ICICI Bank Limited
Earnings Conference Call – Quarter ended March 31, 2013 (Q4-2013)
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Moderator Ladies and gentlemen, good day and welcome to the ICICI Bank's Q4-2013 Earnings Conference Call. As a reminder, for the duration of this conference, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. If you should need assistance during this conference call, please signal an operator by pressing * followed by 0 on your touchtone phone. Please note that this conference is being recorded. At this time, I would like to hand over the conference to Mr. N.S. Kannan. Thank you and over to you sir.

N. S. Kannan Good evening and welcome to the conference call on the financial results of ICICI Bank for the quarter ended March 31, 2013, which is the fourth quarter of the current financial year 2013, that is Q4-2013.

As always, my remarks this evening would revolve around four key themes:

- First: the domestic macro-economic and monetary environment;
- followed by, our performance during the quarter, including performance on our 5Cs strategy;
- then, our consolidated results;
- and finally, the outlook for the full financial year 2014.

Let me start with the first part on the macro economic and monetary environment during the fourth quarter.

Indicators of real economic activity continued to reflect moderation in growth. The growth in the index of industrial production (IIP) continued to remain volatile with 2.4% growth in January 2013 followed by a growth of 0.6% in February 2013. Cumulative growth in IIP during April 2012 to February 2013 was 0.9% compared to 3.5% in April 2011-February 2012. GDP growth for the nine months ended December 2012 was 5.0%, with moderation seen across all key sectors.

Export growth turned positive from January 2013 recording a growth of 4.1% in Q4-2013 compared to a decline of 3.6% in Q3-2013. Imports grew by 2.0% during Q4-2013 compared to a growth of 7.1% in Q3-2013, with the lower growth being driven by lower value of gold and oil imports, while non-oil imports continued to decline. The trade deficit stood at USD 191 billion during fiscal 2013 compared to USD 183 billion in fiscal 2012. The Rupee appreciated marginally during the quarter from ₹ 54.8 per USD at end-December 2012 to ₹ 54.4 per USD at end-March 2013.

Inflation trends showed continued moderation during the fourth quarter, with WPI inflation declining from 7.3% in December 2012 to 6.0% in March 2013. This was primarily due to a consistent moderation in manufactured products inflation which eased from 5.0% in December 2012 to 4.1% in March 2013. Core inflation moderated from 4.3% in December 2012 to 3.4% in March 2013, the lowest level since March 2010. Fuel inflation remained high due to the increase in diesel prices while food inflation eased during the quarter. The average inflation for FY2013 was 7.3% compared to 8.9% in FY2012.

Systemic liquidity remained tight during the fourth quarter with average daily borrowing by banks under the liquidity adjustment facility (LAF) window increasing to about ₹ 995 billion compared to ₹ 937 billion during the previous quarter. This was partly due to lower government spending during the quarter. The Reserve Bank of India provided liquidity support by way of Open Market Operations of about ₹ 335.48 billion and a reduction in the cash reserve ratio by 25 basis points to 4.00%. As a result of tightening liquidity, interest rates on market instruments like Commercial Papers and Certificate of deposits increased during the fourth quarter. The yield on the 10-year benchmark government securities remained stable at 8.0% at end-March 2013.

In Q4-2013, given the trends in inflation and growth, the Reserve Bank of India reduced the repo rate by 50 basis points with 25 basis points reduction each in January and March 2013.

Global financial markets have improved, following continued monetary policy support announced by the US, Japan and EU, and improvements in economic indicators for the US. On the domestic side, easing inflation, rationalisation of diesel prices, and government's focus on containing the fiscal deficit, coupled with global liquidity conditions, resulted in FII inflows remaining strong in the fourth quarter. Net FII inflows were about USD 13.1 billion in Q4 of 2013, the highest quarterly inflow during the FY2013. However, equity markets turned volatile from February 2013. Global developments like the crisis in Cyprus, and domestic factors such as political uncertainties and subdued growth impacted markets. The benchmark BSE Sensex decreased by 3.2% during Q4-2013 to 18,836 at end-March 2013 from 19,427 at end-December 2012.

Credit offtake from scheduled commercial banks remained moderate during the fourth quarter on a year-on-year basis. Non-food credit recorded a 14.0% increase year-on-year at March 22, 2013 compared to a growth of 16.8% at March 23, 2012. Deposit growth continued to remain moderate with total deposits recording a growth of 14.3% year-on-year at March 22, 2013 compared to a growth of 13.5% at March 23, 2012. Demand deposits grew by 5.9% year-on-year while time deposits grew by 15.2% at March 22, 2013.

With this background, I now move to Part 2 on the performance of the Bank during the quarter.

Let me begin with the progress on our 5Cs strategy:

- **First, with respect to Credit growth:** Total advances of the Bank increased by 14.4% on a year-on-year basis from ₹ 2.54 trillion at March 31, 2012 to ₹ 2.90 trillion at March 31, 2013. The growth in the domestic loan portfolio was higher at 17.7% on a year-on-year basis at March 31, 2013. The growth in advances was balanced across various loan segments.

From March 31, 2013, we have revised the presentation of the domestic loan portfolio mix to better reflect the nature of the underlying loans. The key changes made are:

The portfolio earlier presented as “Rural” has been segregated into loans of retail, SME and corporate nature and the same have been added to the retail, SME and domestic corporate portfolios respectively in the presentation;

Business banking loans which form part of our Retail Banking Group’s business have been reclassified from SME to retail;

The builder finance portfolio which was earlier reported as part of the home loan portfolio within retail has been reclassified to the domestic corporate portfolio.

For your convenience, we have included in the presentation, data for March 31, 2012 and December 31, 2012 on the revised basis. My subsequent discussion on our credit growth for the year is based on the new classification. There is no material change in the growth trends of the loan portfolios due to this change.

Growth in the retail portfolio has been increasing steadily over the last few quarters. This trend has continued into the fourth quarter as well, with the organic retail portfolio, after excluding buyouts and IBPCs, growing by 25.6% on a year-on-year basis at March 31, 2013. However, during Q4-2013, the Bank had significantly lower portfolio buyouts in the retail portfolio, compared to the buyouts in Q4-2012, with higher investments in pass through certificates instead. Accordingly, the overall retail loan growth, including such bought out portfolio, was lower at 11.4% on a year-on-year basis at March 31, 2013. The growth in the retail portfolio was driven by growth in the secured retail lending categories with outstanding mortgages increasing by about 18% and auto loans increasing by about 25%. Growth in the organic commercial business loans, that is after excluding the impact of portfolio buyouts and IBPCs, was 16.7% on a year-on-year basis at March 31, 2013. Including buyouts, the commercial business portfolio saw a decline of 16.1% on a year-on-year basis at March 31, 2013. The Bank's unsecured retail portfolio increased by 20.6% on a year-on-year basis to ₹ 43.10 billion at March 31, 2013 and is about 1.5% of the overall loan book.

