PROFILE OF BANKS

The emergence of banking in India in the last decades of the 18th century has witnessed a considerable growth irrespective of economic volatility and unstable political premise. Banking sector in India still maintains its reputation as one the most persistently lucrative sector that runs on regular government intervention and well conceived economic policies. Reserve Bank of India, is considered the supervisor of all the commercial banks in India. It is the main regulator of the various financial institutions operating in India have to adhere to its governance. "India has about 88 commercial banks including 30 private banks 27 public sector banks and 38 foreign banks. The country has an aggregate of 53,000 banks branches and 17,000 ATMs. Public sector banks dominate the segment with 75% of the total assets of the industry held by them".1
1. **State Bank of India:**

   State Bank of India (SBI) is the oldest bank of India and is also India's largest commercial bank. "It is a government owned bank which was established in 1806".² State Bank of India provides a wide array of banking products through their effective network not, only in India but also overseas. "The bank has about 16,000 branches and is also accountable for one-fifth of..."
the banks of India. It has about 10000 ATMs across the nation. SBI is also the largest bank with an asset base of more than $ 250 billion and more than $ 195 billion in deposits".\(^3\)

SBI is also the largest banking and financial service company in India, by almost every parameter like revenues, profits, assets, market, Capitalization etc. The Bank provides a wide range of banking products through its vast network in India and overseas, inducing products aimed at NRIs.

(ii) **Industrial Credit and Investment Corporation of India (ICICI) Bank:**

"ICICI Bank is the second largest bank in India with about 1,419 branches and 4644ATMs spread a country wide".\(^4\) It is among the top commercial banks of India providing a wide range of banking services through varied delivery channels. Besides offering high ended banking facilities like internet banking, phone banking and mobile banking, ICICI also plays a pivotal role in the domains of investment banking, venture capital and asset a management and life and non-life insurance. It has its presence in 18 countries across the world including UK, Canada Russia and others.

In 200 the total assets of ICICI Bank was Rs. 379300.96 crore".
(iii) **AXIS Bank:**

Axis Bank is one of the top private banks in India, it was earlier known as the Unit Trust of India (UTI), since it was promoted by the same organization. "It was first among the new private banks to have started its operations in the year 1994. Axis has its significance presence in about 4509 districts of India with a wide network of over 729 branch offices and Extension Counters. With over 4474 ATMs (as on 30th June 2010) the bank provides round the clock banking convenience. This Indian bank has amassed a capital of more than Rs. 350 crores and enjoys equal sway over retail and corporate banking. (The total assets of the Axis Banks in 2009 is Rs. 147722.05 crore against the total Assets of Rs. 1016521.65 crore of all 25 private Banks. The Deposits was Rs. 117374.11 Crore in 2009".5

Axis Bank Ltd. has been promoted by the largest financial institution of the country, Unit Trust of India. "The Bank was set up with a capital of Rs. 115 Crore, with UTI contributing Rs. 100 Crore, LIC Rs. 7.5 Crore and GIC and its four subsidiaries contributing Rs. 1.5 crore each".6

(iv) **Housing Development and Financial Corporation (HDFC) Bank:**

HDFC banks is also among the top banks of India offering various banking services for the customers like personal
Banking, NRI Services, Net Banking, online remittances and others. In 2008 HDFC won a host of awards for being the best retail bank and also the best among other Indian banks to adopt Information Technology. With a total income of more than Rs. 5,400 crores, it occupied a significant position in Indian Banking industry. "The bank has about 1,5000 branches and 2,890 ATMs in 530 Indian Cities. The Deposits of the HDFC Bank Rs. 142811.58 crore in 2009 and the total assets was Rs. 183270.77 crore in 2009".

(v) Hongkong and Sanghai Banking (HSBC) Bank:

The HSBC Bank is the first ATM provider of India, HSBC Bank is one of India's top banks with its operational base extending consistently. The bank started its function in 1853. It provides banking services for the customers apart from cash management, financial planning and business banking facility. "It has a provision of 150-in-branch and off-branch ATMs and phone banking for 24 hours. In 2008 total assets and advances of the Bank was Rs. 75,920.53 crore and Rs. 29,944.40 crore. The deposits in 2008 was Rs. 42,620.29 which was second among all foreign banks".

