INTRODUCTION

1.1 Meaning of Universal Banking

Universal banking is a combination of commercial banking, investment banking, development banking, insurance and other financial activities and all financial products are available under one roof. So we can say that a universal bank is that bank which offers commercial bank functions plus other functions such as merchant banking, mutual funds, factoring, credit cards, finance for housing loan, auto loan, retail loans, and insurance etc.\(^1\)

Universal banking is running with very large banks. These banks provide a large number of finance to various companies, and also contribute in the Corporate Governance (Management) of these companies. Universal banking has a large network of branches all over the country and all over the world. They provide many different financial services to their customers.

In fact It is a multipurpose and multi-functional financial supermarket providing both 'Banking and Financial Services' through a single window. In universal banking, large banks operate extensive network of branches, provide many different services, hold several claims on firms (including equity and debt) and participate directly in the Corporate Governance of firms that rely on the banks for funding or as insurance underwriters.

In India, to reports in 1998 mentioned the concept of universal banking which are the Narasimhan Committee report and another is the S. H. Khan Committee report, these both reports advised to consolidate (bring to gather) the banking industry through mergers and integration of financial activities i.e. a combination of all banking and financial activities and suggested a universal banking.

\(^1\) en.wikipedia.org/wiki/Universal_bank
The rise of universal banking offers a unique setting for investigating the firm-level real effects of financial development. It is a well known fact that economic growth implies a long term rise in per capita national output and such increases are very much associated with extreme and extraordinary charges in technology, institutional setup, psychological environment, organizational behavior, socio culture and attitude of common people for social development economic is necessary and for industrial growth efforts, capital and knowledge are three important elements and between these elements capital is the most crucial component. However metamorphic environmental developments in and outside the political boundary and the open market policy with the hedge cocooning the economy has been abolished by the computer and telecommunication revolution. The net communications have explored geographical and functional integration of international financial markets further deregulation of financial market merchant banking, mutual banking and universal banking.

In general perception the term of universal banking refers to a financial institution offering commercial as well as investment banking services which also include services related to savings, loans and investments but in real practice, institutions which offer a wide range of financial services, beyond commercial banking, investment, investment banking and various other activities including insurance are regarded as universal banking. It is like a coordinated financial super market supplying innovative and multifarious products under one roof.

Globally universal banking is functioning in various forms ‘like’ in house fully integrated universal banking which is known as purest form of universal banking. In this form of universal banking single institution offers a complete range of banking and other products to the customers. Under this form bank’s different departments operate under one roof and perform various activities such as commercial banking, investment banking, insurance, leasing etc. in order to satisfy the consumer need.
A universal bank participates in many kinds of banking activities and is a commercial bank and an investment bank as well as providing other financial services with insurance. These are also called full service financial firms, although there can also be full service investment bank which provide asset management, trading and underwriting.¹

According to the world bank “Universal banks operate extensive network of branches, provide many different services, and hold several claims on firms (including equity and debt) and participate directly in the Corporate Governance of firm that rely on the banks for funding or as insurance underwriters”.

The concept of Universal Banking is most relevant in the United Kingdom and the United States, where historically there was a distinction drawn between pure investment banks and commercial banks, in the US, this is a result of the Glass-Steagall Act of 1933, in both countries, however, the regulatory barrier to the combination of investment banks and commercial banks has largely been removed, and a number of universal banks have emerged in both jurisdictions. However, at least until the global financial crisis of 2008, there remained a number of large, pure investment banks.

In other countries, the concept is less relevant as there is not regulatory distinction between investment banks and commercial banks. Thus, banks of a very large size are likely to operate as universal banks, while similar firms specialized as commercial banks or as investment banks. This is especially true of countries with European continental banking tradition. Notable examples of such universal banks include BNP (Banque Nationale de Paris) Paribas and societies generate of France, HSBC (Hongkong and Shanghai Banking Corporation) standard charted bank and RBS (Royal Bank of Scotland) of the United Kingdom Deutsche Bank of Germany ING (International Nederland Group) Bank of Nederland Bank of America Citigroup, J P Morgan Chase and

¹. Dr S.M.Tariq Zafar
Wells Fargo of the United States and UBS (Union Bank of Switzerland) and Credit Suisse of Switzerland.

Universal banking and private banking often co-exist, but can exit independently. The provision of many services by universal banks can lead to long-term relationship between universal banks and firms.

As a matter of fact, universal banks may offer credit, loans, deposits, asset management, investment advisory, payment processing, securities, transactions, underwriting and financial analysis. While a universal banking system allows banks to offer a multitude of services, it does not require them to do so. Banks in a universal system may still choose to specialize in a subset of banking services.

1.1.1 Definition of Universal Banking

According to Investopedia: A banking system in which banks provide a wide variety of financial services, including both commercial and investment services. Universal banking is a common in some European countries, including Switzerland. In the United States, however, banks are required to separate their commercial and investment banking services. Proponents of universal banking argue that it helps banks better diversify risk. Detractors think dividing up bank’s operations is a less risky strategy.¹

1.1.2 Universal Banking Goals

Attract new customers
Increase “share of wallet”
Retain more customers
Reduce costs of service delivery through scale

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¹. www.investopedia.com
1.1.3 Functions of Universal Banking

A universal bank has two kinds of main functions for which first is to operate as a commercial bank and second is to operate as an investment bank. Mainly in the United Kingdom and the United States of America, these two institution types are likely to be kept separately. Although with the recent removal of legal and technical barriers, the possibility of universal bank has become perceptible. After the global financial crisis of 2008, universal banks have become more popular as the number of pure investment banks has fallen. In other major countries, almost all type of large financial institutions operates as universal banks, with some smaller firms specializing in either commercial or investment banking.

From the discussion we can explain the concept of commercial banking and investment banking to understand the scope and range of universal banking.

1. **Commercial banking** - Commercial banks are the most important constituents of banking system. These are the banks which do banking business to earn profit. In accordance with Gold Field and Chandler the term “Commercial” with regard to these banks refers to commercial loan theory, and according to this theory, in the asset of banks are included short term loans in addition to cash. Therefore, commercial banks are those banks which offer advance loans for short period and commercial banking involves meeting of the financial needs of regular consumers and also offer features such as Savings Account, Current Accounts, and Credit in order to meet the needs of a range of customers. The extent to which they are willing to work with a particular consumer will depend upon the individual’s credit rating. Those with better credit scores will have more access to loans and current accounts with substantial overdraft facilities.

2. **Investment banking** - Investment banks provide most often work with firms, or consumers with large quantities of savings. They will work with money of customer
and invest it in different areas, often in firms listed on the financial times stock exchange 100 (FTSE 100). Most investment banks offer a range of investment portfolios with varying levels of risk. According to advise of experts these financial institutions will aim to get the most out of investment opportunities as possible i.e. customers hand over their savings in order to gain returns. Certainly, this method of making money is not always successful, and can result in huge losses.

1.1.4 Objectives of Universal Banking

Universal banking is a term which is related to other banks for providing both investment services and savings and also options for loan to their customers. In Europe so many banks function on the source of the universal banking model. Therefore, the main objectives such a model are on increased participation in investment strategies securing customers through saving and loan schemes, development of private sectors and cutting costs of financial services.

As per the above mentioned the objective of universal banking is of four types, which are as under:

1. Participation in investments
2. Savings and loans
3. Development of private sector
4. Cutting the costs

1. Participation in investments - Universal banking focuses on routine of private firms by straight investing into such entities. With participating on the investment market, such banks can directly exercise decision-making power in the Governance of corporations. The objective of universal banking aims to secure the financial interests of companies
that have received direct investment and to protect the future development of such institutions.

2. **Savings and loans** - By delivering multiple financial services, universal banking aims to distribute immediate benefits for their customers. This makes such entities quite attractive for customers who want to take care of their all financial need at one place; they can both apply for an investment scheme and require credit for their business development. With providing their customers according to their saving and loan options, universal banks aim to diversify their range of services and bigger influence on the financial markets.

3. **Development of private sector** - Along with the main objectives of universal banking is the development of private sector. As such, banking institutions are highly unlikely to co-operate with Governmental funds, because of their urgent need to invest money. Universal banks target the private sector as a main source of customer. Universal banks need to develop the sector and insure its stable run and Economic Growth.

4. **Cutting the costs** - According to the ideas of the universal banks is to reduce the costs of their financial services by extension; being able to expand their areas of expertise would empower.

1.1.5 **Importance of Universal Banking**

Utility of universal banking concept due to its effective features, efficient economic services, high output, lower cost, better products and offerings has gained surprising success and became popular all over the world in a short period of time. In global scenario financial institution have freedom to choose the size and products mix and offering of its operations and activities to optimize the use of their available resources. Its large size and range of operations provide economy of scale and greater scope for better
utilization of resources. Universal banking enjoys advantage of avoiding waste full marketing duplication, cost less marketing research, concentrated customer feedback and development. In addition, large scales of operational activities enable the institution to optimally utilize the modern information technologies which make it more effective and competitive. In comparison to specialized financial institutions universal banking are sufficiently equipped to under-take verities of business according to demand by shifting the surplus resources within the organization without substantial cost it single window offering financial products and services also consolidate its relation with customers which ultimately result growth in business as customer prefers to do business with universal banks because they gets services at one place, which are as follows:-

1. Regulatory burden,
2. Regulatory requirements,
3. Optimal transition path,
4. Economies of scale
5. Diversion of surplus
6. Optimally utilization of resources
7. Advantage of brand name in marketing bank
8. One point shopping
9. Pro investors environment and activities
10. Improvise proficiency and productivity

1. **Regulatory burden** - In India there is an urgent need to reduce the regulatory burden particularly banks vis-à-vis mutual funds and insurance companies, if the banks are expected to compete in free market place.

2. **Regulatory requirements** - Salient of rational and regulatory issues of reserve bank of India to be addressed by the financial institutions for conversion into a universal bank.
3. **Optimal transition path** - The transition path contains several operational and regulatory issues for information and direction of DFIs (Development Financial Institution). The S.H. Khan working group and the discussion paper on the subject prepared by RBI (Reserve Bank of India) ultimately felt that DFIs should transform themselves into commercial banks but in a phased manner.

4. **Economies of scale** - The biggest advantage of universal banking is greater economic efficiency which enables them to exploit economies of scale by improving spread, higher output with better and diversified product range and low operating cost.

5. **Diversion of surplus** - Through diversification of activities bank can use its overall potential expertise optimally in providing different kinds of services and can reduce cost by performing all functions by one individual rather than under separate bodies.

6. **Optimally utilization of resources** - Banks operating different functions under one roof is advantageous. It can collect information like market trends, risk and return analysis of customer’s portfolios etc. so, this information can be further used to pursue other activities in order to generate additional business with customers through minimum efforts.

7. **Advantage of brand name in marketing bank** - With established brand have wide network of its branches which become active point for promoting products like insurance, mutual funds etc. as branch will act as source and will help bank to reach remotest area without any other support.

8. **One point shopping** - The idea of one shopping point helps customers as well as banks in saving transaction and other related costs and improvises the economic activities to great extent which ultimately advantageous to all participants.

9. **Pro investor environment and activities** - Adopting universal banking will lead to diversification of business activities which is ultimately related to customers thus, required investor’s friendly environment. Apart from this basic, another manifestation
of universal bank is banks holding stakes in firms. Its equity holding in borrower firms indicate health of the firm to others investors and being a lending bank it have an advantage to monitor the firm’s activities.