The growth in the corporate and international portfolio was 18.1% on a year-on-year basis, driven largely by a 29.9% growth in the domestic corporate portfolio. On a sequential basis the domestic corporate portfolio has reduced by about 4%.

Net advances of the overseas branches increased by 5.7% on a year-on-year basis in rupee terms, primarily due to the movement in the exchange rate. In dollar terms the net advances of the overseas branches remained stable on a sequential and year-on-year basis at March 31, 2013.

- **Moving on to the second C on CASA deposits:** Mobilisation of CASA deposits has continued to remain challenging for banks, as reflected in the trends in demand deposit growth. Despite this, the Bank has seen healthy momentum in its CASA deposits during the fourth quarter. During Q4-2013, the Bank saw an increase of ₹ 41.88 billion in its savings account deposits and an increase of ₹ 12.52 billion in its current account deposits, resulting in an improvement of the overall CASA ratio from 40.9% at December 31, 2012 to 41.9% at March 31, 2013. The Bank also saw an increase in its average CASA ratio from 37.4% during Q3-2013 to 38.1% in Q4-2013.

- **On the third C on Costs:** For the fourth quarter, operating costs, including DMA expenses, were higher by 8.3% on a year-on-year basis. The Bank's cost-to-income ratio declined to 40.0% in Q4-2013, compared to 41.6% in Q4-2012. For the full year, the operating expense growth was 14.8% and the cost-to-income ratio was 40.5% compared to 42.9% in the previous year.

- **Let me move on to the fourth C on Credit quality:** During Q4-2013, the Bank saw gross additions of ₹ 7.79 billion to its overall gross NPAs. Recoveries in Q4-2013 were ₹ 4.44 billion, resulting in net additions to gross NPAs of ₹ 3.35 billion. The Bank has also written-off ₹ 4.91 billion of NPAs during Q4-2013. The provisioning coverage ratio was 76.8% at March 31, 2013 compared to 77.7% at December 31, 2012 and 80.4% at March 31, 2012. The decline in the provisioning coverage ratio compared to March 2012 and December 2012 was mainly on account of write offs of unsecured retail loans, and incrementally there is no change in the Bank's approach to provisioning.

The net NPA ratio was 64 basis points at March 31, 2013, the same level as at December 31, 2012 and marginally higher than the March 31, 2012 net NPA ratio of 0.62%.

Coming to restructured loans: In January 2013, RBI issued guidelines requiring banks to report restructured loans at a borrower level i.e. including all facilities, including those not restructured, to a borrower where any of the facilities have been restructured. The Bank has implemented this guideline effective fiscal 2013. Accordingly, the net restructured loans at the beginning of the year as per these revised guidelines were ₹ 45.54 billion (compared to ₹ 42.56 billion reported on the earlier basis) and at December 31, 2012 were ₹ 45.62 billion (compared to ₹ 41.69 billion reported on the earlier basis). Additions to the restructured portfolio were ₹ 7.88 billion in Q4-2013. As a result, the net restructured loans increased to ₹ 53.15 billion at March 31, 2013. On a full year basis, the total standard loans restructured for the Bank were about ₹ 17 billion compared to about ₹ 36 billion that we had seen in the previous year.

Provisions for Q4-2013 were at ₹ 4.60 billion as compared to ₹ 4.69 billion in Q4-2012 and ₹ 3.69 billion in Q3-2013. The provisions in Q4-2013 were higher on a sequential basis on account of higher provisions on loans restructured during the quarter. Credit costs as a percentage of average advances were at 65 basis points on an annualised basis for Q4-2013. For the full year FY2013, provisions were ₹ 18.03 billion and credit costs as a percentage of average advances were 66 basis points.

- **Now to the fifth C on Customer centricity:** The Bank continues to focus on enhancing its customer service capability and leveraging on its increased branch network to cater to its customer base.

During the year, the Bank added 348 branches and 1,475 ATMs to its network. With this, the Bank has a branch network of 3,100 branches and 10,481 ATMs at March 31, 2013. The Bank also continues to strengthen its technology channels for increasing customer convenience. The Bank's Facebook initiative continues to be appreciated by customers, with the fan base for the ICICI Bank facebook page reaching over 2.0 million fans currently.

Having talked about the progress on 5Cs, let me move on to the key financial performance highlights for the quarter.

1. Net interest income increased 22.5% year-on-year from ₹ 31.05 billion in Q4-2012 to ₹ 38.03 billion in Q4-2013. For the full year, the net interest income growth was 29.2% from ₹ 107.34 billion to ₹ 138.66 billion. The full year net interest margin was 3.11%, an improvement of over 35 bps compared to FY2012. The net interest margin for the fourth quarter was higher at 3.33% compared to 3.01% in Q4-2012 and 3.07% in Q3-2013. The NIM on domestic business was about 3.7% in Q4-2013 and the NIM on international business was about 1.3%. The improving trend in the margins is the result of our conscious focus on NIM over the last few years, including loan pricing, investment yields, funding mix, funding & costs and the reduction of drag from some factors like securitisation losses. However, I would like to say that the fourth quarter NIM has come in ahead of our expectations. A substantial part of the Bank-specific structural areas of NIM have been addressed and going forward the NIM progression would be more closely linked to the operating environment. We believe that given the evolving interest rate, liquidity, credit & deposit growth environment and the competitive scenario, our focus would be on achieving a year-on-year NIM improvement of about 10 basis points in the coming year compared to the full year NIM for FY2013.

2. Total non-interest income was ₹ 22.08 billion in Q4-2013 compared to ₹ 22.28 billion in Q4-2012.

- During Q4-2013, treasury recorded a profit of ₹ 0.93 billion compared to a profit of ₹ 1.58 billion in Q4-2012 and a profit of ₹ 2.51 billion in Q3-2013. The profit in Q4-2013 was lower on account of mark to market losses on the equity portfolio following volatility in the equity markets during the quarter.