HSBC Group Entities in India:

- The Hongkong and Shanghai Banking Corporation Limited (HSBC)
• HSBC Asset Management (India) Private Limited.
• HSBC Global Resourcing/HSBC Electronic Data processing (India) Private Limited.
• HSBC Insurance Brokers (India) Private limited.
• HSBC Operations and Processing Enterprise (India) Private Limited.
• HSBC Private Equity Management (Mauritius) Limited
• HSBC Professional Services (India) Private Limited.
• HSBC Securities and Capital Markets (India) Private Limited.
• HSBC Software Development (India) Private Limited.

**HSBC Global Resourcing:**

HSBC Global Resourcing is the largest, captive, banking and financial services off shoring organization in the world. A vital part of the HSBC Group's global strategy, Global Resourcing plays a key role in delivering shareholder value and seamlessly integrates and helps the Group remain competitive in the ever changing world of banking and finance. "Global Resourcing is present in India as **HSBC Electronic Data Processing India Pvt. Ltd.** and operates out of 7 Group Service Centres (GSC) In Hyderabad, Banglore, Kolkata, and Vishakhapatnam"."
(vi) Punjab National Bank (PNB):

PNB has been in operation since 1895, PNB is a trusted name in the banking segment of India. It is among the few other public sector banks of India that runs special schemes for senior citizens, army personnel, students and women, despite the recessive tendency in Indian Economy, PNB has managed to out profit on a sustained manner. "It is the 3rd largest bank in India, only after SBI and ICICI with an asset of more than Rs. 2,46,900 crores. It has the 2nd largest network of branches with more than 4668 branches". Shifting from core banking the bank has now entered the credit card & debit card business, life and non-life insurance business, Gold Coin and asset management business etc. It was ranked 9th amongst the most trusted bank in India.

The performance highlights of the bank in terms of business and profit are shown below Rs in Crore

<table>
<thead>
<tr>
<th>Table-3.1 - Performance highlight of PNB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parameters</td>
</tr>
<tr>
<td>-----------------------------</td>
</tr>
<tr>
<td>Operating Profit</td>
</tr>
<tr>
<td>Net Profit</td>
</tr>
<tr>
<td>Deposit</td>
</tr>
<tr>
<td>Advance</td>
</tr>
<tr>
<td>Total Business</td>
</tr>
</tbody>
</table>

Sources: PNB annual report 2008-09 & 2009-10.
PNB has always looked at technology as a key facilitator to provide better customer service and ensured the strategy follows the 'Business strategy' so as to arrive at 'Best Fit'. The bank has made rapid strides in the direction. All branches of the Bank are under Core Banking Solution (CBS) since Dec' 08, thus covering the business and providing 'Anytime Anywhere' banking facility to all customers including customers of more rural & semi urban branches. The bank has also been offering Internet banking services to the customers of branches like booking of tickets, payment of bills of utilities, purchase of air line tickets etc. Towards development cost effective alternative channels of delivery, the bank with more than 350 ATMs has the largest ATM no amongst Nationalized Banks.

(vii) Central Bank of India:

Central Bank of India is one of the largest and oldest commercial banks in India. "The bank has its offices in about 27 states in India with 270 extension counters and 3,168 branches".11 Founded in the year 1911, this is India's first commercial bank that was completely managed and owned by Indians with an average business of around 2,000 crore, Central Bank of India has a significant presence in India's financial orbit.
The following are some of the facts of Central Bank of India.

- "1921 CBI Introduction to the Home Savings Safe Deposit Scheme to build saving/thrift habits in all sections of the society.
- 1924 An Exclusive Ladies Department to cater to the Bank's women clientele.
- 1929 Safe Deposit Locker facility and Rupee Travellers' Cheques.
- 1929 Setting up of the Executor and Trustee Department.
- 1932 Deposit insurance Benefit Scheme.
- 1962 Recurring Deposit Scheme.
- 1976 The merchant Banking Cell was established.
- 1980 Central card, the credit cared of the Bank was established.
- 1986 Platinum Jubilee Money Back Deposit Scheme' was launched.
- 1989 The housing subsidiary Cent Bank Home Finance ltd. was started with its head quarters at Bhopal in Madhya Pradesh.
- 1994 Quick Cheque Collection Service (QCC0 & Express Service was set up to enable speedy collection of outstation cheques".12

Among the Public Sector Banks, Central Bank of India can be truly described as an All India Bank, due to distribution of its
"large network in 27 out of 28 States as also in 4 out of 7 Union Territories in India". Central Bank of India holds a very prominent place among the public sector Banks on account of its network of 3146 branches as 275 extension counters at various centres throughout the length and breadth of the country.