10. **Improvise proficiency and productivity** - Liberalization and globalization has led banks to cross the political boundary and become universal. The main focus will be ultimate profit rather than size of balance sheet. To increase the profit margin banks will prefer of the based opportunity than mobilizing deposits which also save cost and paying interest on deposit. Being part of free economy and to survive with surplus banks have to improve their efficiency and productivity, which will ultimately results in new financial products and services.

**1.1.6 Advantages of Universal Banking**

The advantages/benefits of universal banking are as under:-

1. Investors trust
2. Economies of scale
3. Resource utilization
4. Profitable diversification
5. Easy marketing
6. One-stop shopping

1. **Investors trust** - Universal banks hold equity shares by lots of companies. These companies can easily get other investors to invest in their business. Because other investors have full self-assurance and trust in the universal banks. They know that the universal banks will closely watch all the activities of the companies in which they hold equity shares.
2. **Economics of scale** - Universal banking results in economic competence. That is, it results in lower costs, higher output and better products and services. In India, RBI (Reserve Bank of India) is in favor of universal banking because it results in economy of level.

3. **Resource utilization** - Universal banks use their customer's assets as per the customer's ability to take a risk. If the customer has a high risk taking capacity then the universal bank will advise him to make risky investments and not safe investments. Similarly, customers with a low risk taking capacity are advised to make safe investments. At present, universal banks invest their customer's money in different types of mutual funds and also directly into the share market. They also do equity research. So, they can also manage their customer’s portfolios means different investments profitably.

4. **Profitable diversification** - Universal banks diversify their activities, for which they can use the same financial experts to provide different financial services. This saves cost for the universal bank. Even the day-to-day expenses will be saved because all financial services are provided under one roof, i.e. in the same office.

5. **Easy marketing** - The universal banks can easily sell all their financial products and services through their many branches. They can ask their offered customers to buy their other products and services. This requires less marketing efforts because of their well-established brand name, for e.g. ICICI (Industrial Credit and Investment Corporation of India) may ask their existing bank account holders in all their concerning branches, to take house loans, insurance, to buy their mutual funds, etc. This can be done very easily because they use one brand name (ICICI) for all their financial products and services.

6. **One-stop shopping** - Universal banking offers all financial products and services under one roof. One-stop shopping saves a lot of time and transaction costs. It also
increases the speed or flow of work. So, one-stop shopping gives benefits to both banks and their customers.

1.1.7 Disadvantages of Universal Banking

Disadvantages of universal banking are as under:

1. **Different rules and regulations** - Universal banking offers all financial products and services under one roof. However, all these products and services have to follow different rules and regulations. This creates many problems to customers; i.e. mutual funds, insurance, home loans, etc. have to follow different sets of rules and regulations, but these are provided by the bank.

2. **Effect of failure on banking system** - Universal banking is done by very large banks. If these huge banks fail, then it will have a very big and bad effect on the system of banking and they believe and confidence of the customer, i.e. recently, Lehman Brothers a very large universal bank failed. It had very bad effects in the USA, Europe and even in India also.

3. **Monopoly** - Universal banks are very large so, they can easily get monopoly power in the market. This will have many harmful effects on the other banks and the customer. This is also harmful to economic development of the country.

4. **Conflict of interest** - Combining commercial and investment banking can result in conflict of interest. That is, commercial banking versus investment banking. Some banks may give more importance to one type of banking and give less importance to the other type of banking. However, this does not make commercial sense.
1.1.8 Limitations of Universal Banking

- The failure of a larger institution could have serious ramifications for the entire system in that if one universal bank were to collapse, it could lead to a universal financial crisis. Thus, universal banking could subject the economy to the increased total risk.
- Universal bankers may be tempted to take extreme risks. In such cases, the Government would be forced to step in to save the bank.
- Vulnerable to high risks due to investment banking activities coupled with focus on commercial banking activities.
- By virtue of their sheer size, universal banks may gain monopoly power in the market, which can have considerable adverse consequences for economic efficiency.
- Universal banks may tend to work primarily with large established customers and ignore or discourage smaller and newly established businesses.
- Universal banks could use such practices as limit pricing or grasping pricing to prevent smaller specialized banks from serving the market. This argument mainly stems from the economies of scale and scope.
- Combining commercial and investment banking gives rise to conflict of interests, as universal banks may not objectively advise their customers on optimal means of financing or they may have an interest in securities because of underwriting activities.
- There may be conflict between the investment banker's promotional role and the commercial banker's obligation to provide impartial advice.
• Banks may install their own assets in securities with consequent risk to commercial and savings deposits.

• Unsound loans may be made in order to shore up the price of securities or the financial position of companies in which a bank had invested its own assets.

• A commercial bank's financial interest in the ownership, price, or distribution of securities unavoidably may tempt bank officials to press their banking customers into investing in securities which the bank itself was under pressure to sell because of its own financial stake in the transaction.

1.2 History of Universal Banking

In 1907, there were financial crises and for which the US (United State) monetary commission wanted to understand the major financial system of the world. Treatise by Jakab Riesser the Director of a Berlin Bank, said the Jerman universal banking system possessed beneficial characteristics and that allowed it to efficiently provide inexpensive capital to industry and promote growth.

After the end of 1990, Mr. Manmohan Singh stated a new wave called liberalization, privatization and globalization, the demand of the “Universal Banking” increased. Over night at present mergers and acquisitions were norm of the day which provided scope for the financial services. The phenomenon of universal banking as a distinct concept, as different from the narrow banking came to forefront in the Indian context with the Narshimhan Committee and after it the khán committee reports recommending the consolidation of the banking industry.¹

¹ en.wikipedia.org/wiki/Economic_liberalisation_in_India
In the 19th century, a comment of universal banking has been found that universal banking involves a combination of commercial deposit and loan businesses with investment banking. The conditions became more difficult in the 20th century because there have been exogenous political shocks and macro economic instability during the above said century. The wider institutional context is necessary for universal banking, for which includes central bank support. The situation has been less favorable, and globalization has also had an impact on the banking industry.

In India DFIs (Development Financial Institutions) and RFIs (Refinancing Institutions) were meeting specific sectoral needs and also providing long term resources at concessional terms, while the commercial banks in general, by and large, confined themselves to the core-banking functions for excepting deposits and providing working capital finance to industry, trade and agriculture subsequent to the liberalization and deregulation of financial sector. It has been blurring merit between the commercial banking and investment banking.

Before 20th century i.e. 8th of December 1997, a working group under the chairmanship of shri H.S. Khan to bring about greater clarity in the different roles of banks and financial institutions for greater organizational of facilities and obligations. A report of NC (Narsimhan Committee) on banking has major bearing on the issues considered by the Khan working group.

In the year of 2000, some issue of universal banking resurfaced when ICICI advised to RBI for discussing the time frame and expected options for transforming itself into an universal bank and Reserve Bank of India also spelt out to Parliamentary on the basis of finance, its future plan and policy for universal banking, including approach towards allowing domestic financial institutions to become universal banks.
After it Reserve Bank of India has asked financial institutions which are interested to convert itself into a universal bank to submit their plans for transaction to a universal bank for reflection and further discussions. Financial institutions want to formulate a way map for the transaction path and strategy for smooth conversion into a universal bank. Over a specified time frame the plan should specifically provide for full compliance with prudential norms is applicable to banks over the above period. So saddled with obligations to fund long development projects, the DFIs have been loaded with serious mismatches between their assets and liabilities of the balance sheet. For the above context the Narsimhan Committee II hand advised recommended DFIs should convert into banks or Non-banking finance companies. Converting of these DFIs into universal banks will grant them ready excess to cheap retail deposits and increase the coverage of the advances to include short term working capital loans to corporate with greater operational flexibility. In that time DFIs were in the need to obtain a lot of mass in their volume of operations to solve the problem of total asset base and net worth. So emergence of universal banking was the solutions for the problems of banking sector.

Now banks like ICICI have expressed their needs to change into a universal bank, and that is only the reason why they want to merge ICICI with ICICI bank, and Narsimhan Committee II also suggested that DFIs should convert ultimately into either commercial banks or non-bank finance companies and after it, in January 1999 a “Discussion Paper” released through RBI in that paper the feedback indicated that while the universal banking is desirable from the point of view of efficiency of resource use there in moving towards such a system. Major areas requiring attention are the status of financial sector reforms, the state of preparedness of the concerned institutions, the evolution of the regulatory command and above all a practicable transaction path for institutions which are desirous of moving in the direction of universal banking.
1.3 Universal Banking Systems

Universal Banking Process

Access

Integration

Functionality

Bank Profitability

Stronger Customer Relationship

Figure 1

Universal banking system has three components viz. access, integration and functionality which makes banks profitable since the profitability of banks depend on the customer these components also helpful making stronger customer relationship.
Table 1- The Universal Banking Process

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<th>Access</th>
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<tr>
<td><strong>GENERAL</strong></td>
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<td>Customer service reps available 24 hours a day</td>
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<tr>
<td>Customer service reps trained in all account types</td>
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<tr>
<td>Customer service reps accessible via Internet and Mobile Phone</td>
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<tr>
<td><strong>DEPOSIT ACCOUNTS</strong></td>
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<tr>
<td>Account info available via ATMs, the Internet, and a Mobile Phone Option to open an account via the Internet and a Mobile Phone</td>
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<tr>
<td><strong>MORTGAGES</strong></td>
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<td><strong>CREDIT CARDS</strong></td>
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<td><strong>INVESTMENT ACCOUNTS</strong></td>
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<td><strong>Functionality</strong></td>
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<td><strong>DEPOSIT ACCOUNTS</strong></td>
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<td>Automatic insurance payment availability</td>
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<td>Investment accounts</td>
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<td>Integrity</td>
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<td>Deposit accounts</td>
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<td>Investment accounts</td>
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1.4 Implementation of Universal Banking in India

In India, customers have faith on central bank and banks regulated by central bank which is the key of success of banks. Therefore, necessary implementation/conversion into the universal bank which are as under -

1. Reserve requirement
2. Permissible activities
3. Disposal of non-banking assets
4. Composition of the board
5. Prohibition on floating charge of assets
6. Nature of subsidiaries
7. Restriction on investments
8. Connected lending
9. Licensing
10. Branch network
11. Assets in India
12. Format of annual reports
13. Managerial remuneration of the chief executive officers
14. Deposit insurance
15. Authorized dealer’s license
16. Priority sector lending
17. Prudential norms

1. **Reserve requirement** - Under section 42 of RBI Act 1934 and section 24 of the banking regulation Act 1949 respectively for which compliance with the cash reserve ratio and statutory liquidity ratio requirements would be mandatory for FIs after its conversion into a universal bank.
2. **Permissible activities** - According to B.R. Act 1949, under section 6(1) it is said that any activity of an FI currently undertaken but not permissible for a bank which may have to be stopped or divested after its conversion into a universal bank.

3. **Disposal of non-banking assets** - In the section 9 of the B.R. Act, any immovable property, however acquired by an FI, would, after its conversion into a universal bank, be required to be disposed of within the maximum period of 7 years from the date of achievement in terms.

4. **Composition of the board** - According to B.R. Act section10(A) changing the composition of the Board of Directors might become necessary for some of the FIs after their conversion into a universal bank, to ensure compliance with the provision, which requires at least 51% of the total number of Directors to have special knowledge and experience.