- Other income was ₹ 3.40 billion in Q4-2013, compared to ₹ 3.42 billion in Q4-2012 and ₹ 1.93 billion in Q3-2013. During Q4-2013, the Bank received dividend of ₹ 1.09 billion from ICICI Bank UK, similar to the quantum received in Q4-2012.
- Fee income increased by 2.7% from ₹ 17.28 billion in Q4-2012 to ₹ 17.75 billion in Q4-2013. Overall fee income growth continued to remain impacted by lower corporate banking fee income due to the slowdown in new projects/financial closures. During Q4-2013, the Bank saw healthy growth in its retail banking fees.
- For the full year FY2013, total non-interest income was ₹ 83.46 billion comprising treasury income of ₹ 4.95 billion, other income of ₹ 9.50 billion and fee income of ₹ 69.01 billion.

3. I have already spoken about the trends in operating expenses and provisions while speaking about the 5Cs strategy.

4. Consequent to the financial parameters I described earlier, the Bank's standalone profit after tax increased by 21.1% from ₹ 19.02 billion in Q4 of 2012 to ₹ 23.04 billion in Q4 of 2013. For the full year, the standalone profit after tax increased by 28.8% from ₹ 64.65 billion in FY2012 to ₹ 83.25 billion in FY2013.

I now move on to the consolidated results.

On a full year basis, the profit after tax for the life insurance company was ₹ 14.96 billion in FY2013 compared to ₹ 13.84 billion in FY2012. The profit after tax in Q4-2013 was ₹ 3.54 billion as compared to ₹ 3.28 billion in Q4-2012. The profit after tax was lower on a sequential basis on account of higher new business strain, given the higher new business premium in Q4-2013. The Q4-2013 level of net profits reflects an annualised return of about 30% on the Bank's invested capital. Following a phase of transition to the new regulatory regime, ICICI Life Insurance has started witnessing healthy year-on-year increase in volumes. The new business annualized premium equivalent for ICICI Life increased by 18.6% from ₹ 10.77 billion in Q4-2012 to ₹ 12.77 billion in Q4-2013. The new business margin for Q4-2013 was 15.0%. The retail weighted received premium for ICICI Life increased by 16.3% during April 2012 to February 2013 compared to a 2.2% year-on-year growth for the private sector and 1.8% growth for the industry. During April 2012 to February 2013, ICICI Life maintained its market leadership in the private sector with an industry market share of 7.2% on the basis of retail weighted received premium.

On a full year basis, ICICI General has seen a significant improvement in profitability with profit after tax of ₹ 3.06 billion in FY2013 compared to a loss of ₹ 4.16 billion in FY2012. ICICI General Insurance recorded a profit after tax ₹ 0.27 billion in Q4-2013 as compared to a loss of ₹ 6.13 billion in Q4- 2012. As I had mentioned on the earlier results call, the company has recognised the residual impact of actuarial valuation of the third party motor pool liability in Q4-2013. During the quarter, the Bank has infused about ₹ 0.74 billion of capital in the general insurance subsidiary, in view of the impact of the third party motor pool losses recognised by the company over the last two years. The company maintained its leadership position in the private sector with overall market share of 9.8% during April 2012 to February 2013.

Let me move on to the performance of our overseas banking subsidiaries. As per IFRS financials, ICICI Bank Canada's profit after tax for Q4-2013 was CAD 11.2 million as compared to CAD 10.2 million for Q4-2012. For the full year FY2013, the profit after tax for ICICI Bank Canada was CAD 43.6 million compared to CAD 34.4 million in FY2012. Total assets for ICICI Bank Canada were CAD 5.37 billion at March 31, 2013 compared to CAD 5.33 billion at December 31, 2012. With effect from January 1, 2013, ICICI Bank Canada implemented Basel III capital adequacy framework, in line with regulatory requirements. Accordingly, the capital adequacy ratio for ICICI Bank Canada at March 31, 2013 was 33.2% as per the Basel III framework, compared to the reported Basel II capital adequacy ratio of 34.5% at December 31, 2012.

ICICI Bank UK's total assets were USD 3.59 billion at March 31, 2013 compared to USD 3.98 billion at December 31, 2012. The profit after tax for ICICI Bank UK for Q4-2013 was USD 0.3 million compared to USD 10.5 million in Q4-2012. Net profits for ICICI Bank UK declined as, during the quarter, the company increased its provisioning for existing impaired loans. For the full year FY2013, ICICI Bank UK's profit after tax was USD

14.4 million compared to USD 25.4 million in FY2012. The capital adequacy ratio, even after the USD 100 million capital repatriation during the quarter, was healthy at 30.8% at March 31, 2013.

Let me now talk about the overall consolidated profits.

The consolidated profits for Q4-2013 increased by 37.7% to ₹ 24.92 billion compared to ₹ 18.10 billion in Q4-2012. The consolidated profits for Q4-2012 included the impact of additional third party motor pool losses of ₹ 6.85 billion recognised by the general insurance subsidiary while the consolidated profits for Q4-2013 include a significantly smaller loss on account of the actuarial valuation of the pool, as I had mentioned earlier. On a full year basis, the consolidated profits increased by 25.7% from ₹ 76.43 billion in FY2012 to 96.04 billion in FY2013. The full year consolidated RoE for FY2013 was 14.7% compared to 13.0% in FY2012. In the third quarter, the Bank had achieved its target of a 15% consolidated RoE and we have sustained the consolidated RoE, excluding the general insurance motor pool impact, at this level in the fourth quarter as well.

I would now like to talk about our outlook for fiscal 2014. As I had mentioned earlier, there has been a moderation in economic growth. At the same time, several changes on the regulatory front are underway. Our outlook for fiscal 2014 is in this overall context.

- With respect to loan growth, we would target domestic loan growth to be at about 20%, assuming systemic loan growth of 17-18%. We would target about 25% growth in the retail portfolio, driven primarily by secured products. Domestic corporate loan growth is expected to moderate from the levels seen in FY2013 and will be primarily driven by demand for working capital finance and balance sheet funding, and offtake from existing project approvals. The international book in our overseas branches is expected to grow at about 10%.
- Given the current growth trends in demand deposits in the system, our target would continue to be to maintain the average CASA ratio at the current levels for FY2014.
- We would target an improvement of about 10 basis points in the overall margins on a full year basis.

- With respect to fees, during FY2013, we have seen improvement in certain fee segments such as transaction banking and retail banking fees. However, fee income was impacted by a decline in corporate lending linked fees due to the slowdown in new projects/financial closures. The proportion of corporate lending linked fees in the overall fee income base has now reduced substantially and, with continued growth momentum in the other fee streams, we are targeting an improvement in fee income growth to double digits in FY2014.
- For FY2014, our endeavour would be to maintain cost-to-income ratio to within 40%
- For FY2014, we would work to contain overall provisions to average advances to about 75 basis points, based on the current RBI guidelines and our current assessment of asset quality trends.

