro-Mumbai

Okay so recoveries which are there are actually when you have sold out those loans to ARCIL way back from the corporate book?

Rakesh Jha - ICICI Bank

More than three years back also. This is the total outstanding as of date, which is there.

Jatinder Agarwal ABN Amro-Mumbai

The recovery you said that you had some thing like Rs. 4.00 bn in the first 9 months?

Rakesh Jha - ICICI Bank

From what we sold about four years back.

Jatinder Agarwal ABN Amro-Mumbai

Okay, perfect, that's it. Thank you.

Moderator

Thank you Mr. Agarwal. Next question comes from Mr. Shashin Upadhyay from Alchemy, Mumbai. Mr. Upadhyay, you may ask your question now.

Shashin Upadhyay - Alchemy Stock Broking – Mumbai

Good evening Rakesh, I just wanted know one number, what is your gross retail NPL?

Rakesh Jha - ICICI Bank

Given in the presentation, Rs. 46.30 billion.

Shashin Upadhyay - Alchemy Stock Broking – Mumbai

I just wanted to understand in terms of the overall business momentum in corporates. Given the rates scenario are you seeing greater uptake happening or is there a commitment pipeline, which you have been drawing and expecting the growth rate to kind of settle down at around 25%?

Rakesh Jha - ICICI Bank

As I said it will depend in terms of where the lending rates are. In terms of the investment pipeline as we have been saying we see a very strong investment pipeline so that growth should continue both from a corporate investing and plus banks financing this investment, so over the next 2-3 years we expect strong corporate credit growth.

Shashin Upadhyay - Alchemy Stock Broking – Mumbai

Okay fine, thanks.

Moderator

Thank you Mr. Upadhyay. At this moment there are no further questions from participants, I now hand over the floor back to Mr. Rakesh Jha for final remarks.

Rakesh Jha - ICICI Bank

Thanks all of you for coming on the call on a Saturday evening. Thanks. Bye.

Moderator

Ladies and Gentlemen this concludes the conference call. You may now disconnect your lines. Thank you for connecting to audio conference service from Airtel and have a pleasant evening.