5. **Prohibition on floating charge of assets** - According to section 14 A of the B.R. Act the floating charge, if created by an FI, over its assets, would require, after its conversion into a universal bank approval by the Reserve Bank of India since a banking company is not allowed to create a floating charge on the undertaking or any property of the company unless duty certified by RBI as required.

6. **Nature of subsidiaries** - According to B.R. Act under section 6(1) if any of the existing subsidiaries of an FI is engaged in an activity not permitted, then on conversion of FI into a universal bank, delinking of such subsidiary/activity from the operations of the universal bank would become necessary since section 19 of the act permits a bank to have subsidiaries only for one of more of the activities permitted.

7. **Restriction on investments** - According to section 19(2) of the B.R. Act on FI with equity investment in company in excess of 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less on
its conversion into a universal bank would need to divest such access holdings to secure compliance with the provision which prohibits a bank from holding shares in a company in access of these limits.

8. **Connected lending** - According to section 20 of the B.R. Act which prohibits grant of loans and advances by a bank on security of its own shares or grant of loans or advances own behalf of any of its Directors or to any firm in which Director/Manager or employee of Granter is interested. The compliance with these provisions would be mandatory after conversion of an FI to a universal bank.

9. **Licensing** - According to B. R. Act section 22 an FI converting into a universal bank would be required to obtain a banking licensing from RBI for carrying on banking business in India, after complying with the applicable conditions.

10. **Branch network** - According to policy of RBI an FI after its conversion into a bank, would also be required to comply with extent branch licensing under which the new banks are required to a lot at least 25% of their total number of branches semi-urban and rural areas.

11. **Assets in India** - According to section 25 of the B. R. Act an FI after its conversion into a universal bank, will be required to ensure that at the close of business on the last Friday of every quarter, its total assets held in India are not less than 75% of its total demand and time liabilities in India, as required of a bank.

12. **Format of annual reports** - According to section 29/30 of the B. R. Act after converting into a universal bank, an FI will be required to publish its Annual Balance Sheet, and Profit and Loss Account in the firms set, out in the third schedule which prescribed for a banking company.
13. **Managerial remuneration of the chief executive officers** - According to section 35(B) of the B. R. Act on conversion into a universal bank, the appointment and remuneration of the existing Chief Executive Officers may have to be reviewed with the approval of RBI in terms of the provisions, which stipulates fixation of remuneration of Chairman and Managing Director of a bank by Reserve Bank of India taking into account the profitability, net NPAs (Non Performing Assets) and other financial parameters, with prior approval of RBI would also be required for appointment of Chairman and Managing Director.

14. **Deposit insurance** - An FI on conversion into a universal bank would also be required to comply with the requirement of compulsory deposit insurance from DICGC up to a maximum of Rs. 1 Lakh per account as applicable to the banks.

15. **Authorized dealer’s license** - Some of the FIs at present hold restricted AD license from RBI, exchange control departments to enable them to undertake transactions necessary or incidental to their prescribed functions. On conversion into a universal bank, these new bank would normally be eligible for full-fledged authorized dealer license and would also attract the full rigor of the exchange control regulations applicable to the banks at present, including prohibition or raising resources through external commercial borrowings.

16. **Priority sector lending** - Conversion of an FI to a universal bank the obligation for lending to “Priority Sector” up to a prescribed percentage of their ‘net bank credit’ would also become applicable to it.

17. **Prudential norms** - According to norms of RBI for the all India financial institution (After conversion of an FI in to a bank, the extent prudential norms) would no longer be applicable but the norms as applicable to banks would be attracted and will not to be fully complied with.
(This type of regulatory and operational issues is only clarifying and not comprehensive)

**Regulatory Burdon** - According to regulation Act 7 one of the major problems associated with universal banking is the issues of regulatory financial Institutions in India have commercial banks as their subsidiaries, but due to the separation of regulation, the financial institutions cannot have direct access to the resource base of its subsidiaries bank. Without any doubt, the regulatory burden for all participants in the entire financial system should be equalized in order to ensure that no participant might end up having a disadvantage relative to any others.

### 1.5 Aspects of Universal Banking

Universal Bank is an international banking consisting of many subsidiaries and offers its End users (Loan officers and customers) access to a range of applications that are operated and maintained autonomously by individual subsidiaries called scenario and this scenario focuses on the relationship between universal bank as a consumer the classification of scenario would be classified in three kinds of scenario which become a part of aspects of universal banking and those are indicated below-

1. International scenario
2. National (Indian) scenario
3. Present (Local) scenario

1. **International scenario** - Federal Republic of Germany, Switzerland are generally known as the home of universal banking for which factors like technological upgradation, wide spread of applications, increasing competition in financial sector etc, are the driving forces in these nations. In few other European countries, almost all other banking and non banking services are carried out by financial institutions. For instances, in Germany, commercial and investment banking activities are performed by single entity, but separate subsidiaries are required for other activities. In United
Kingdom a separate subsidiaries of commercial banks involve in providing wide range of activities. What the USA follows is an extreme model where the commercial banks are prevented legally from combining their normal landing functions with investment operations, where they are separated by so many legislative acts, just including the Glass-Steagall Act of 1933 and the bank Holding Company Act of 1956, however, at present USA is having a re-look at the position. Much of the international debate on universal banking has been centered around the restriction on diversification of the type.

2. **National (Indian) scenario** - Indian banks have started to deal on the stock market but their bitter experience with scams, they become averse to deal in equities and debentures and started their other functions called Indian scenario. For which it is classify in two parts which are as under -

   a. Commercial Banks
   b. Financial Institutions

   a. **Commercial Banks** - In 1990s the financial sector in India was crying out for reforms. Ever since the process of liberalization hit the Indian coast the banking sector saw the emergence of new-generation private sector banks. Public sectors banks which played a use full role earlier on are now facing wear and tear in their performance. For very long, the banks in India were not allowed to have access to stock markets. So their dealing in other securities were minimum but the financial sector reforms changed it all, Indian banks started to deal on the stock market but their bitter experience with scams, they became indisposed to deal in equities and debentures. Off late, commercial banks in India have been permitted to undertake a range of in-house financial services. Some banks have even setup their own subsidiaries for their investment activities. Subsidiaries include in the area of merchant banking, factoring, credit cards, housing finance etc.
b. Development Financial Institutions - DFIs were traditionally engaged in long term financing, as their main objective was to take care of the investment needs of industries and to contribute to a better industrial climate. They had, over the time, built up expertise in merchant banking, project evaluation and also started giving working capital finance. Recently, they were allowed to accept medium-term deposits within the specified limits. Lots of changes have taken place in DFIs in the recent past. Most of DFIs have floated banks, institutions and mutual fund subsidiaries. Ownership changes took place; several institutions want public, and organization structure itself got transformed.

3. Present (Local) scenario - Banking sector have been immediate to understand that the current scenario of banking in India is changing. It is not the same any more, the public has various options to choose from with not much differences in the saving rates that people are attracted to it, it should be something that differentiates itself from other banks. Banks soon realized that they have to be customer oriented and have to understand the current status of lifestyle of the people. They were current status life style of the people. They were quick to understand that with the confused work schedule of people, banks have to change, their style, their working hours etc. Bank is the first and the only branch so far in India that have working hours from 8 am to 8 pm which are the only bank that have been granted permission by RBI to start its service of the soon after part of the report deals with the subject. With the new entering into the market and margins filling up the competition has got. Tougher, but bank has been quick to understand the needs of its customer and has molded itself and in fact made itself flexible. Banks also understands that customer demands value for their money the service quality standards at bank and bank allow them to deliver better products faster.

It is a fact that banks have been under immense pressure due to new entrants. The competition has been on a high. It is very clear customers would be willing to shift their money to new banks they find a better rate of interest, however the rate difference between banks as very marginal and therefore, the situation has not come into action and
thus, what is left in which banks can actually provide customers with meaningful and unique services. Bank definitely stands out for the various services it offers to its customers also it has been able build a very strong trust with its customers which actually is the key to success.

These banks have therefore been looking to innovative services that actually help their customers. They have been finding out ways for their customers that allow them to feel comfortable hence building their trust with them.

1.6 Meaning of Private Sector and Public Sector Bank

1.6.1 Meaning of Private Sector Bank - Before to clarify the concept of private sector and public sector banks, would introduce about private sector banks and public sector bank for which the particulars are as under -

The private-sector banks in India represent part of the Indian banking sector where greater parts of stake or equity are held by the private shareholders and not by Government. The private sectors banks are split into two groups by financial regulator in India.

Since 1969, banking in India has been dominated by public sector banks when all major banks were nationalized by the Indian Government and Government banking policy of 1990 liberalization in Government banking. Old and new private sector banks have re-emerged. They have grown faster and bigger over the two decades since there liberalization using the latest technology, providing contemporary innovations and monetary tools and techniques. The old private sector banks existed prior to the nationalization in the year 1969 and kept their independence because they were either too small or specialist to be include in nationalization the new private sector banks are those granted their banking license since the liberalization in the year of 1990.¹

¹. en.wikipedia.org/wiki/Banking_in_India
Private sectors banks can classify in two parts which are as under -

**Classification of Private Sector Banks**

![Diagram](image)

**Figure 3**

(a) **Old Private Sector Banks** - Those banks, which were not established as nationalization in the year of 1969 and 1980, were called as old private sector banks. Because, of their small size and regional focus. Mostly old private-sector banks are closely held by certain communities their operations are very restricted to the areas in and around their place of origin. Their Board of Directors mainly consist of locally prominent personalization with trade and business circles, and also one of the positive points of these banks is that, they lean heavily on service and technology and they are likely to attract more business in days to come with the restricting of the industry round to corner. Although, this group consists of the banks that were established with the private sectors committee organizations and by group of professions for the cause of economic betterment in their operations initially, their operations were concentrated in some regional areas. While their branches slowly spread throughout the nation as grow.
Old private sectors banks are as under -

<table>
<thead>
<tr>
<th>Name</th>
<th>Year Established</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bank of Punjab Merged with Centurian Bank to form</td>
<td>1943</td>
</tr>
<tr>
<td>Centurian Bank of Punjab in June 2005</td>
<td></td>
</tr>
<tr>
<td>2. City Union Bank</td>
<td>1904</td>
</tr>
<tr>
<td>3. Dhanlaxmi Bank</td>
<td>1927</td>
</tr>
<tr>
<td>4. Federal Bank</td>
<td>1931</td>
</tr>
<tr>
<td>5. ING Vysya Bank</td>
<td>1930</td>
</tr>
<tr>
<td>7. Karnataka Bank</td>
<td>1924</td>
</tr>
<tr>
<td>8. Karur Vysya Bank</td>
<td>1916</td>
</tr>
<tr>
<td>9. Lakshmi Vilas Bank</td>
<td>1926</td>
</tr>
<tr>
<td>10. Nainital Bank</td>
<td>1922</td>
</tr>
<tr>
<td>11. Ratnakar Bank</td>
<td>1943</td>
</tr>
<tr>
<td>12. SBI Commercial and International Bank</td>
<td>1955</td>
</tr>
<tr>
<td>13. South Indian Bank</td>
<td>1929</td>
</tr>
<tr>
<td>14. Tamilnad Mercantile Bank Limited</td>
<td>1921</td>
</tr>
<tr>
<td>15. United Western Bank</td>
<td>1936</td>
</tr>
<tr>
<td>16. IDBI Bank Ltd.( reverse merged with parent IDBI in 2004 to</td>
<td>1964</td>
</tr>
<tr>
<td>Become IDBI bank. Making this public sector bank private)</td>
<td></td>
</tr>
<tr>
<td>17. Catholic Syrian Bank</td>
<td>1920</td>
</tr>
</tbody>
</table>