With this, I conclude my opening remarks. My team and I will be happy to take your questions.

Moderator Thank you. Participants, we will now begin the question and answer session. The first question is from the line of Mahrukh Adajania from Standard Chartered. Please go ahead.

Mahrukh Adajania I just had a couple of questions on priority sector lending. What was the amount of buyout included in loans in Q4-2013 and Q4-2012 respectively? How are you placed on your overall priority sector lending for FY2013?

Rakesh Jha In terms of the overall priority sector lending, we would have achieved about 90% of the requirements, and as Kannan mentioned, the level of buyouts in the loan portfolio in FY2013 have been lower than FY2012. In FY2013, we would have done such transactions in the form of PTCs which come in the investment portfolio. But in the loan portfolio, the amount is clearly lower than what we had last year.

Mahrukh Adajania Can you tell us the amount of buyouts in the loan portfolio for FY2013 and FY2012?

Rakesh Jha It was about ₹ 170 billion in FY2012 and about ₹ 80 billion in FY2013.

Moderator Thank you. The next question is from the line of Vishal Goyal from UBS. Please go ahead.

Vishal Goyal What is your current restructuring pipeline?

N. S. Kannan The Bank currently has about ₹ 6-7 billion of loans outstanding to cases that are currently referred to the Corporate Debt Restructuring mechanism. However, given the current economic environment, there may be more additions to restructuring which could be difficult to predict at this point in time. I just wanted to assure you that we continuously monitor the portfolio very closely to ensure that we limit the asset quality issues. As you have seen the trend in the last two years, in financial year 2012, the incremental restructuring was about ₹ 36 billion which has reduced to about half of that level in financial year 2013. While it is difficult to give a sense for FY2014 at the current moment, we are confident of maintaining our credit losses at about 75 basis points of the average advances for FY2014.

Vishal Goyal The 75 bps is including any NPV loss that you might have to incur?

N. S. Kannan That is correct. It also factors in the revised provisioning requirements of the Reserve Bank of India with regard to restructured loans.

Vishal Goyal Ok. Can we get some breakup of fee income in terms of retail, transaction banking and corporate?

Rakesh Jha In terms of the breakup, broadly the retail and SME segment form over 50% of the total fee income. Of this, retail asset fees will be about 15-16%, retail liability fees will be about 25%, and the balance will be coming from the SME and the other segments. On the corporate side, the lending-linked fees have come down significantly. Lending linked fees now accounts for about 30% of the corporate fees and balance is now mostly coming from the transaction banking and the FX and derivatives.

Moderator Thank you. The next question is from the line of Manish Ostwal from KR Choksey. Please go ahead.

Manish Ostwal Could you provide the breakup of provisions for this quarter?

Rakesh Jha Provisions made during Q4-2013 are largely for NPAs and restructured loans. Provision for standard assets was not material.

Manish Ostwal Is there any writeback in the standard assets provisions during the quarter?

Rakesh Jha There was a small writeback because of decrease in portfolio size of the dual rate home which carried a higher provision requirement of 2%.

Manish Ostwal Secondly, in the interest income, there is one item on other interest where the amount is ₹ 4.40 billion in Q4-2013 compared to ₹ 1.94 billion in Q3-2013. Is there any one-off like interest on IT refund in Q4-2013?

Rakesh Jha Interest on IT refund comes in every year. The other interest income , as you mentioned, was about ₹ 4.40 billion in the Q4-2013 compared to ₹ 1.94 billion in the Q3-2013 and ₹ 3.03 billion in Q4-2012. However, for the full year the amount is close to ₹ 12 billion for both FY2012 and FY2013. This also includes interest on income tax refund for each of the years. Further, as Kannan mentioned earlier, from a margin perspective, we should look at the full year margin, which was 3.11% and take that as a base as we get into the next year. As we said earlier, we are looking at expanding the full year margins by about 10 basis points.

Manish Ostwal Lastly, as you said, retail book will grow at a faster pace in FY2014 as compared to corporate book. But, within retail, which are the segments you would target to grow?

N. S. Kannan As I mentioned, we target to grow the overall retail book by about 25% whereas the overall domestic loan book should grow by about 20%. Hence the proportion of retail in our overall loan book will continue to increase. Within retail, secured products such as mortgages and vehicle loans will continue to be the primary growth drivers. Our growth in the commercial business which comprises commercial vehicles and commercial equipments will continue to be calibrated to the environment and focus would be on loans that are eligible for priority sector.

Moderator Thank you. The next question is from the line of Amit Premchandani from UTI Mutual Fund. Please go ahead.

Amit Premchandani You have clubbed most of the rural advances to either retail or corporate. Is there no crop loan which you give?

Rakesh Jha That will be a part of the retail portfolio. We have basically taken the classification based on the customer to whom the loans have been made. Accordingly, rural loans have been classified into either retail, SME or corporate.

Amit Premchandani In terms of reclassification, retail NPLs, will they get reclassified because of the reclassification of the retail loan book?

Rakesh Jha There would be some impact because of change in the overall portfolio, but there is nothing really material. As you know, in our case, most of the retail NPAs were from unsecured retail and some of it from vehicle financing which continue to be in the retail portfolio. To the extent the rural portfolio has been classified into the retail segment, there will be some additions to the NPLs in the revised retail segment.

N. S. Kannan I just wanted to reemphasize that we have changed the reporting of our loan book to better reflect the nature of the underlying loans. We have been having this discussion about classification of builder financing, etc. in the past. So we thought it is a good time to just reclassify it so that it accurately reflects the underlying business and currently the change was not making any material difference in portfolios reported.

Amit Premchandani If I reduce the retail NPLs from the overall NPL, the gross NPL in non-retail comes to around 3%, around ₹ 54 billion as compared to around ₹ 36 billion last year. 3% gross NPL in the non-retail for a private bank should be one of the highest. Which are the segments that have contributed to it and why is it that some of the other private banks have much lower overall NPLs even in non-retail?

Rakesh Jha On the non-retail, we have said in the past that we have seen some NPL additions in the SME segment and restructurings of loans to some of the mid-sized corporates. I do not think that our numbers would be anything substantially different compared to other banks which are also there in the corporate and SME lending business.