In view of its large network of branches as also number of savings and other innovative services offered, "the total customer base of the Bank at over 25 million account holders is one of the largest in the banking industry".

(viii) Union Bank of India:

Union Bank of India in a Public Sector unit. It has convinced the customers that they are ‘Good people to bank with’. "More than 50% of share capital of union bank of India is held by Indian Government. Around 27,000 employees work together to fulfill the bank's mission" to reduce the gap between expectations and deliverables.

Union Bank of India was inaugurated by Mahatma Gandhi eight decades ago. Union Bank of India is having more than 600 branches and extension counters all over the country. Nearly 351 ATMs are installed. Online Tele banking facility is available for its customers.

In addition to regular banking facilities of Union Bank of India, today customer can also avail variety of other services like
cash management service, insurance mutual funds, Demat from the Bank.

"Union Bank of India is a Public Sector Unit with 60.85% share capital held by the Government of India".16

**Key Performance figures of Union Bank of India:**

- "Union Bank of India proposes a total dividend of 35% for 2004-05.
- Total business crosses the landmark figure of Rs. 1 lakh crores.
- Bank posted a net profit of Rs. 719 crores for the year ended March 2005.
- Operating profit for the year ended March 2005 was Rs. 1573 crores showing a growth of 6.07%.
- Capital Adequacy stands at 12.09% as of March 2005.
- Earnings per share of Rs. 15.64.
- Deposits at Rs. 61822 crores.
- Advances Rs. 41103 crores.
- Net interest Margin is 3.31%.
- Cost of Deposits have come down from 5.64% in March 04 to 4.97% in March 05.
- Yield on Advances which was 9.035 in the year 2004 fell to 8.33% in the year 2005.
- Yield on Investment declined from 9.00% in March 2004 to 8.20% in the year under report.
- The Ratio of net NPA to Net Advances has improved from 2.87% in 2004 to 2.64% in 2005."17
PROFILE OF SAMPLE BANKS

The present study is based on the financial performance of public and private banks operating in India. The sample selected for the research consist public sector bank, i.e. State Bank of India. The sample had been selected on the basis that it Deposits, advances, assets, profitability and number of branches.

As regard the private sector bank the sample selected is Industrial Credit and Investment Corporation of India (ICICI) Bank. The sample is selected on the basis of that it occupied a top position among the Private Banks with regard to deposit, advances, profitability assets & liabilities and no. of branches these are leading banks of India.
STATE BANK OF INDIA (SBI)

"The origin of State Bank of India date back to 1806 when the Bank of Calcutta (later called the Bank of Bengal) was established, in 1921, the Bank of Bengal and two other presidency banks (Bank of Madras and Bank of Bombay) were amalgamated form the Imperial Bank of India". In 1955, the controlling interacts in the empirical Bank of India was acquired by the Reserve Bank of India and the State Bank of India (SBI) came into existence by an act of parliament as secession to the imperial Bank of India.

The State Bank Group includes a network of seven banking subsidiaries and several non-banking subsidiaries offering merchant banking services, fund management, factoring services, primary dealership in government securities, credit cards and insurance.

The light banking subsidiaries are:

(i) State Bank of Bikaner and Jaipur (SBBJ)
(ii) State Bank of Hyderabad (SBH)
(iii) State Bank of Indore (SBIR)
(iv) State Bank of Mysore (SBM)
(v) State Bank of Patiala (SBP)
(vi) State Bank of Saurastra (SBS)
In the present scenario State Bank of India (SBI) has spread its arms around the world and has a network of branches spanning all time zones. SBI's International Banking Group delivers the full range of cross border finance solutions through its four wings the Domestic division, the Foreign Offices division, the Foreign Department and International Services division.

State Bank of India (SBI) is India's largest commercial bank. "Presently SBI has a vast domestic network of over 16,000 branches (approximately 20%) of all bank branches and loans of all scheduled commercial banks in India".  