(b) New Private Sector Bank - After 1991, those banks which came in operation with the introduction of economic reforms and financial sector reforms are called “New Private-Sector Bank” and according to Act of banking regulation the entry of new private-sector banks in the Indian banking sector. There were certain set for the establishment of the new private-sector banks and out of it the bank should have a minimum net worth of Rs. 200 Crores, will clarify as under-
(a.) the promoters holding should be a minimum of 25% of the paid-up capital.
(b.) Within 3 years if the standing of the operations the bank should offer shares to publish their net worth must increased to 300 Crores. After it a list of the new private sector banks in India are as under –

<table>
<thead>
<tr>
<th>Name</th>
<th>Year Established</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Axis Bank ( earlier UTI Bank)</td>
<td>1994</td>
</tr>
<tr>
<td>2. Bank of Punjab ( Actually an old generation private Bank since it was not founded under post-1993 new Bank licensing regime)</td>
<td>1989</td>
</tr>
<tr>
<td>4. Development Credit Bank ( Converted from co-operative Bank, now DCB Bank Ltd)</td>
<td>1995</td>
</tr>
<tr>
<td>5. HDFC Bank</td>
<td>1994</td>
</tr>
<tr>
<td>6. ICICI Bank (Previously ICICI and then both merged; Total merger SCICI+ICICI+ICICI Bank Ltd)</td>
<td>1996</td>
</tr>
<tr>
<td>7. IndusInd Bank</td>
<td>1994</td>
</tr>
<tr>
<td>9. Yes Bank</td>
<td>2005</td>
</tr>
<tr>
<td>10. Times Bank (Merged with HDFC Bank Ltd)</td>
<td>Unknown</td>
</tr>
<tr>
<td>11. Global Trust Bank, India ( Merged with oriented Bank Of Commerce)</td>
<td>Unknown</td>
</tr>
</tbody>
</table>

1.6.2 History of Private Sector Bank
Very beginning of the banking system that is since 1921, private-sector banks have been functioning in India and the private banks just like as Banks of Bengal, Bank of Madras and Bank of Bombay were in service. Which all together formed Imperial Bank of India?

Reserve Bank of India (RBI) came in picture in the year of 1935 and called the centre of every other related bank taking away all the responsibilities and functions of imperial bank. During the year of 1969 and 1980 there was rapid increase for the number of branches of private banks. In April 1980 these banks accounted near about 17.5% of bank branches in India. After it in the year of 1980 6 numbers of more banks were nationalized near about 10% of the bank branches were those of private-sector banks. For the share of the private-sector banks branches stayed nearly as same during the year of 1980 and 2000.

After it, in the year of 1990, RBIs liberalization policy came in the picture and with the Government gave license to some private-sector banks, which were called as new private-sector banks, and can be divided as old private-sector banks and new private sector banks. For the above category can say the old private-sector banks have been operating since a long time and may referred to those banks, which are in operating from or before the year of and all those banks that have commenced their business after the year of 1991 are called as new private-sector banks.

1.6.3 Meaning of Public Sector Bank

Generally a public-sector banks is one of the bank in which, the Government of India a majority stake, it is called good as the Government running the bank, while the public decide on who runs the Government, these banks that are completely/partially owned by the Government are called public-sector banks, because public sector banks are those banks where more than 50% majority stake is held by a Government and the shares
of these banks are listed on the basis of stock exchange, and the total numbers of 21 public sector banks in India.

In the year of 1955, the Central Government entered the banking business which the nationalization of the imperial bank of India and a 60% stake was taken by the Reserve Bank of India and the new bank was named as the State Bank of India. After it 7 numbers of other State Banks become the subsidiaries of the above new banks when nationalized in the month/year of 9th July 1960. The next major nationalization of banks took place in the year of 1969. When the Government of India, under Prime Minister Indira Gandhi. After it 14 numbers of major banks which were nationalized as additional, and the total deposits in nationalized banks amounted to 50 Crores in the year of 1969. This move increased the presence of nationalized banks in India, with 84% of the total branches coming under Government control.

After it the next round of nationalization took place in the Month/Year of April 1980 for which the Government nationalized 6 Number of banks. Due to this reason the total deposit of these banks amounted to around 200 Crores and further increase in the number of branches in the market, increasing up to 91% of the total branch network of the country.

Some objectives behind nationalization which are as under -
1. To break the ownership and control of banks by some business families.
2. To prevent the concentration of wealth and economic power.
3. To mobilize savings from masses with all parts of the country.
4. To cater to the requirement of the priority sectors.

In the year of 1980, public sectors banks before the economic liberalization means the share of the banking sector held by the public banks continued to grow and in the year of 1991. The public sector banks accounted for 90% of the banking sector. After passing of one year i.e. in March 1992, the combined total of branches held by public sector
banks was 60,646 across India, and deposits accounted for Rs. 1,10,000 Crores. These banks were profitable, with only one out of the 27 public sector banks reporting a loss i.e. problem with nationalized banks reporting a combined loss of Rs. 1,160 Crores. However the early 2000, saw a reversal of this trend, such that in 2002-03 a profit of Rs. 7,780 Crores by the public sector banks, a trend that continued throughout the decade, with a Rs. 16,856 Crores profit in 2008-09.

1.6.4 History of Public Sector Bank

In 19th Century, the roots of the State Bank of India rest in the first decade when the Bank of Calcutta, later renamed the Bank of Bengal was established on 2and of June, 1806, and the Bank of Bengal and other to presidency bank, namely the Bank of Bombay (Mumbai) incorporated on 15th of April, 1840, and the Bank of Madras (Chennai) which was incorporated on first of July, 1843, and these all three presidency banks were incorporated as joint stock companies, also were the result of the Royal Charters.1

After-wards, above these three banks received the exclusive right to issue paper currency in the year of 1861, according to the paper currency act, in this act a right i.e. they retained until the formation of the Reserve Bank of India. Although, Presidency banks amalgamated on 27th of January, 1921 and the reorganized banking entity took as its name as Imperial Bank of India. The imperial bank of India continued to remain a joint stock company pursuant to the provisions according the act of State Bank of India in the year of 1955 and the Reserve Bank of India, which is called India’s Central Bank.

The Imperial Bank of India acquired a controlling interest because on 13th of April, 1955 “the Imperial Bank of India became the State Bank of India” the Government of India recently acquired the Reserve Bank of India’s stake in State Bank of India and due to this remove any conflict of interest because the RBI is the country’s banking regulatory authority.

1. www.sbi.co.in
State Bank of India has acquired local banks in rescues for instance in 1985 and it acquired Bank of Cochin in Kerala, which had near about 120 branches. SBI was the acquirer as its affiliate State Bank of Tranvancore already had an extensive network in Kerala. State Bank of India is “called 29th most reputed companies in the world” (Forbes also) and SBI is only the bank which to get featured in converted “Top 10 branches of India” list in an annual survey conducted by brand finance and the economic times in the year of 2010.

Before it, we would describe the share of the banking sector which were held by the public bank’s continued to grow through the 1980 and by 1991 and also the public sectors bank accounted for 90% of the banking sector and after a year later, in March, 1992, the combined total of branches held by public sector bank’s was 66,646 across India, and deposits accounted for Rs.1,10,000 Crores. The majority of these banks were quite profitable, with only one out of the 27th public sector banks. Because, when India became independent (in 1947) there were various socio-economic problems confronting the country which required to be dealt with in a planned and systematic manner for which India at that time was primarily an agrarian economy with a weak industrial base, low level of savings, inadequate investments and lack of infrastructure facilities. There existed considerable inequities in income and level’s of employment, glaring regional imbalances in economic development and lack of trained manpower, and due to this the state’s intervention in all the sectors of the economy which was desirable and in inevitable since private sector neither had the resources, managerial and scientific skill, nor the will to undertake the risks associated with large, long-gestation investments.

Therefore, the type and range of some problems faced by the country on the economic in that time, social and strategic fronts, it became a pragmatic compulsion to use the public sector such as instrument for self-reliant economic growth.

The dominant consideration for the continued large investments in public sector enterprises was to accelerate the growth of core sectors of economy, to serve the
equipment needs of strategically important sectors like railways, telecommunications, nuclear power, defense etc. Thus, we would like to clarify the overall constitution of public sector enterprises in India is a heterogeneous conglomeration of basic and infrastructure industries, industries producing consumer goods, industries engaged in trade and services.

According to public enterprise survey of 2011, the number of profit making CPSEs (Central Public Sector Enterprises) stands at 161 with a total profit for Rs. 1,25,116 Crores (which was 143 CPSEs in 2004-05 and 160 CPSEs in 2007-08) and as on 31st of March, 2012 there were many as 260 CPSEs excluding 7 insurance companies which was increased steadily from 143, and 160 etc.

1.7 Meaning and organizational structure of SBI

1.7.1 Meaning of SBI

State bank of India is a multinational banking and financial services company based in India and can say a Government-owned corporation with its head quarters in Mumbai i.e. Maharashtra. In the year of December, 2013 SBI head assets of US $ 388 billion and 17,000 branches, with 190 foreign offices, making it the largest banking and financial services company in India with assets, and can say that State Bank of India is one of the four banks of India, along with ICICI Bank, Punjab National Bank and Bank of Baroda.

The bank traces its descent to British India, through the Imperial Bank of India, to the founding in 1806 of the Bank of Calcutta, making it oldest Commercial Bank in the Indian subcontinent. Bank of Madras (Chennai) merged in to the other two presidency banks that are Bank of Calcutta (Kolkata) and Bank of Bombay (Mumbai) to form the Imperial Bank of India, which in turn became the State Bank of India in the year of 1955.
Government of India owned the Imperial bank of India, with Reserve Bank of India taking a 60% stake, and renamed it the State Bank of India and in the year of 2008 the Government took over the stake held by Reserve Bank of India.

Generally, can say that SBI is a regional banking Behemoth and has 20% market share in deposits and loans between Indian commercial banks.

1.7.2 Organizational Structure of State Bank of India –

Organizational Structure of State Bank of India

- Smt. Arundhati Bhattacharya
  - Chairman
- Shri Hemant G. Contractor
  - Managing Director
- Shri A. Krishna Kumar
  - Managing Director
- Shri S. Vishvanathan
  - Managing Director
- Shri P. Pradeep Kumar
  - Managing Director
- Shri S. Venkatachalam
  - Director
- Shri D. Sundaram
  - Director

[ 37 ]
Figure 4

Source: State Bank of India’s official website
1.7.3 History of State Bank of India

In 19th century, the roots of the State Bank of India lie in the first decade and when the Bank of Calcutta, later renamed the Bank of Bengal, was established on 2nd of June 1806. The Bank of Bengal was one of three residency banks, another two banks of Bombay which were incorporated on 15th of April, 1840 and the Bank of Madras was incorporated on 1st of July 1843. These all three residency banks were incorporated as joint stock companies and were the result of the royal charters. These three banks received the exclusive right to issue paper currency act, the right was taken over by the Government of India. On 27th of January 1921 the presidency bank amalgamated and the re-organized banking entity took as its name Imperial Bank of India. The Imperial Bank of India remained a joint stock company but without Government participation pursuant to the provisions of the State Bank of India, which is India’s central bank, acquired a controlling interest in the Imperial Bank of India, the Imperial Bank of India became the State Bank of India on 1st of July, 1955 and in the year of 2008, the Government of India acquired the Reserve Bank of India’s stake in SBI so as to remove any conflict of interest because the RBI is the country’s banking regulatory authority.