N. S. Kannan SME portfolio continues to be about 5%, of the portfolio where there have been some NPL additions in every quarter but apart from that we have not seen any specific trends in NPL additions.

Amit Premchandani The increase in gross NPL on the non-retail front has been ₹18 billion on a gross basis for the year. Is there any particular segment or is it largely SME?

Rakesh Jha It is from mainly from the SME segment and also includes one particular asset that got added in the September quarter, which we had talked about then.

Moderator Thank you. The next question is from the line of Manish Karwa from Deutsche Bank

Manish Karwa Is the reclassification of loans based on some directive from RBI or we ourselves decided to do this?

N. S. Kannan We ourselves decided to do it. It has nothing to do with RBI. We did it in order to reflect the underlying nature of the portfolios, based on feedback we had got in the past, for example, in terms of classification of builder loans and generally in line with the way other banks report.

Rakesh Jha This is for presenting in the financials. In terms of how the business is organised, it continues to be the same.

Manish Karwa Ok. On the restructuring front, RBI draft guidelines say that restructured loans which are performing for two years can be upgraded to standard, but we upgrade on one year of satisfactory performance. Are we are still doing it on a one year basis or have we changed that as well?

Rakesh Jha We are doing it as per the RBI guidelines. It so happens that wherever the one year period would have got over and we would have upgraded in the past, the two-year period would also have got over. So there is not much of an impact on account of that.

N. S. Kannan But in any case, like we have articulated in the past, the slippages for us out of restructured loans into NPL has not been large. With time, whether it is one or two years, the bulk of the restructured portfolio for us gets upgraded. So it is not a significant concern for us.

Manish Karwa Ok. What would be your domestic NIMs and international NIMs for the fourth quarter?

N. S. Kannan Domestic NIM would be about 3.7% and the international NIM would be about 1.3% for Q4-2013. We still continue have some excess liquidity in the international balance sheet. When we talked about the 10 basis points or so expansion in the overall NIM, we factored in an improvement in the international NIM on account of deployment of the excess liquidity.

Manish Karwa Lastly, the expense ratio of your life insurance subsidiary has actually increased after a long time. Is it due to to product changes?

Rakesh Jha There is some increase in the expense ratio from about 18% to 19%. This would be mainly due to the change in product mix over the past two years.

Manish Karwa Ok. Following the the reduction in new business margins that we have seen this year, should we now assume that the margin would settle at these levels or can there be a further downside?

Anindya Banerjee We will have to see the trends in margins because the guidelines on the traditional products will take effect in the current financial year.

Moderator Thank you. The next question is from the line of Prakhar Agarwal from Edelweiss Securities. Please go ahead.

Nilesh This is Nilesh here. We have seen a good sequential pickup in margins and next year you are looking at about 10 bps improvement. So on a Y-o-Y basis you are looking at margins at about 3.21%. Does that mean that from here on probably there could be some quarters where the margins will start trending down?

Rakesh Jha As Kannan mentioned, we are looking at about 10 basis points improvement over the full year FY2014 margins. One should also not take it as as precise a number as 3.21% for the coming financial year as there will be a lot of variables impacting the trends in margins. For the next year

3.1% is the base that we should take and look at an improvement over that level. The movement in margins for a single quarter could vary. For example, in earlier years, we used to have a much higher funding cost in the March quarter, which used to impact the margin in the first quarter of the next financial year. Also at some stage during FY2014, banks could reduce their base rate which may have an impact on margins.

Nilesh For Q4-2013 specifically, was the increase of over 20 bps on the domestic margins more on account of improvement in the yield on advances or was it due to a reduction in the funding costs?

N. S. Kannan The improvement was largely on account of the funding cost side as our deposit costs have been coming down and secondly the average CASA ratio has improved during Q4-2013.

Nilesh You had mentioned earlier that the margin movement came as a surprise to you. So was there any factor besides this?

N. S. Kannan We have been very focused on the net interest margins In the last quarter our average CASA ratio had come down. So, during Q4-2013, there was a lot of emphasis on the daily average CASA balance.

Nilesh Could you give some outlook in terms of the performance for subsidiaries going into next year? The reason I am asking this is that while this year we have seen a strong performance for the standalone bank, the performance of the subsidiaries was relatively muted.

N. S. Kannan On the standalone bank itself, the drivers would be further expansion of ROA through further expansion in the net interest margin, containing the cost-income ratio below 40% and improving fee income growth to about double-digits. In the subsidiaries the improvement in performance can be looked at through two ways. First, in our international subsidiaries, we would continue to discuss with the regulators on getting some of the excess capital back which will help the ROE expansion for the respective subsidiaries. Secondly, with respect to the domestic subsidiaries, ICICI General Insurance is performing well now and would continue to report profits. They have market leadership with close to 10% market share and we would be expecting them to earn profits consistently, so that they can start paying dividend. Currently, ICICI General has about 18% return on the invested capital which can improve during the next year, given that the third party motor pool impact has now been fully absorbed. The life insurance subsidiary has shown improvement in volumes, but expecting the profit to grow at a significant rate will be difficult because they are already earning about 30% return on the invested capital. ICICI Securities Primary Dealership has shown improvement in profits in FY2013. While the performance of ICICI Securities largely depends on the market conditions, we hope to see better profits for the company in FY2014. We have specifically set targets and the strategic path for each of the subsidiaries and the focus on the subsidiaries will continue.

Nilesh Does that mean that the share of dividend for the standalone bank, would continue to remain constant for the next year?

N. S. Kannan No, our endeavor would be to increase it slightly.

Moderator The next question is from the line of Prashant Shah from Vantage Securities. Please go ahead.

Prashant Shah You have already achieved your RoA target which you had kept for 2 years later. Could you quantify what your next target would be?

N. S. Kannan On a standalone basis we are at 1.66% RoA for FY2013.

Prashant Shah Yes, but you had given a target of about 1.7% by FY2015. You are close to the target in Q4-2013 itself.

N. S. Kannan Currently, we believe that it is possible to further improve RoA to between 1.7% and 1.8% on a full year basis. Beyond that we do believe that we have some scope to improve the risk weighted assets and along with some rationalisation of capital from the overseas subsidiaries, we do believe that the ROE can be expanded further.

Moderator Thank you. Our next question is from the line of Anand Vasudevan from Franklin Templeton. Please go ahead.

Anand Vasudevan Can you give an update on the findings of the money laundering and KYC investigations both in the Bank and in the life insurance subsidiary?