**Authorised Capital:**

This is the nominal value of the share which a bank is authorised to issue by its memorandum of Association. This is the maximum capital which the company will have during its lifetime.

**Issued and Subscribed Capital:**

Issued capital is the nominal value of the shares which are offered to the public for subscription. A bank does not normally issue all its capital at once, so that "issued capital can be never exceed the authorised capital".
CAPITAL OF SBI:

“The Authorized Share Capital of the Company is Rs.25,000,000 (Rupees Twenty Five Crores Only) divided into 25,00,000 (Twenty Five Lakhs) Equity Shares of Rs.100/- each (Rupees One Hundred Only)" with powers to the Company acting through its Directors to increase, reduce or modify its capital and to divide all or any of the shares in the capital of the Company, for the time being, classify and reclassify such shares from one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified, or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company, and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such persons as may, from the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions, for the time being in force in that behalf.”

Capital Adequacy Norms:

"The capital adequacy norms were fixed by RBI in April 1992". A new capital frame work has been introduced for Indian scheduled commercial banks based on the Basle
committee recommendations presenting two tiers of capital for the banks:

a. **Tier-I or Core Capital:**

   Tier-I is considered the most permanent and readily available support against unexpected losses, includes paid-up capital, statutory reserves, share premium and capital reserve.

b. **Tier - II:**

   Tier-II capital is consisting of undisclosed reserves, fully paid-up cumulative perpetual preference shares, revolution reserves, general provisions and loss reserves etc.

   "It is also prescribed that Tier-II capital should not be more than 100 percent of Tier I Capital."\(^{24}\)

**Total Assets:**

"The total assets of the SBI is Rs. 5,66,565.24 Crore in 2007 and Rs. 7,21,526.31 crore in 2008"\(^{25}\). "The total assets of Associates of State Bank of India including all the SBI is Rs. 239230 crore in 2007 and Rs. 964432 in 2009. The total assets of all the public Banks was Rs. 2440166 crore in 2007 and Rs. 3766716 crore in 2009"\(^{26}\).

**Advances:-**

In total advance of all Public Banks of India. The State Bank of India takes the importance. "The total advance of SBI
and its associates is Rs. 5,93,722 crore in 2008 against the total advances of Rs. 1797401 crore all public banks. SBI has advance Rs. 3,37,336.49 crore in 2007 and Rs. 4,16,768.21 crore in 2008”.27

**Deposits:-**

"In term of deposit SBI in largest Bank in India it has Rs. 4,35,521.09 crore and 5,37,403.94 crore in 2007 and 2008 respectively”28. "The total deposits of SBI and it's association in 2008 is Rs. 7,73,875 crore against the total deposits all public banks of India which is Rs. 24,53,867 crore".29

**Total Income:**

"The total Income of SBI is Rs. 44,007.59 crore and Rs. 57,645.24 crore in 2007 and 2008 respectively. The total income of the SBI and in association in 2008 in Rs. 82245 crore against the total income of all public Bank of India, which is Rs. 245872 crore".30

**Interest Income:**

"SBI had earned Rs. 37,242.33 crore and Rs. 48,95.31 crore in 2007 and 2008 respectively. The Interest Income of SBI and its associate is Rs. 70,428 crore in 2008, while the total interest income of all public banks is Rs. 2,13,075 crore".31
Net Profit and Operating Profits:

The net profit of SBI was Rs. 4,541.31 crore and Rs. 6,729.12 crore in 2007 and 2008 respectively. The total net profit of SBI and its associates was Rs. 9,006 crore in 2008 while the total net profit of all the public sector Banks was Rs. 26,988 crore in 2008.

The operating profit was Rs. 9,999.94 crore was in 2007 and Rs. 13107.55 crore was in 2008. "The total operating profit of SBI and its associates Bank was Rs. 17,444 crore in 2008. The total operating profit of all the banks was Rs. 50,307 crore in 2008".  

State Bank of India (SBI) is India's largest commercial bank. SBI has a vast domestic network of over 9,000 branches (approximately 14% of all banks branches) and commands one fifth of deposits and loans of all scheduled commercial banks in India.