After it in year of 1959, the Government has approved the State Bank of India that is subsidiary banks act, which made eight State Banks associates of SBI. A process of consolidation began on 13th of September, 2008 when the State Bank of Saurashtra merged with State Bank of India.

SBI has acquired local banks in rescues the first was the Bank of Behar (established in 1911), which SBI acquired in 1969, together with its 28 own branches. The next year SBI acquired National Bank of Lahore which was established in 1942 and which had 24 branches.
After passing of five years SBI acquired Krishnaram Baldeo Bank in the year of 1975, which had been established in 1916 in Gwalior State, under the sponsorship of Maharaja Madho Rao Scindia.

The first manager was Jall N. Broacha, who was a Parsi in new Bank of India in the year of 1985 for which SBI acquired the Bank of Cochin in Kerala which had 120 branches. SBI was the acquirer as its affiliate, the State Bank of Travancore, already had an extensive network in Kerala.

The State Bank of India and all its associate banks are identified by the same blue key role logo. The State Bank of India word mark usually has one standard typeface, but also utilizes other type faces. In 7th of October, 2013 Arundhati Bhattacharya became the first woman who was appointed as Chairperson (Chairman) of the bank.

At present we can say that State Bank of India (SBI) has spread its own arms around the world and has a network of branches spanning all time zones and also provides the full range of cross-border finance solutions through its four wings i.e. the domestic division, the foreign offices division, the foreign department and also the international services division and due to this reason, State Bank of India is the Largest Bank of India.

1.7.4 Vision, Mission & Values of SBI

VISION

- My SBI.
- My customer first.
- My SBI: First in customer satisfaction
MISSION

- We will be prompt, polite and proactive with our customers.
- We will speak the language of young India.
- We will create products and services that help our customers achieve their goals.
- We will go beyond the call of duty to make our customers feel valued.
- We will be of service even in the remotest part of our country.
- We will offer excellence in services to those abroad as much as we do to those in India.
- We will imbibe state of the art technology to drive excellence.

VALUES

- We will always be honest, transparent and ethical.
- We will respect our customers and fellow associates.
- We will be knowledge driven.
- We will learn and we will share our learning.
- We will never take the easy way out.
- We will do everything and we can to contribute to the community we work in.
- We will nurture pride in India

1.7.5 Latest list of Directors of SBI

Approved list of Directors declared in December, 2013 is as under -
### Table 2- List of Director on the Central Board of State Bank of India
(As on 28th December, 2013)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name</th>
<th>Designation</th>
<th>Under Section of SBI Act 1955</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Smt. Arundhati Bhattacharya</td>
<td>Chairman</td>
<td>19(a)</td>
</tr>
<tr>
<td>2.</td>
<td>Shri Hemant G. Contractor</td>
<td>Managing Director</td>
<td>19(b)</td>
</tr>
<tr>
<td>3.</td>
<td>Shri A. Krishna Kumar</td>
<td>Managing Director</td>
<td>19(b)</td>
</tr>
<tr>
<td>4.</td>
<td>Shri S. Vishvanathan</td>
<td>Managing Director</td>
<td>19(b)</td>
</tr>
<tr>
<td>5.</td>
<td>Shri P. Pradeep Kumar</td>
<td>Managing Director</td>
<td>19(b)</td>
</tr>
<tr>
<td>6.</td>
<td>Shri S. Venkatachalam</td>
<td>Director</td>
<td>19(c)</td>
</tr>
<tr>
<td>7.</td>
<td>Shri D. Sundaram</td>
<td>Director</td>
<td>19(c)</td>
</tr>
<tr>
<td>8.</td>
<td>Shri Parthasarathy Iyengar</td>
<td>Director</td>
<td>19(c)</td>
</tr>
<tr>
<td>9.</td>
<td>Shri Thomas Mathew</td>
<td>Director</td>
<td>19(c)</td>
</tr>
<tr>
<td>10.</td>
<td>Shri Jyoti Bhushan Mohanpatra</td>
<td>Workmen Employee Director</td>
<td>19(ca)</td>
</tr>
<tr>
<td>11.</td>
<td>Shri S.K. Mukherjee</td>
<td>Office Employee Director</td>
<td>19(cb)</td>
</tr>
<tr>
<td>12.</td>
<td>Dr. Rajiv Kumar</td>
<td>Director</td>
<td>19(d)</td>
</tr>
<tr>
<td>13.</td>
<td>Shri Deepak I. Amin</td>
<td>Director</td>
<td>19(d)</td>
</tr>
<tr>
<td>14.</td>
<td>Shri Harichandra Bahadur Singh</td>
<td>Director</td>
<td>19(d)</td>
</tr>
<tr>
<td>15.</td>
<td>Shri Tribhuwan Nath Chaturvedi</td>
<td>Director</td>
<td>19(d)</td>
</tr>
<tr>
<td>16.</td>
<td>Shri Rajiv Takru</td>
<td>Director</td>
<td>19(e)</td>
</tr>
<tr>
<td>17.</td>
<td>Dr. Urjit R. Patel</td>
<td>Director</td>
<td>19(f)</td>
</tr>
</tbody>
</table>

Source: Annual Report of State Bank of India
1.7.6 Objectives of State Bank of India

State Bank of India is committed to the best practices in the area of corporate governance in letter and in spirit. The bank believes that good corporate governance is much more than complying with legal and regulatory requirement and good governance facilities effective management and also control of business, enables the bank to maintain a high level of business ethics and to optimize the value for all its stakeholders-

The objectives of State Bank of India can be summarized as under –

1. To protect and enhance shareholder value.
2. To protect the interest of all other stakeholders. Such as customer, employees and society at large.
3. To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned.
4. To provide corporate leadership of highest standard for others to emulate.
5. To ensure accountability for performance and customer services and to achieve excellence at all levels.
6. According to above details for objectives the main role of a State Bank of India are showing in short way i.e. to accept deposits, gives loans and advances, invests and borrows, deals in bill of exchange, deals in gold and silver, deals in foreign currencies, underwrite issues, form subsidiary, housing schemes and acts and agent, these are the objectives related with the State Bank of India.

1.7.7 Functions of State Bank of India

State Bank of India can be grouped under two types of categories for which can say that only two kinds of functions of SBI which are as follows -

1. Central banking functions
2. General(Ordinary) banking functions
Therefore, the functions of SBI will clarify the as under -

1. Central banking functions - According to the acts, if SBI as agent of the RBI (Reserve Bank of India) at the places where the RBI has no branch. Accordingly, it renders the following functions.

   A. Banker to the Government
   B. Banker to banks in a limited way
   C. Maintenance of currency chest
   D. Acts as clearing house
   E. Renders promotional functions

   Therefore, will clarify the above functions as point-vise as under-

   A. Banker to the Government - The State Bank of India functions as the banker to the Central and State Government. It receives and pays money on behalf of the Governments. Especially it renders the following activities as per directions of RBI in this regard -
      (a) To collect the charges on behalf of the Government just as collection of taxes and other payments.
      (b) To sanction (Grants) loans and other type of advances to the Governments.
      (c) To provide advises to the Government connected with economic conditions etc.

   B. Banker to Banks in a limited way – It is called Bank of Banker because, commercial banks have accounts with SBI and when the bank face financial shortage or financial problems, the SBI provides assistance to those banks and also considered a big brother in the banking industry and also SBI discounts the bills related which the other commercial banks.

       Due to the above function on this line the SBI is considered in a limited sense as the Banker’s Bank.
C. **Maintenance of currency chest** - The currency chest is maintained by Reserve Bank of India on behalf of own offices. But RBI offices are situated only in big cities, and State Bank of India buy its wide network of branches operate in urban as well as rural Areas. Therefore, RBI in such places keeps money at currency chests with State Bank of India.

Although, when ever needs arise, the currency is withdrawn from these chest under proper accounting and reporting to Reserve Bank of India and at present RBI entrust currency chest to other public banks and some private sector banks also.

D. **Acts as clearing house** – Where, RBI has no branch in all concerning places, for the above SBI renders the functions of Clearing House in general way can say it facilities them into bank settlements, since all the banks in such places have accounts with the State Bank of India and for the above reason it is easy for the SBI to act as Clearing House.

E. **Renders promotional functions** - According to this type of function, State Bank of India also renders various promotional functions and also provides various facilities to the following priority sectors just as –

a. Agriculture
b. Small- scale industries
c. Weaker sections of the society
d. Co-operative sectors
e. Small-traders
f. Unemployed youth
g. Others

Therefore, these above respects of SBI are like any other commercial bank.

2. **General (ordinary) banking functions** - General banking functions is called specialized functions for which the SBI renders the following functions under section 33 of the act, which are as under -
(a) Accepting deposits with the public under current savings, fixed and recurring deposit accounts.

(b) Advancing and landing money and also opening cash credits upon the securities of stocks and securities.

(c) Added with functioning of drawing, accepting, discounting, buying and selling of bills of exchange and other negotiable instruments.

(d) Funds investing in specified kinds of securities.

(e) Advancing and landing money to court of wards with the State Government of their previous approval.

(f) To issue and circulate the letters of credit.

(g) Offering remittance facilities such as demands drafts, mail transfers, telegraphic transfers etc.

(h) To act as administrator, executor, trustee and otherwise.

(i) Selling and realizing the movable or immovable properties those comes into the banks in the base of satisfaction of claims.

(j) Transacting pecuniary agency business on commission stocks.

(k) Underwriting of the issue of authorized shares, debentures and other related securities and can say that this function is done by the SBI through Subsidiaries at present.

(l) Buying and selling of gold and silver.

(m) It also operates public provident fund accounts for the general people.

(n) SBI operates non-resident external accounts and foreign currency accounts.

(o) To provide factoring service through subsidiaries.

(p) SBI provides shipping finance.

(q) SBI promotes export on the basis of export credit provides projects export finance.

(r) Provides merchant banking facilities also.

(s) Global link services also provides as specialized services.

(t) SBI promotes housing finance through SBI Home Finance Limited.

(u) SBI offers community services banking. It also provides grant to many socially relevant research projects under taken by various Universities and Academic Institutions in the Country.
(v) SBI provides leasing finance and project finance facilities.

(w) SBI also participates in lead bank scheme.

(x) At last in this point can say that State Bank may with the sanction of the Central Government, enter into negotiations for acquiring the business of any-other banking institutions.

1.7.8 Associate Banks of State Bank of India

State Bank of Bikaner & Jaipur: The Genesis of State Bank of Bikaner and Jaipur dates back to the year 1943-44, when the Bank of Jaipur Ltd. and the Bank of Bikaner Ltd. came into existence. In 1960, both banks were incorporated as subsidiaries of State Bank of India and named as State Bank of Bikaner and State Bank of Jaipur.

State Bank of Hyderabad: State Bank of Hyderabad was constituted as Hyderabad State Bank on 8.8.1941 under Hyderabad State Bank Act, 1941. In 1956, the Bank was taken over by Reserve Bank of India as its first subsidiary and its name was changed from Hyderabad State Bank to State Bank of Hyderabad. The bank became a subsidiary of the State Bank of India on the 1st of October, 1959 and is now the largest associate bank of State Bank of India.