N. S. Kannan As you would know, we had appointed an internal enquiry committee to look into the allegations made by the news portal. We had also appointed Deloitte, an external firm, to carry out a detailed forensic analysis of the transactions in the branches appearing in the videos. The internal enquiry committee has submitted its report and the external firm has also submitted its interim report. Based on this, the key findings are that no actual transactions have been found to have taken place pursuant to the specific instances shown by the news portal, and based on the enquiry thus far, no other transactions of this type have been found in the concerned branches. The Bank's procedures to implement know-your-customer and anti-money laundering statutes/ regulations have been found to be satisfactory. It may be noted that the issue relates to adherence to KYC norms and not money laundering. Certain suggestions have been made for further strengthening some processes, which are being taken up for implementation. The effectiveness of these controls give us confidence that in case any attempt is actually made to put through an unexplained transaction, it will either get rejected or detected and reported to appropriate authorities. The conduct of some of the concerned employees is in violation of the Bank's Code of Conduct and appropriate action is being taken in respect of the same. To summarise, we do not see it as an anti-money laundering issue. If there is any transactional error, we will tighten the processes going forward.

Anand Vasudevan Does that hold for the life insurance subsidiary as well?

N. S. Kannan Yes. We followed a similar process for the life insurance company as well. ICICI Life had also appointed Deloitte as an external consultant. The company also had an internal enquiry committee which has submitted the report. The conclusions have been broadly the same.

Moderator Thank you. We have the next question from the line of Rakesh Kumar from Elara Capital. Please go ahead.

Rakesh Kumar My question is pertaining to the margins. We are expecting close to 10 bps improvement in overall margins in FY2014. Is this improvement expected from the assets side or the liabilities side?

Rakesh Jha The improvement in overall margins will mainly come from some improvement in overseas margins and change in the overall loan mix due to higher growth in domestic loans. Further, on the domestic business, from a lending perspective there could be pressures on the yields in the current financial year. In terms of funding, I think there will be opportunities for the overall funding cost to go down, but there could be some timing mismatches between how the asset yields and the cost of funds move.

Rakesh Kumar Ok. Secondly, we are expecting some improvement on the ROA front also for the next year. Is that right?

Rakesh Jha That is right.

Rakesh Kumar But in the outlook for next year, we are expecting a 10 bps improvement in margin and about 10 bps increase in the credit cost from 66 bps to around 75 bps, which implies that on a risk adjusted basis, there would not be any improvement. So the improvement in RoA would basically come from either operating expenses or from the fee income side.

N. S. Kannan It should come from both. On fee income we have seen a 2.9% growth in the current financial year which we expect to improve to at least double-digit growth in FY2014. On the operating expenses front, our endeavour would be to maintain cost-to-income ratio to within 40%. Based on those two variables and the margin expansion, we do believe that we can expand the ROA in the next year to between 1.7% and 1.8%.

Rakesh Kumar Ok. On the employee expenses side, for this full year compared to previous year, we have seen lower growth as compared to the last year. What is the number of employees we had at March 2012 and what have we added during the year?

Rakesh Jha We have added about 4,000 employees during the year. We started with slightly above 58,000 in March 2012 and currently we are at slightly above 62,000 in terms of total employees.

Rakesh Kumar Ok. What was the wage inflation for FY2013?

Rakesh Jha For FY2013, the increase in salaries would have been about 8% to 10%.

Rakesh Kumar Do we expect a similar trend for FY2014 for the wage inflation?

Rakesh Jha Yes, it will be similar.

Moderator Our next question is from the line of Jatindar Agarwal from CIMB. Please go ahead.

Jatindar Agarwal Can we get the quarterly movement of gross NPLs?

Rakesh Jha We have added ₹ 7.79 billion of NPLs. Deletions including the upgrades were ₹ 4.44 billion and write-off were ₹ 4.91 billion. Overall, the gross NPAs decreased from ₹ 98.03 billion at December 31, 2013 to ₹ 96.47 billion at March 31, 2013.

Jatindar Agarwal Secondly, within the term deposits, can we get the mix of wholesale and retail?

Rakesh Jha In the overall domestic deposits, retail is about 69%.

Jatindar Agarwal So that would include your savings, current and retail term?

Rakesh Jha Yes, within the term deposits, retail would be about 55%.

Jatindar Agarwal Ok. Two or three weeks ago we saw this news of 7 trillion of projects being stalled where the finance minister was given the list and incremental action was being taken. Can you give a broad sense as to how much of these projects are on the ground in terms of banks actually having exposures, and just for your bank, what could be the size of these projects?

N. S. Kannan I do not think we have done any tallying of the 7 trillion number to our portfolio as such. We have said in the past that our infrastructure portfolio is less than 15% of our exposure which is divided broadly between power and other sectors. In the other sectors the project exposure is actually less. For instance in the telecom sector we have no project exposure and broadly on the other non power part of the portfolio there are no issues as well. On the power part, which is about 6.4% of our total exposure, about half continues to be projects under implementation and that is the finite set of projects that we are monitoring quite closely with respect to the commissioning dates and what is going to be the fuel source, other sensitivities to various fuel sources and the level of operations that is required for them to service debt. And overall infra exposures as a percentage of our total exposure has been slightly coming down and is about 12.5% of total exposure at March 31, 2013 compared to about 13.0% which we had at March 31, 2012. The concern is around non-announcement of new large projects and not much around the monitoring of the existing projects.

Jatindar Agarwal Lastly, could you give some sense of what is happening on the commercial vehicles and the construction equipments business?

Rakesh Jha In terms of the incremental demand, clearly, there is a slowdown in that segment and we have seen that reflecting in our book. From a credit perspective, we are not seeing any trends in terms of increase in delinquencies on the overall portfolio. In the last 3 or 4 years, we really have not grown that book very aggressively and so we will not really be the first to see stress on the portfolio. However, from an incremental demand perspective, there is a slow down and in few cases there may be some delays in payments.

Jatinder Agarwal Would we have increased LTVs in that segment for whatever little disbursements we did during the year?

Rakesh Jha Not really

Moderator Our next question is from the line of Nitesh Gandhi from Bank of America. Please go ahead.

Nitesh Gandhi Can I have the breakup of NPLs additions and recoveries and write-offs for the full year?

Rakesh Jha Additions were ₹ 37.19 billion, deletions are about ₹19.69 billion and write offs are about ₹16.26 billion.

Nitesh Gandhi Rakesh, can you give some idea about your overseas ALM for fiscal 2014 in terms of the asset and the liability side?