"The origin of State Bank of India date back to 1806 when the Bank of Calcutta (later the Bank of Bengal) was established." In 1921, the Bank of Bengal and two other presidency Banks (Bank of Madras and Bank of Bombay) were amalgamated to form the Imperial Bank of India was acquired by
the reserve Bank of India and the state bank of India (SBI) came into existence by an act of parliament to the imperial Bank of India.

As at 31st March, 2004 calculated based on RBI data, the Banks estimated market share in aggregate deposits of all schedules commercial banks in India equaled 18.75 percent including India Millennium deposits, a deposit scheme denominated in foreign currencies launched by the Bank for non resident Indians.

The Bank's corporate head quarters ("corporate centre) is located at State Bank Bhavan, Madaame Cama Road, Mumbai - 400021. The Bank is committed to using its effort to adopt technology to achieve efficiency in its business operations. The bank is moving towards centralized database using enhanced technology to credit it 'CBS'. The CBS will enable on time, real time transaction processing and provide live interface to a multitude of technology delivery channels.

**Products and Services:**

A- Personal Banking

(i) SBI Term Deposits SBI, Loan for Pensioners.

(ii) SBI Recurring Deposit, loan against Mortgage of Property.
(iii) SBI Housing loan, loan against shares and debentures.
(iv) SBI car loan rent plus scheme
(v) SBI Education loan Medi-Plus Scheme

B- **Other Services:**

(i) Agriculture / Rural Banking
(ii) NRI Services
(iii) ATM Services
(iv) Desnat Services
(v) Corporate Banking
(vi) Internet Banking
(vii) Mobile Banking
(viii) International Banking
(ix) Safe Deposit locker
(x) RIIEFT
(xi) E- Pay
(xii) E- Rail
(xiii) SBI Vishwa Yatra Foreign Travel Card
(xiv) Broking Services
(xv) Gift Cheques

**Promoters:**

The Company has been promoted by State Bank of India, State Bank of Saurashtra, State Bank of Indore, Small
Industrial Development Bank of India and Union Bank of India.

"Factoring income this year till end-December at Rs.16.66 crores is higher by 58.81% as compared to corresponding period of the last fiscal of Rs.10.58 crores. During this quarter, the factoring income is Rs.6.43 crores, which is higher by 89.67% if compared to Rs.3.39 crores of the corresponding periods of the last fiscal year. Total income was higher by 57.46% as compared to corresponding quarter of the last fiscal. In recent times income every month had reached a level of Rs.2 crores and PBT of approx. Rs.1 crore p.m. Interest and Finance charges of Rs.5.29 crores for the period ended December 2004 are higher by Rs.2.87 crores this year, if compared to the corresponding period of last year, due to growth in asset level and cost of borrowings due to more draws necessitated by higher asset levels. Further while interest received on assets had been brought down to be able to book better quality customers, the interest on borrowings has gone up recently by around 0.7% p.a. "PBT is Rs.8.10 crores as against Rs.4.84 crores for the corresponding period of last fiscal. This indicates a rise of 67.35%.\textsuperscript{34}

"As on March 31, 2004, the Company carried 8 NPAs with aggregate dues of Rs.5.96 crores; for which we have made a provision of Rs.4.57 crores (additional provision made this year
NPA Management will continue to be a major thrust area driven by recovery through compromises as well as legal options. Total recoveries in the year were Rs.23.15 lakhs but it is expected that recoveries of around Rs.2.5 crores could be a clue. "The Gross NPA level is 1.89% (4% as on 31.03.2004) of the total Prepayment Outstanding as on 31.12.2004 and Net NPA level is 0.54% (1.61% as on 31.03.2004)".

I. RISK MANAGEMENT & INTERNAL CONTROLS

Risk Governance Structure:

"An independent Risk Governance structure, in line with international best practices, has been put in place in the Bank". This is in the context of separation of duties/independence of risk measurement, monitoring and control functions of the Bank. An independent position of ‘Chief Risk Officer’ has been created to ensure integrated risk management for credit, market and operational risks.

Credit Risk Management:

The existing Credit Risk Assessment (CRA) system for the Corporate Borrowers has been enlarged to meet the requirements of the Basel II accord. New CRR Models for both Non-Trading and Trading sectors have been designed. These...
Models had been designed with a view to conform to the requirements of risk measurement as stipulated under the Advanced Internal Ratings Based (AIRB) approach of Basel II".\(^{38}\)

**Market Risk Management**

SBI had developed sensitive tools to hedge and minimize the risks arising out of movements in interest rates, currency exchange rates and commodity prices.