State Bank of Mysore: State Bank of Mysore was established in the year 1913 as Bank of Mysore Ltd. under the patronage of the erstwhile Govt. of Mysore, at the instance of the banking committee headed by the great Engineer-Statesman, Dr. Sir M.Visvesvaraya. Subsequently, in March 1960, the bank became an associate of State Bank of India holds 90% of shares.

State Bank of Patiala: Bank of Patiala another milestone in history of the bank was its becoming a subsidiary of the State Bank of India on 1st of April,1960 when it was named as the State Bank of Patiala and since then, it has grown significantly both in size and volume of business.

[47]
State Bank of Travancore: 1945 - The bank was Incorporated at Travancore. The bank transacts general banking business of every description including foreign exchange business. It is a subsidiary of the State Bank Group and also has private share-holders. It is the premier bank of Kerala (India) where it has 777 branches.

1.7.9 Non Banking Subsidiaries of SBI

Non banking subsidiaries of State Bank of India are as under -

- SBI Capital Markets Ltd.
- SBI General Insurance Co. Ltd.
- SBI Cards & Payment Services Ltd.
- SBI Factors & Comm. Services Ltd.
- SBI Funds Management (P) Ltd.
- SBI DFHI Ltd.
- SBI Life Insurance Co. Ltd.

1.7.10 Foreign Subsidiaries of SBI

SBI (Canada): State Bank of India Canada (SBIC) was established in 1982 as a wholly owned subsidiary of State Bank of India the largest bank in India with more than 200 years of reputation for customer's trust and service. SBIC is rendering service to Canada in Ontario and British Columbia for the last 30 years, through its 7 branches

SBI (California): Established in 1982, SBIC is a fully owned subsidiary of State Bank of India, one of the largest banks in the world and a fortune 500 companies, with controlling ownership by the Government of India.

SBI International (Mauritius) Ltd.: SBI (Mauritius) Ltd, a foreign subsidiary of State Bank of India, has emerged as a strong bank after the amalgamation of Indian Ocean International Bank Ltd with SBI International (Mauritius) Ltd, both subsidiaries of State
Bank of India, the largest Commercial Bank of India. The bank is having fully integrated 15 branches in major cities/towns of the country including Rodriguez INMB Bank Ltd.

**Nepal SBI Bank Limited:** Nepal SBI Bank Ltd. is a subsidiary of State Bank of India which has 55% of ownership and rest is held by a local partner viz. Employee Provident Fund (15%) and general public (30%). In terms of the Technical Services Agreement between SBI and the NSBL, the former provides management support to the bank.

**Bank of Bhutan:** The Bank of Bhutan, the nation's commercial bank, was established in 1968 as a joint venture with the Chartered Bank of India, Australia and China, which owned 25% of the bank. In 1970, this share was transferred to the State Bank of India. Since its establishment, the Bank of Bhutan's board of directors has been composed of key officials from the economic ministries and departments and two officials from the Indian banks.

**Commercial Bank of India LLC:** State Bank of India opened its Representative office in 1976 and Canara Bank opened its office in 1995. In the year 2003, both the Banks decided to form the joint venture namely Commercial Bank of India LLC mainly to promote Indo-Russian bilateral trade. CIBL started its operations in February, 2004. CIBL holds license only for Corporate Banking and does not have a Retail Banking license.

**1.7.11 Joint Ventures of SBI**

In India, the following joint ventures are of State Bank of India which are clarify as under -

**SBI Life Insurance Company Ltd (SBI LIFE):** SBI Life Insurance is a joint venture life insurance company between State Bank of India (SBI), the largest state-owned banking and financial services company in India, and BNP Paribas Assurance. SBI owns 74% of the total capital and BNP Paribas Assurance the remaining 26% of the capital.
**SBI General Insurance Company Limited:** SBI General Insurance Company Limited is a joint venture between the State Bank of India and Insurance Australia Group (IAG). SBI owns 74% of the total capital and IAG the remaining 26%.

**SBI-SG Global Securities Private Limited:** SBI-SG Global Securities Services Pvt. Ltd (SBISGGSS) is a joint venture between State Bank of India (SBI) and Societe Generale Securities Services (SGSS). This Joint venture has been set up to offer high quality Custody Services, Fund Accounting & Fund Administration, Risk Analysis & Performance Measurement and Registered & Transfer Agency Services to domestic investors like Financial Institutions, Mutual Funds, Insurance Companies etc.

**1.8 Meaning and Organizational Structure of ICICI Bank**

**1.8.1 Meaning of ICICI Bank**

ICICI Bank is called Indian multinational banking and financial services company. Headquartered, in Bombay (Mumbai), and can say that it is the second largest bank in India by assets and by market capitalization, in the year of 2014. It offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries in the areas of investment banking, life, non-life insurance, venture capital and asset management. The bank has a network of 3,539 branches and 11,162 ATMs in India, and has a presence in 19 Countries.

ICICI Bank is one of the big four banks of India along with State Bank of India, Punjab National Bank and Bank of Baroda. The bank has subsidiaries in the United Kingdom, Russia and Canada. Branches in United States that is Singapore, Bahrain, Hongkong, Shrilanka Qatar and Dubai international finance centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. The company’s United Kingdom subsidiary has also established branches in Belgium and Germany.
After it, in March 2013, operating red spider showed high ranking officials and some employees of ICICI bank involved in money laundering. After a Government enquiry, ICICI bank suspended 18 employees and faced penalties through the Reserve Bank of India in relation to the activity.

1.8.2 Organizational Structure of ICICI Bank –

Organizational Structure of ICICI Bank

**Board Members**
Mr. K. V. Kamath, Chairman

**Directors**
Mr. Dileep Choksi

Mr. Homi R. Khusrokhan

Mr. Homi R. Khusrokhan

Mr. V. Sridar

Mr. M.S. Ramachandran

Dr. Tushaar Shah

Mr. V. K. Sharma

Mr. V. Sridar

Ms. Chanda Kochhar,  
**Managing Director & CEO**
1.8.3 History of ICICI Bank

In the year of 1955, the Industrial Credit And Investment Corporation of India Limited (ICICI) incorporated at the initiative of the world bank, the Government of India and representatives of Indian industry, with the objective of Creating a Development Financial Institution for providing medium-term and long-term project financing to Indian businesses, and the first Chairman of ICICI Limited was elected as Mr. A. Ramaswami Mudaliar.

After it, ICICI emerges as the major source of foreign currency loans to Indian Industry. Besides funding from the world Bank and other multilateral agencies and was also among the first Indian companies to raise funds from International Market.

In the year of 1967, Industrial Credit And Investment Corporation of India Limited made first debenture issue for Rs. 6 Crores which was oversubscribed in the year of 1977, ICICI sponsored the formation of Housing Development Finance Corporation and managed first equity public issue.
In the year of 1982, Industrial Credit And Investment Corporation of India became the first ever Indian borrower to increase European Currency units and also commences leasing business.

In the year of 1986, ICICI became the first institution to receive ADB (Asian Development Bank) loans and also along with Unit Trust of India (UTI), set up credit rating information services of India limited and called first Indian professional credit rating agency and promotes shipping credit and Investment Company of India limited.

This bank was established in 1994, by the industrial Credit and Investment Corporation of India and as Indian Financial Institution called wholly owned Subsidiary and Securities and Finance Company Limited in joint venture with set up of J.P. Morgan.

In the year of 1996, this was Asset Management Company set up with ICICI Bank set up and also ICICI limited became as First Company in the Indian Financial sector to raise GDR.

In the year of 1998, the above Banking Corporation Limited, the first bank in the Country to go in for Internet Banking is now all set to provide their account-holders with the facility of transferring funds across their accounts concerned with Net.

In the year of 2000, this bank became the first Indian Bank to list on the New York Stock Exchange with its $ 175 million, American Depository shares issue generating a demand book 13 times and size at $ 2.2 billion.

After it, the Board of Directors of ICICI and ICICI Bank, approved the merger of ICICI in the year of 2001 and two of its wholly owned retail Finance Subsidiaries and this Bank called personal Financial Services Limited and Capital Services Limited, with ICICI Bank. The merger was approved by shareholders of it and ICICI Bank in January 2002, by the High Court at Gujarat at Ahmedabad in March 2002 and after it by the
Judicature of High Court at Mumbai and the Reserve Bank of India in April 2002. Financial Crisis, Customers rushed to ATMs and branches in some location due to rumors of Adverse Financial Position of ICICI Bank. The Reserve Bank of India issued a clarification on the financial strength of ICICI Bank to dispel the rumors in the year of 2008.

The above bank opened first retail branch in Singapore and also RBI approves the amalgamation of bank of Rajasthan Limited with ICICI Bank Limited in the year of 2010.

After it, in the year of 2012, ICICI Bank opened the second branch in Hong Kong and also bank was the first private sector bank in India to offer PPF (Public Provident Fund) account facility in all branches of bank.

And in the last year of 2013, ICICI Bank adjudged at the express it innovation under the large enterprise category and most innovative bank or can say most innovative use of Multinational Infrastructure.

And due to above reason, ICICI Bank won the Asian Banking and Financial Retail Banking award in the year of 2013 on behalf of online banking initiative for 2013 and also received the award for Best Private Sector Banker in the above year. Therefore, ICICI Bank has been one of the recipients of the Corporate Governance.

At last comments in favor of ICICI Bank i.e. ICICI Bank is the best domestic bank, India by the Asset triple a Country.

**1.8.4 Objectives of ICICI Bank**

The ICICI Bank has been established to achieve the following objectives as under:
1. To assist in the formation, expansion and modernization of industrial units in the private concerns.
2. To stimulate and promote the participation of private capital (Both Indian and Foreign) in such industrial units.
3. To furnish technical and managerial aid so as to increase production and expand employment opportunities.
4. To assist in the development of the capital market through its underwriting activities.

1.8.5 Functions of ICICI Bank

The primary functions of ICICI are to act as a channel for providing development finance to industry. In pursuit of its objectives of promoting industrial development, ICICI performs the following functions, which are as under -

1. It provides medium and long-term loans in Indian and Foreign currency for importing capital equipment and technical services. Loans sanctioned generally go towards purchases of fixed assets like land, building and machinery.
2. It subscribes to new issue of shares, generally by underwriting them.
3. It guarantees loans raised from private sources including deferred payment.
4. It directly subscribes to shares and debentures.
5. It provides technical and managerial assistance to industrial units.
6. It provides assets on lease to industrial concerns. In other words, assets are owned by ICICI Bank, but allowed to be used by industrial concerns for a consideration called lease rent.
7. It provides projects consultancy services to industrial units for new projects.
8. It provides merchant banking services.
1.8.6 Investor Relations of ICICI Bank

ICICI Bank disseminates information on its operations and initiatives on a regular basis. The ICICI Bank website serves as a key investor awareness facility, allowing stakeholders to access information on ICICI Bank at their convenience. ICICI Bank's dedicated investor relations personnel play a proactive role in disseminating information to both analysts and investors and respond to specific requests.