Rakesh Jha In terms of the repayments in FY2014, the amounts are clearly lesser than FY2013 and that is the reason that we are looking at about 10% growth in the international loan book. In terms of repayments there are about USD 1.8 billion of repayments on the bond issues and other borrowings during FY2014 and a similar amount of repayments from our loan portfolio as well. So the portfolio on the ALM side is well matched. Further, depending on the market we would look at incremental fund raising to grow the portfolio.

Nitesh Gandhi Ok. What is your branch expansion strategy? With you at 3,100 branches the next largest private sector player is very close. So is there any thought process behind that or you will be looking to increase the productivity of the branches set up over the last two years?

N. S. Kannan We will continue to expand branches by 10% to 15% next year and probably the year after that as well. This will come through a mix of urban and metro branches and a large proportion in the rural and semi urban areas.

Nitesh Gandhi Ok. Out of the 3,100 branches, how many would be in the semi urban and specifically, how many would be rural small micro branches?

Rakesh Jha Out of 3,100 branches, about 14% of the branches are in rural centers, and about 32% are in semi urban centers. Hence, about 45-46% is in semi urban and rural centers.

Nitesh Gandhi Just a clarification on this - incrementally, you need to setup 25% of your branches in rural areas, right?

Rakesh Jha Yes

Moderator Thank you. The next question is from the line of Amit Ganatra from Religare Asset Management. Please go ahead.

Amit Ganatra Can you please repeat the incremental restructuring that you have done during the quarter?

N. S. Kannan ₹ 7.88 billion.

Moderator The next question is from the line of Saikiran Pulavarthi from Espirito Santo. Please go ahead.

Saikiran Pulavarthi Can you provide what was the interest on IT refund for this current quarter as well as for the full year?

N. S. Kannan We have not specifically given those numbers.

Saikiran Pulavarthi Is there any reason why we have seen a substantial increase in the other interest income?

N. S. Kannan It is a combination of income such as interest on IT refund as well as some of other benefits. If you look at the year as a whole, we had about ₹ 12 billion of other interest income in FY2012 and that is what has been there in FY2013. Again to go back to the margin discussion, 3.11% is the annual net interest margin for FY2013, which we think will go up by 10 basis points after taking into account all such interest-related revenue streams.

Saikiran Pulavarthi Ok. You mentioned that you are closely monitoring the projects under construction especially on the power side. Do you foresee a scenario of restructuring with potential COD postponements for the next financial year?

N. S. Kannan We have always been communicating that while based on our sensitivities as to fuel supply and our understanding of each of the projects, we believe they would be able to service the debt. However, these are long gestation projects and there could be many factors that come up during the construction period or after. So it could be possible that a few of the projects may have to be restructured at some point in time. However, we do not expect to take economic losses on these exposures.

Saikiran Pulavarthi Ok. One question on the retail asset pricing. With the competition increasing in almost all the products, how do you see the pricing scenario?

Anindya Banerjee It has always been a competitive market and it has become more competitive from a price perspective over the last 6 to 9 months with one of the large banks being quite competitive. Our view is that essentially the competition is in two products which are mortgages and auto loans. In auto loans, not just last year, but for the last few years, our strategy has been to do a reasonable level of volumes to fulfill the customer need for that product and basically we are not really targeting any huge market share. In mortgages, we continue to broadly match pricing in the market, because we see that as a core long term product which is a high engagement relationship product and also a product with opportunities for cross-sell and acquiring a good quality customer.

Saikiran Pulavarthi One last question, how do we account for recovery from written-off accounts? Is it reported in other income or is it netted off against the provision line?

Anindya Banerjee It is taken in the provisions line item by us.

Moderator Thank you. Our next question is from the line of Adarsh P from Prabhudas Lilladhar India. Please go ahead.

Adarsh P You have said 30% of corporate fees is balance sheet linked and 70% are through others. Just wanted to understand what could have been the growth on the non-balance sheet linked fee income on the corporate side in FY2013?

Rakesh Jha That would have grown at about 15% for the year, but there is some impact there as well because the non-fund based business has not been growing that well for banks. For example, if you look at our outstandings in the non-fund business as reflected in the risk weighted assets, you will find that there is not much of a growth in the current year and I understand that would be the case for many other banks as well.

Adarsh P So, the non-fund based is the part of the 70%?

Rakesh Jha Yes.

Adarsh P In spite of that this book could have done about 15% growth?

N. S. Kannan Yes

Adarsh P Ok. I assume that 50% of fees which is retail and SMEs would have been fine in terms of growth. 70% of the other 50% corporate fees would have grown by 15%. This implies that the contraction in the other 15% of overall fees, which is 30% of the corporate book, looks a relatively very large number in the range of about 30% contraction. Is that right?

Anindya Banerjee It would be around that level of contraction.

Adarsh P Ok and compared to FY2011 levels the contraction could have been even more at 50% or 60%?

Rakesh Jha Yes, it will be about 50%.

Moderator Our next question is from the line of Nilanjan Karfa from Jefferies. Please go ahead.

Nilanjan Karfa We changed our presentation of the loan book and you talked about ex sell down buyout and across line items. Can you repeat the growth in each of those sub-components?

Anindya Banerjee If we look at the mortgage growth it was 18% on year-on-year basis, auto loans was 25%, the commercial business loans which is commercial vehicles and construction equipments was 16.7% on a year-on-year basis excluding the impact of the lower level of buy outs and IBPCs as of this year end. If you include the impact of buy outs and IBPCs then commercial vehicles and construction equipment portfolio actually declined by 16% on year-on-year basis. The unsecured retail portfolio grew by 20%.

Nilanjan Karfa When you give out the expectation for retail loan growth of 25%, is that totally organic or does it include some buyout portfolios?

Anindya Banerjee It would be based primarily on our organic business.

Nilanjan Karfa On the international side, is the 10% expected growth on a pure dollar basis or on a rupee basis?

Anindya Banerjee It is on a dollar basis. We cannot be certain about the rupee movement and so plans are made assuming that the rupee is constant.

Nilanjan Karfa On the fee side, is the contribution from retail and SME for FY2013 at 50%,?

Anindya Banerjee That is right.

Nilanjan Karfa And was the contribution from corporate about 30%?

Anindya Banerjee Corporate was largely the balance 50%. Within that 50% about 70% would be from the commercial banking and forex side, and about 30% would be the lending linked fees.

Nilanjan Karfa What was the breakup in FY2012 and how do you see that in FY2014??