**Asset Liability Management**

"The Asset Liability Management (ALM) of the bank was engaged in evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient management of the same".\(^{39}\)

Market Risk Management includes important tasks such as Liquidity Risk Management, Interest Rate Risk Management, Interest Rate Views, Economic, Market and Behavioral Analysis, Policy Formulation and Balance Sheet simulation, on an ongoing basis.

**BASEL II Implementation**

While the Bank is updating/ fine-tuning Systems & Procedures, Technology capabilities, Risk Assessment, Risk Governance Structure etc., to meet the requirement of the "Advanced Approaches, for the present, the Bank proposes to migrate to Basle II with the Basic
Operational Risk Management

The Operational Risk Management Committee in the Bank oversees the Operational Risks and ensures that the requisite control measures are in place, in line with the operational risk management policy of the Bank.

Country Risk & Bank Exposure

Prudent exposure risk management is being ensured by setting up appropriate bank exposure limits – product-wise, on a large number of Foreign Commercial Banks. Substantial counterparty bank limits for handling letters of credit, bank guarantees, forex and money market activities are in place. Limits are also set up for Investment/ Lines of Credit related exposures on acceptable banks, in order to clear bankable propositions. "The Country Risk Management Policy, in line with RBI guidelines for setting up country exposure limits, is in place, and the overall country risk for the Bank as a whole is monitored on a regular basis."\(^{41}\)
The ICICI as Commercial Bank:

ICICI was formed in 1955 at the initiative of the world bank, the Government of India and representative of Indian Industry. The objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses.

The corporation set up in 1994 is commercial bank called as ICICI Banking Corporation Ltd. to provide comprehensive funding and non-funding facilities to its corporate clients. The ICICI Banking corporation has been set up as a 100 percents subsidiary for the present with a mission of making the bank customer friendly and making banking pleasure. The bank provides to the ICICI the retail presence required for raising resources from the household sector. It has a network of 55 branches and 9 extension counters.

"The ICICI Bank has raised resources by way of deposits to the tune of Rs. 6,072 crores by March 31, 1999.

As at March 31, 1999, outstanding loans and advances amounted to Rs. 3,387 crores. The outstanding assistance to
priority sector was Rs. 616 crores representing about 30 percent of the Net Bank Credit (NBC). The Bank also rendered export assistance to the tune of Rs. 254 crores representing 12 percent of the net bank credit". \(^{42}\)

In 1999, ICICI become the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE (New York Stock Exchange). In 2001, ICICI bank acquired Bank of Madura Limited.

The ICICI Bank also manages foreign exchange transaction of customers. Despite a declaration in India's exports, the Bank's merchant foreign exchange volume registered a growth of over 11 percent. It also offered foreign currency based lending to resident cooperates.

ICICI Bank with market capitalization of about Rs. 480 billion (US $ 10.8 billion), ranked third amongst all the companies listed on the Indian stock Exchanges in June 2008. ICICI Bank's stock was listed on both BSE and NSE.

**Table-3.2 Performance of ICICI Bank**

<table>
<thead>
<tr>
<th>ICICI Bank</th>
<th>2004-05</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>4th</td>
<td>3rd</td>
</tr>
<tr>
<td>No. of Offices</td>
<td>515</td>
<td>563</td>
</tr>
<tr>
<td>No. of Employees</td>
<td>18029</td>
<td>25479</td>
</tr>
<tr>
<td>Business per Employees (Rs. Lakhs)</td>
<td>880</td>
<td>905</td>
</tr>
<tr>
<td>Profit Per Employee (In Rs. Lakhs)</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Investment (Rs. in Crores)</td>
<td>50487</td>
<td>71547</td>
</tr>
</tbody>
</table>

Source : ICICI Bank annual report 2004-05 & 2005-06
"ICICI Bank is India's second largest bank. The Bank has a network of about 1419 branches and extension counters and over 4,644 ATMs in 2009. ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial Institution, and was its wholly owned subsidiary".43

In 2001, the Board of Directors of ICICI and ICICI Bank sectioned the amalgamation of ICICI and two of this wholly owned retail finance subsidiaries, ICICI personal financial services limited and ICICI capital services Limited with ICICI Bank. In the following year, the merger was approved by its shareholders, the High Court of Gujarat at Ahmedabad as well as High Court of judicature at Mumbai and the Reserve Bank of India.