1.8.7 Credit Rating of ICICI Bank

Table 3 - Credit Rating of ICICI Bank

<table>
<thead>
<tr>
<th>Agency</th>
<th>India</th>
<th>ICICI Bank Limited</th>
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<tbody>
<tr>
<td><strong>Senior Debt &amp; Deposit Ratings of ICICI Bank Limited</strong></td>
<td></td>
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<tr>
<td>Moody’s</td>
<td>FC- Long Term</td>
<td>Baa2</td>
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<td>S &amp; P</td>
<td>FC- Long Term</td>
<td>BBB-</td>
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<td></td>
<td>FC- Long Term</td>
<td>A-3</td>
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<tr>
<td>JCRA</td>
<td>FC- Long Term</td>
<td>BBB+</td>
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<tr>
<td>CARE</td>
<td>Rupee –Long Term</td>
<td>-</td>
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<td></td>
<td>Fixed Deposit</td>
<td>-</td>
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<tr>
<td></td>
<td>Rupee-Short Term</td>
<td>-</td>
</tr>
<tr>
<td>ICRA</td>
<td>Term Deposit</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Rupee-Short Term</td>
<td>-</td>
</tr>
</tbody>
</table>

Sources – ICICI Bank

Moody's: Moody's Investor Services

S & P: Standard & Poors
JCRA: Japan Credit Rating Agency
CARE: Credit Analysis & Research Limited, India
ICRA : ICRA Limited, India
FC : Foreign Currency

IMP- Ratings by various agencies for ICICI Bank Limited as well as India are subject to regular revisions. Kindly refer to the respective agencies for the latest ratings.

1.8.8 Group Global Site of ICICI Bank

Figure 6
1.8.9 ICICI Group Companies

ICICI has the following group companies which are as under -

1. ICICI Bank
2. ICICI Prudential Life Insurance Company
3. ICICI Securities
4. ICICI Securities Primary Dealership Limited
5. ICICI Lombard General Insurance Company
6. ICICI Prudential Assets Management Company
7. ICICI Venture
8. ICICI Home Finance Company

Therefore, the above group Companies are of ICICI Bank and will describe as under –

1. ICICI Bank -

ICICI Bank is one of the second-largest bank of India because the total assets of Rs. 4,736.47 billion (US$ 93 billion) at 31st of March, 2012 and profit after tax Rs. 64.65 billion (US$ 1,271 million) for the year ended 31st of March, 2012 and it has a network of 2,890 branches and 10,021 ATMs in Country, and also has a presence in 19 countries, including Our country i.e. India.

Although, ICICI Bank provides a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries in the areas of investment banking, and life and non-life insurance, venture capital and asset management.
It has currently subsidiaries in the United Kingdom, 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. Our UK subsidiary has established branches in Belgium and Germany.

In India equity shares are listed with ICICI Bank’s 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). PLC (Prudential Life Insurance Company) of the United Kingdom is not affiliated in any manner with Prudential Financial, INC, a company whose principal place of business is in the United States of America.

2. ICICI Prudential Life Insurance Company -

ICICI Bank and ICICI Prudential Life Insurance Company are joint ventures, and a premier financial powerhouse, and Prudential PLC, a leading international financial services group headquartered in the United Kingdom. ICICI Prudential was amongst the first private sector insurance companies to begin operations in December, 2000 after receiving approval from Insurance Regulatory Development Authority (IRDA).

ICICI Prudential Life's capital stands at Rs. 4,793 Crores (as of March 31, 2013) with ICICI Bank and Prudential PLC holding 74% and 26% stake respectively. For the financial year 2013, the company has garnered total premium of Rs 13,538 Crores. The company has assets held over Rs. 77,393.09 Crores as on December 31, 2013.

For the past decade, ICICI Prudential Life Insurance has maintained its dominant position (on new business retail weighted basis) amongst private life insurers in the country, with a wide range of flexible products that meet the needs of the Indian customer at every step in life.
3. ICICI Securities –

ICICI Securities has been at the forefront of capital markets advisory for several decades and has also been involved in most of the major public equity issuances in recent times. The company was among the leading underwriters of Indian equity and equity linked offerings with unparalleled execution capabilities. ICICI securities provide end-to-end fund raising solutions, from structuring to placement of the equity instrument. The firm’s expertise include Initial Public Offer (IPOs), Further Public Offering (FPOs) right offerings, convertible offerings, Qualified Institutional Placement (QIP), Non convertible Debenture, Buyback, Delisting, open offers and international offerings for both, unlisted and listed entities.

ICICI Securities has successfully managed public issues of companies which were the first in their sector to tap the market - media both print and television, first Govt. of India divestment IPO, first pure-play internet company in India, first mobile VAS Company, etc. ICICI Securities was also involved in various pioneering issues in the Indian capital markets - the first issue using the new alternate book-building (French Auction) method (NTPC), the first issue of shares with differential voting rights (Tata Motors), the first public issue of non-convertible debentures (Tata Capital), the first delisting using the reverse book-building mechanism (Hewlett-Packard), etc.

With offices across major financial centers (New York, Singapore, Mumbai and Delhi), ICICI Securities delivers its products covering corporate and investors across geographies.

Key Recent Deals

In the Financial Year 2010, ICICI Securities has helped companies raise ~ US$ 1.86 billion through QIPs and IPOs in Financial Year 2010. (Source: Prime Database). Some of the recent transactions include:
**IPOs (Initial Public Offer)**

- **Jaypee Infratec** - In 2010, Book Running Lead Manager, Rs. 22.6 bn
- **A2Z Maintenance & Engineering Services** - In 2010, Book Running Lead Manager, Rs. 8.6 bn
- **Punjab & Sind Bank** - In 2010, Book Running Lead Manager, Rs. 4.7 bn
- **Nitesh Estates** - In 2010, Book Running Lead Manager, Rs. 4.1 bn
- **Shree Ganesh Jewellery House** - In 2010, Book Running Lead Manager, Rs. 3.7 bn
- **Claris Life Sciences** - In 2010, Book Running Lead Manager, Rs. 3 bn
- **Parabolic Drugs** - In 2010, Book Running Lead Manager, Rs. 2 bn
- **Commercial Engineers & Body Builders Co** - In 2010, Book Running Lead Manager, Rs. 1.7 bn
- **Adani Power** - In 2009, Book Running Lead Manager, Rs. 30.2 bn
- **JSW Energy** - In 2009, Book Running Lead Manager to the IPO of Rs. 27 bn
- **Godrej Properties** - In 2009, Book Running Lead Manager, Rs 4.7 bn

**Indian Depository Receipts (IDRs)**

- **Standard Chartered** - In 2010, Syndicate Member? first-ever issuance of an IDR, Rs. 24.8 bn

**FPOs (Follow on Public Offer)**

- **NTPC** - In 2010, Book Running Lead Manager, Rs 84.8 bn
- **Power Grid Corp. Of India** - In 2010, Book Running Lead Manager, Rs 74.4 bn
- **Rural Electrification Corporation** - In 2010, Book Running Lead Manager, Rs 35.3 bn
- **Shipping Corporation Of India** - In 2010, Book Running Lead Manager, Rs 11.6 bn
- **Engineers India** - In 2010, Book Running Lead Manager, Rs 9.6 bn
Public Issue of Debt

- **Shriram Transport Finance Company** - In 2010 & 2009, Lead Manager, Rs 15 bn
- **L &T Infrastructure Finance Company** - In 2010, Lead Manager, Rs 2.6 bn

QIPs (Qualified Institutional Placement)

- **Adani Enterprises** - In 2010, Book Running Lead Manager, Rs. 40 bn
- **GMR Infrastructure** - In 2010, Lead Manager, Rs. 14 bn
- **Lanco Infratech** - In 2009, Book Running Lead Manager, Rs. 7.3 bn
- **Alok Industries** - In 2010, Book Running Lead Manager, Rs. 4.2 bn
- **Network18 Media & Investments** - In 2009, Book Running Lead Manager, Rs. 2 bn
- **3I Infotech** - In 2010, Book Running Lead Manager, Rs. 1.8 bn
- **Texmaco** - In 2009, Sole Book Running Lead Manager, Rs. 1.7 bn
- **Adhunik Metaliks** - In 2009, Book Running Lead Manager, Rs. 1.4 bn

Rights Issues

- **Adani Enterprise** - In 2010, Lead Manager, Rs. 14.8 bn
- **IBN18 Broadcast** - In 2010, Sole Lead Manager, Rs. 5.1 bn
- **Television Eighteen India** - In 2009, Lead Manager, Rs. 5.04 bn
- **Infomedia18** - In 2009, Lead Manager, Rs. 1 bn Open Offer
- **Fame India** - In 2010, Sole Manager to the Offer, Rs. 1.8 bn
- **Zenotech Laboratories** - In 2010, Sole Manager to the Offer, Rs. 1.1 bn
- **OCL Iron & Steel** - In 2009, Sole Manager to the Offer, Rs. 0.56 bn

Delisting

- **Sulzer India** - In 2010, Sole Manager, Rs. 0.81 bn
• **Lotte India Corp** - In 2009, Sole Manager, Rs. 0.4 bn

• **Avery India** - In 2009, Sole Manager, Rs. 0.29 bn

**Landmark Transactions**

• **Tata Motors** - First Rights Issue of shares with Differential Voting Rights

• **Tata Capital** - First public issue of secured Non Convertible Debentures (NCD)

• **Daiichi Sankyo Co** - Sole Managers to the one of the largest open offers of Rs 68.2 bn

• **Bharti Airtel** - First 100% Book-Built IPO in India

• **HP** - First delisting transaction in Indian markets using the Reverse Book-building mechanism

• **Punjab National Bank** - Initiated the Book Building mechanism for Public Sector Banks

• **NTPC** - First FPO under alternate book building (French Auction) route

• **Network 18** - First Rights Issue done on the basis of Partly Convertible Cumulative Preference Shares with a three in one structure

• **Television Eighteen** - First IPO of a News Channel

• **Maruti Suzuki** - First Government Of India Divestment through IPO

• **Sify** - Sponsored ADR of an unlisted Indian company

• **Man Industries (India)** - The first Indian offering on the Dubai Financial Exchange to tap liquidity in the Middle East

• **Info edge India (Naukri.com)** - First IPO of a pure-play Internet Company in India

4. **ICICI Lombard General Insurance Company** -

   ICICI Lombard GIC Ltd. is a joint venture between ICICI Bank Limited, India's second largest bank with total assets of over USD 99 billion as on March 31, 2013 and Fairfax Financial Holdings Limited, a Canada based USD 37 billion diversified financial services company engaged in general insurance, reinsurance, insurance claims
management and investment management. ICICI Lombard GIC Ltd. is the largest private sector general insurance company in India with a Gross Written Premium (GWP) of Rs 64.20 billion for the year ended March 31, 2013. The company issued over 9.18 million policies and settled over 5.07 million claims as on March 31, 2013.

ICICI Lombard received the highest rating in terms of overall customer satisfaction as well as 'The Most Recommended Company' in the year of 2013, and a survey to assess Customer Satisfaction and Quality of Health Insurance in India, commissioned by Department of Consumer Affairs, Ministry of Consumer Affairs. The company has also been conferred the "ASTD Best Award 2012" for Learning and Development, "Porter Prize 2012" for creating Shared Value, "Golden Peacock Award, 2012" for Corporate Social Responsibility and Before it awarded with "Golden Peacock Innovation Award-2010" for Rashtriya Swasthya Bima Yojana. Also received the award with "Product of the Year" in the General Insurance category in the Financial Year of 2012-13 and was voted the No 1 Health Insurance Product in a survey of 18,000 people over 23 cities in India, a study done by Nielsen. In the category of Best Mobile Applications the Company has been conferred and awarded with 'Celent Asia Insurance Technology Award in 2012' also.