Rakesh Jha In FY2012 the proportion of corporate fees was somewhat higher than this year. The proportion of retail and SME fees has gone up by a couple of percentage points in FY2013 compared to FY2012. For FY2014, it is very difficult to give a segment wise estimate of the growth. As Kannan mentioned, for overall fee income, we are looking at double-digit growth. We would definitely expect some improvement in the wholesale fee income as the lending-linked fees have already come down a lot and should not decline much from the current levels.

Nilanjan Karfa If I recall, you used to say corporate to retail used to be 80-20 some time back. Is that right?

N. S. Kannan That was never the case. Retail contribution was more like 40% to 50%.

Nilanjan Karfa So even after retail growing at 25%, you still expect the retail segment to hold at around 50% of the fee income?

N. S. Kannan It could be 50% to 60%, but on the corporate side while the lending linked fee income has come down, the transaction banking fees have been growing. The endeavour would be to grow the overall fee income by double digits next year.

Nilanjan Karfa You say that the transactional part of corporate banking fees has improved, but corporates are really not doing that great. So what is driving this component?

N. S. Kannan The last few years we have made a concerted effort to expand our commercial banking business. We set up a separate vertical to do it and reorganized the way our branches function to handle the corporate trade finance and related businesses. There has been a lot of focus on products, technology and service in driving this business. We have also had and continue to have a very large market share in FX business.

Nilanjan Karfa But your off balance sheet items, including FX and structured products, are down on a YoY basis?

N. S. Kannan Some of those would have been swaps that would have declined because of things like deal compression. Otherwise we have seen a healthy growth in the transaction banking business.

Nilanjan Karfa On the UK subsidiary, you made a substantial amount of provision in this quarter. Could you explain what that was?

N. S. Kannan That is a step up provision for the portfolio and that is why the profit came down. Otherwise for the whole year, the UK subsidiary made profits.

Nilanjan Karfa Was there anything specific that happened in Q4 which required the step up in provisions?

N. S. Kannan Nothing specific. These are step up provisions on existing assets. There is no specific new asset which required such provision.

Rakesh Jha As you know, the profits in UK subsidiary was running at a level of about USD 4 to 5 million per quarter and the company has absorbed this additional provision within that run rate.

Moderator Thank you. The next question is from the line of Anish Tawakley from Barclays. Please go ahead.

Anish Tawakley My questions are predominantly on the loan mix. The domestic corporate book has grown 30% year-on-year, which is higher than your expectations at the start of the year when you were indicating about 20% growth. So what has turned out differently? Secondly, the reported corporate loan book includes about ₹90.00 billion of builder loans. Could you talk about the growth in that segment also in particular? And thirdly, in the mortgage piece how much is LAP and how is that growing?

Rakesh Jha The builder loans portfolio was around ₹ 90 billion in March 2012, which was included in the retail portfolio. This has grown by about 20% during the year and is now at about ₹110 billion and is included in the corporate portfolio for March 2013. Overall, for domestic corporate loans, as you know, the growth was at a higher level till December 2012 as well. One thing which we had talked about in the earlier quarters was that last year in March 2012 we had done some IBPCs where we had sold down about ₹ 45 billion to ₹ 50 billion from our corporate portfolio. Given that the funding cost was quite high, for a short period of time we had used IBPCs which itself makes a difference of about 4% to 5% in the growth. So taking that into consideration, the growth has been in line with what we were expecting for the year. Of course, again, as Kannan mentioned that going into FY2014, we would expect the growth on the corporate book to be lower than what we have seen for FY2013.

Anish Tawakley What do the undisbursed project finance sanction imply for growth? I guess those will get disbursed over time.

Rakesh Jha They are no longer large numbers actually because over the last 18 or 24 months we have really not seen much of fresh activity happening. We will still have some disbursements coming off from the past sanctions, but they are no longer very significant in the context of the overall loan portfolio.

Anish Tawakley With respect to IBPCs, the question is you have now one of the lowest funding costs in the business and have surplus capital as well. So, who would buy loans from you from a cheaper funding cost perspective?

Rakesh Jha This was for March 2012.

Anish Tawakley I understand, but even then you had a very good CASA ratio at that time?

Rakesh Jha Yes, but at that point of time, the wholesale deposit rates would have been close to 10%.

Anish Tawakley From your perspective, it makes sense, but I guess the wholesale funding rates would have been the same for others also. So who would have purchased it?

Rakesh Jha It could be someone who would want to have a bigger balance sheet size at the period end who would be keen to buy that portfolio.

Anish Tawakley Ok. Could you give me the proportion of LAP in the home loan portfolio?

Rakesh Jha LAP would be around 15% to 20% of the home loan portfolio.

Anish Tawakley Is that growing faster or slower than the overall mortgage portfolio?

Rakesh Jha Broadly, it is growing at a similar pace.

Moderator Thank you. The next question is from the line of Parag Jariwala from Macquarie Securities. Please go ahead.

Parag Jariwala Your restructuring during the quarter was around ₹ 8 billion. Does it include any large account?

Rakesh Jha The restructurings are actually mostly what have happened through the CDR and will be a handful of accounts.

Parag Jariwala There is no concentration here?

Anindya Banerjee Since the number itself is less than ₹ 8 billion, even if you assume that there are 4 to 5 accounts, the average size remains about ₹ 2 billion.

Parag Jariwala Ok. There is also some change in classification because last quarter when your restructured number got reported it was around ₹ 41.7 billion. Is there any change in norms that you have followed?

N. S. Kannan As I mentioned earlier, RBI has come out with revised norms for reporting restructured assets. What they have said is that if the borrower has number of facilities and only one facility out of that got restructured, banks have to report the entire borrower exposure as restructured. Earlier, if, for example, 1 of the 5 loans was restructured, then only the one loan outstanding we would have reported as a restructured asset. So that is the only change both in the opening balance and the closing balance.

Parag Jariwala That is for the last quarter. If I have to see for the earlier quarters, can I roughly assume that similar proportion could be the number for borrower-wise as well?

N. S. Kannan We have given the restated numbers for March 2012, December 2012 and March 2013 which incorporates the impact of this guideline.

Moderator Participants, that was the last question, I would now like to hand the floor back to Mr. N.S. Kannan for closing comments. Over to you sir.

N. S. Kannan Thank you everyone for joining the call. My team and I will be available to take any further questions offline. Thank you.

Moderator Thank you sir. Ladies and gentlemen, on behalf of ICICI Bank that concludes this conference call. Thank you for joining us and you may now disconnect your lines.