ICICI is India's second largest bank, boasting an asset value of Rs. 3,744.10 billion and profit after tax Rs. 30.14 billion, for nine month, that ended on December 2008".44

**Capital:**

"The authorised capital of ICICI Bank is Rs. 214.75 crore, out of it is 150 crore issued in 700 shares in 1995 (initially). In 2000 the issued capital increased and reached at Rs. 196.82 crore and the shares was 19681880. After 2000, it again rised in
2002 and reached at Rs. 214.75 crore which is constant 2009. The number of shares increases every year and in 2009 it riched at 11132 50642 shares".45

**ICICI Banks Equity Shares in Stock Exchange:**

ICICI Bank's equity shares are listed in India on Bombay stock exchange and the National Stock Exchange of India Limited and its American, Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE).

**Corporate Profile:-**

"ICICI Bank is India’s second largest bank with total assets of Rs. 3,634.00 billion c US $ 8 billion) at March 2010 and Profit after tax Rs. 40.25 billion (US $ 896 million) for the year ended March 31-2010. The bank has a network of 2,009 branches and about 5,219 ATMs in India and presence in 18 countries".46 ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialised subsidiaries and through its specialised subsidiaries and affiliates in the area of investment banking, life and non-life insurance, venture capital and asset management. The Bank currently has subsidiaries in the United Kingdom (UK), Russia and Canada, branches in
united States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia.

**BRANCHES:**

"ICICI Bank has a wide network both in Indian and abroad. In India alone, the bank has 1,420 branches and about 4,644 ATMs. In foreign countries, ICICI Bank has made its presence felt in 18 countries".47 United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. The Bank proudly holds its subsidiaries in the united kingdom, Russia and Canada out of which, the UK subsidiary has established branches in Belgium and Germany.

**OBJECTIVE OF ICICI BANK:**

With the integration of Indian economy with the global economy, increasing disintermediation in financial sector and growing competition from both domestic and global players fuelled by proliferation and convergence of information and computation technologies and rapid deregulation and
liberalization, ICICI has metamorphosed its vision to become a globally competitive player through constant innovation and abortion of cutting edge technology to provide superior customer solutions.

The ICICI moved from being a whole-sale lender to a universal bank with the adoption of new technology and new management skill ICICI has emerged as a growing bank.

The corporation aims to become pre- eminent provider of a complete spectrum of financial product and services in India and abroad to its clients combing emerging technology with new strategies-with the ultimate objective of increasing its market presence and ensure a greater share of the customer wallet and thereby enhancing value creation for its shareholders.

**Corporate strategy of ICICI:**

The strategy of the corporation has under–gone cataclysmic change during the post liberalization period. ICICI adopted wholesale one-product dominant portfolio approach to render financial support to private sector industries essentially by way of loans both rupee and foreign currency. In the wake of liberalization and deregulation of macro economic system and continued technological advancements and increased
competitiveness in Indian financial markets. ICICI plans vanilla lending strategy paved way to strategy of customer-oriented product innovations and customized solutions with thrust on Customers acquisition and retention and technology up gradation. The strategy revolves around convenience and value-for money.

The strategy being a provider of the entire spectrum of financial products and services the corporation has decided to introduce seamless value-added products aimed at meeting specific client requirements and structure a financial for burliness houses with large investment holdings with efficient delivery system.

ICICI believes that strategy of business diversification will help it to achieve more stable revenues and lower the risk to shareholder return. With a view to offering its clients a complete range of products and services and to structure tailor-made financial solutions for meeting specific client needs, the ICICI has decided to combine the different skills and capabilities with in the group. In order to achieve this first step was the brand building exercise to enable of customer to perceive the corporation as a total financial services provider. The next step taken in this direction was the formation of the major clients
group and growth clients group so as to create an effective interface with these customers. This is well help in imprudence competitiveness of these corporations both in domestic as well as global markets.

**International Initiative:**

ICICI Bank continued to build on its existing presence in various geographies as well as enter new markets. "The Bank opened a representative office in Bangladesh in August 2004, an offshore branch in Bahrain in October 2004 and a representative in South Africa in February 2005 and now has a presence in eight geographies". The Bank’s UK subsidiary has achieved profitability in its first full year of operations. The Bank’s international presence combined with its domestic balance sheet enables it to offer a wider range of credit and trade finance solutions to Indian companies. In addition to providing credit and trade finance solutions to Indian companies, the Bank is expanding its international retail franchise. "Total inward remittances by non-resident Indians (NRIs) through the Bank for FY2005 were over Rs.13, 100 crores (US$ 3.00 billion)".

**International Operations:**

ICICI Bank continued to build on its existing presence in various geographies as well as enter new markets. In addition to providing credit and trade finance solutions to Indian
companies, the Bank is expanding its international retail franchise through technology-banking services. The Bank now operates in 12 countries through branches, representative offices and wholly-owned subsidiaries. The loan portfolio of the Bank’s international branches (including foreign currency financing to Indian companies) increased to about Rs.12, 500 crores (US$ 2.8 billion) at March 31, 2006 from Rs.6, 200 crores (US$ 1.4 billion) at March 31, 2005. The Bank continued to grow its remittance volumes and achieved a market share of about 20% in inward remittances into India.

**Network:**

"The Bank has 614 branches and extension counters at March 31, 2006 as compared to 562 branches and extension counters at March 31, 2005".51

**Group companies:**

"The consolidated profit after tax increased 31% to Rs.2, 420 crores (US$ 542 million) in FY2006 from Rs.1, 852 crores (US$ 415 million) in FY2005. ICICI Securities achieved a profit after tax of Rs.157 crores (US$ 35 million) in FY2006 compared to Rs.64 crores (US$ 14 million) in FY2005. ICICI Securities Continued to enhance its position in the investment banking and
equity broking businesses while capitalizing on opportunities in the fixed income market".52

ICICI Lombard General Insurance Company (ICICI Lombard) enhanced its leadership position among private general insurance companies with a market share of 30% during "April-February 2006. ICICI Lombard achieved a profit after tax of Rs.50 crores (US$ 11 million) in FY2006 compared to Rs.48 crores (US$ 11 million) in FY2005 despite claims from floods in major cities and investments in the retail franchise. About 58% of its written premiums comprised non-corporate business".53

ICICI prudential Life Insurance Company (ICICI Prudential Life) continued to maintain its market leadership among private sector life insurance companies. Life insurance companies worldwide make losses in the initial years, in view of business set-up and customer acquisition costs in the initial years as well as reserving for actuarial liability. "While the growing operations of ICICI Prudential Life had a negative impact of Rs.139 crores (US$ 31 million) on the Bank’s consolidated profit after tax in FY2006"54 on account of the above reasons, the company’s un-audited New Business Achieved profit (NBAP) for FY2006 was Rs.528 crores (US$ 118 million) compared to Rs.312 crores (US$
70 million) in FY2005. NBAP is a metric for the economic value of the new business written during a defined period. It is measured as the present value of all the future profits for the shareholders, on account of the new business based on standard assumptions of mortality, expenses and other parameters. Actual experience could differ based on variance from these assumptions especially in respect of expense overruns in the initial years.

"Prudential ICICI Asset Management company was among the top two private sector mutual funds in India at March 31, 2006 with assets under management of over Rs.23,500 crores (US$ 5.3 million)"\textsuperscript{55}.

In India ICICI Bank is largest bank in private sector for public finance and corporate finance. It provides a various types of loan like home loan, personal loan etc. It provides a various types of facility for the customer and it also have a wide range of loans for public finance.
REFERENCE


3. Ibid.


6. Ibid.


9. Ibid.


12. Ibid.


14. Ibid.


16. Ibid.


19. Ibid.


23. Ibid.

24. Ibid.


27. Business Standard Magazine 2007-08

28. Ibid.

29. Ibid.

30. Ibid.


35. Ibid.


38. Ibid.

39. Ibid.


41. Ibid.


44. Ibid.


47. Ibid.


49. Ibid.

50. Ibid.


52. Ibid.

53. Ibid.


55. Ibid.