5. ICICI Securities Primary Dealership Limited –

ICICI Prudential Fund i.e. Mutual Fund provides a wide range of retail and corporate investment solutions across different asset classes like Equity, Fixed Income and Gold. The fund house has continuously aimed to provide investors with financial solutions to aid them in achieving their lifecycle objectives. It has constantly been on the forefront of innovation and has introduced products aligned to meet customer needs leading to a well-diversified portfolio of around 57 mutual fund products. The success of the endeavors is evident in the mutual fund investor base that has witnessed significant growth from 210 to over 2 Million currently.
ICICI Prudential Mutual Fund gained from managing funds as per its investment objectives and was able to deliver superior risk adjusted returns. The consistent long term performance was achieved on the strength of fundamentals, process driven investment approach with enough flexibility for the fund managers to manage their funds in their unique style and insight.

The fund house over the last 18 years has garnered trust of its investors and has emerged as the leading and preferred investment solution provider in India. The fund house has always aimed to fulfill its fiduciary responsibility of managing investor's wealth with prudence and due diligence.

6. ICICI Prudential Asset Management Company Limited –

India Prudential Asset Management Company and ICICI is the joint venture between ICICI Bank, a well-known and trusted name in financial services in India and Prudential PLC, one of UK’s largest players in the financial services sectors. In the year of 1993, India Prudential Asset Management Company was incorporated. The company in a span of over 18 years since inception and just over 13 years of the Joint Venture has forged a position of preeminence in the Indian Mutual Fund industry as the Third Largest Asset Management Company in India, which contributing significantly to the growth of the Indian mutual fund industry.

The Company manages significant Mutual Fund Asset under Management (AUM), in addition to Portfolio Management Services and International Advisory Mandates for customers across international markets in asset classes like Debt, Equity and Real Estate with primary focus on risk adjusted returns.

India Prudential Asset Management Company has witnessed substantial growth in scale. From merely 2 locations and 6 employees during inception to the current strength of over 700 employees with reach across around 150 locations, the growth momentum of
the Company has been exponential. The organization today is an ideal mix of investment expertise, resource bandwidth & process orientation.

India Prudential Asset Management Companies Endeavour is to bridge the gap between savings & investments to help create long term wealth and value for investors through innovation, consistency and sustained risk adjusted performance.

7. ICICI Venture –

In the Country ICICI Venture based as a specialist alternative assets manager. The firm is a wholly owned subsidiary of ICICI Bank is the largest private sector financial services group in the Country

ICICI Venture has been at the forefront of driving entrepreneurship in India for over two decades, both as a partner and capital provider for individuals with a clear common objective, the passion to pursue business ideas in the quest for creating value for all stakeholders and for the Largest Good of the Nation. At present, various funds managed by the firm have invested in over 500 companies. ICICI Venture continues to remain committed to this mission.

In India, the above firm has played a Key Role in establishing the foundation for several new age businesses by providing growth capital funding to companies in sectors as diverse as Information Technology, Life Sciences and Healthcare, Media & Entertainment, Banking & Financial Services, Infrastructure, Retail, Aviation, Auto Components, Construction services, Real Estate, Biotechnology, Textiles, Fine Chemicals, Consumer Products, Logistics, etc. The firm played a original role in the Indian Venture Capital industry during the 1990s but shifted focus to other alternative asset classes during the past decade in line with the evolution of Indian industry. Across sectors, the firm has helped in establishing several new business models to enable productivity improvements, technology up-gradation and import substitution as a means
of enhancing the competitive advantage of Indian industry in a rapidly changing global market environment.

The firm is widely regarded as a prime mover in the Indian alternative assets industry, having established a successful track record of investing and nurturing companies across economic cycles and across various classes of alternative assets such as Private Equity, Real Estate and Mezzanine Finance, with Infrastructure & Special Situations being the latest additions to its spectrum of activities.

Going forward, the firm continues to explore new avenues within the alternative assets industry as a means of addressing funding requirements of Indian entrepreneurs and providing a comprehensive alternative asset management platform to long term investors who are interested in participating for Indian economic development

8. ICICI Home Finance Company Limited –

ICICI HFC means ICICI Home Finance or can say ICICI Home Finance Company is one of the leaders in Country (India) mortgage finance and reality space which is called ICICI Home Finance Company Limited (ICICI HFC), and also a Part of the ICICI group, we have been driving innovation and growth in this sector. Which called ICICI bank is the second largest bank of India with total assets of 4,736.47 billion (US$ 93 billion) in 31st of March, 2012 and profit after tax Rs. 64.65 billion (US$ 1,271 million) for the year ended of 31st of March, 2012, after survey. The bank has a network of 2,755 branches and 9,363 ATMs in India, and has a presence in 19 countries, including India.

Our vision as a growing housing finance company is to make the dream of owning a new home come TRU for millions of Indians, with our range of innovative product; from different type of home loans to property related services will help meet these dreams, which are showing as under –
Business Overview of ICICI Bank

The overviews of business are clarifying in the table contents as under –

Table 4- Overview of Business of ICICI Bank

<table>
<thead>
<tr>
<th>• Home Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>We offer a wide range of Home Loan products, designed to meet the requirements of our customer base. Our strengths lie in our quick processing and disbursement of loans, minimal documentation, doorstep customer service and nationwide network.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>• Loan against Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our wide ranges of loan against property products enable property owners to unlock the wealth in their real estate assets.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>• Fixed Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI Home Finance Fixed Deposits are safe and yield maximum returns. Our Fixed Deposit product has been granted the credit rating of AAA by CARE and MAAA by ICRA.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>• Retail Property Services: Home Search</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through 'Home Search', we are changing the way Indians search for property to buy or lease. Thus making the process of buying a home even more transparent, reliable and convenient. You are able to find the home that you were looking for.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>• Corporate Property Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>The property market in India has undergone a major transformation and is aligned with global standards. As an organization with rich experience and deep insights in the real estate markets of India, ICICI Home Finance is uniquely positioned to offer the full range of corporate property services.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>• Structured Finance Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through Structured Finance Group, we play a role of intermediary and partner for</td>
</tr>
</tbody>
</table>
both investors and developers.

- **Construction Finance.**

The developer community is one of the key drivers of real estate growth adapting fast to tap
The growing opportunities in this industry. The Construction Finance Group of ICICI Home Finance is instrumental in helping developers convert these opportunities to revenue generating projects.

### 1.9 Financial Performance of SBI

**Table 5- Operating result data of State Bank of India**

<table>
<thead>
<tr>
<th>Particular</th>
<th>2011-2012</th>
<th>2012-2013</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>31,573.54</td>
<td>31,081.72</td>
<td>1.56</td>
</tr>
<tr>
<td>Net profit</td>
<td>11,707.29</td>
<td>14,104.98</td>
<td>20.48</td>
</tr>
<tr>
<td>Net interest income</td>
<td>43,291.08</td>
<td>44,331.30</td>
<td>2.40</td>
</tr>
<tr>
<td>Gross interest income</td>
<td>1,06,521.45</td>
<td>1,19,657.10</td>
<td>12.33</td>
</tr>
<tr>
<td>Interest income on advances</td>
<td>77,309.15</td>
<td>85,782.26</td>
<td>10.8</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>63,230.37</td>
<td>75,325.80</td>
<td>20.88</td>
</tr>
<tr>
<td>Non interest income:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banking income of Dividend from</td>
<td>14,351.45</td>
<td>16,034.84</td>
<td>11.73</td>
</tr>
<tr>
<td>associate banks/subsidiary and joint</td>
<td>767.35</td>
<td>715.51</td>
<td></td>
</tr>
<tr>
<td>venture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>182.36</td>
<td>222.12</td>
<td>21.8</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>16,974.04</td>
<td>18,380.90</td>
<td>8.29</td>
</tr>
</tbody>
</table>
Profit

The operating profit of the bank for 2012-13 stood at 31,081.72 crores as compared to 31,573.54 crores in 2011-12 registering a marginal decline of 1.56%. The bank has posted a net profit of 14,104.98 crores for 2012-13 as compared to ` 11,707.29 crores in 2011-12 registering a growth of 20.48%. While net interest income recorded a growth of 2.40%, the other income increased by 11.73%, operating expenses increased by 12.33% attributable to higher staff cost and other expenses.

Net Interest Income

The net interest income of the bank registered a growth of 2.40% from 43,291.08 crores in 2011-12 to 44,331.30 crores in 2012-13. This was due to higher growth in the advances and investment portfolios. The gross interest income from global operations correspondingly rose from 1,06,521.45 crores to 1,19,657.10 crores during the year.
registering a growth of 12.33%. Interest income on advances in India registered an increase from 77,309.15 crores in 2011-12 to 85,782.26 crores in 2012-13 due to higher volumes. The average yield on advances in India has declined from 11.05% in 2011-12 to 10.54% in 2012-13. Interest income on advances at foreign offices has grown by 26.17%. Income from resources deployed in treasury operations in India increased by 13.82% mainly due to higher average resources deployed. The average yield, which was 7.51% in 2011-12, has increased to 7.54% in 2012-13. Total interest expenses of global operations increased from 63,230.37 crores in 2011-12 to 75,325.80 crores in 2012-13. Interest expenses on deposits in India during 2012-13 recorded an increase of 20.88% compared to the previous year, whereas the average level of deposits in India grew by 14.3%. The average cost of deposits has consequently increased from 5.95% in 2011-12 to 6.29% in 2012-13.

**Non-Interest Income**

Non-interest income stood at 16,034.84 crores in 2012-13 as against 14,351.45 crores in 2011-12 registering an increase of 11.73%. During the year, the bank received an income of 715.51 crores (767.35 crores in the previous year) by way of dividends from associate banks/ subsidiaries and joint ventures in India and abroad.

**Operating Expenses**

There was an increase of 8.29% in the Staff Cost from 16,974.04 crores in 2011-12 to 18,380.90 crores in 2012-13. Other Operating Expenses registered an increase of 19.89% mainly due to increase in expenses on rent, taxes and lighting, advertisement & publicity, law charges, postage, telegrams & telephones, insurance and miscellaneous expenditure. Operating expenses, comprising both staff cost and other operating expenses, have registered an increase of 12.33% over the previous year.
Provisions and Contingencies

Major amounts of provisions were made in 2012-13 which are as under –

• 961.29 crores write back from provisions for depreciation on investments, excluding amortization of premium on held to maturity category (as against 663.70 crores provided towards depreciation investments in 2011-12).
• 5,953.88 crores towards provision for tax, excluding deferred tax creation of 107.97 crores (as against 6,320.09 crores in 2011-12 excluding deferred tax reversal of 455.93 crores).
• 11,367.79 crores (net of write-back) for non performing assets (as against 11,545.85 crores in 2011-12).
• 749.61 crores towards standard assets (as against 978.81 crores in 2011-12). Including the current year’s provision, the total provision held on standard assets amounts to 5,289.58 crores.

Reserves and Surplus

• An amount of 4,417.86 crores (as against 3,516.98 crores in 2011-12) was transferred to statutory reserves.
• An amount of 19.17 crores (as against 14.38 crores in 2011-12) was transferred to capital reserve fund.
• An amount of 6,453.26 crores (as against 5,536.50 crores in 2011-12) was transferred to other.
### Table 6- Balance Sheet of State Bank of India

#### In Rs. Crores

<table>
<thead>
<tr>
<th></th>
<th>Mar ‘13</th>
<th>Mar ‘12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital and Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Share Capital</td>
<td>684.03</td>
<td>671.04</td>
</tr>
<tr>
<td>Equity Share Capital</td>
<td>684.03</td>
<td>671.04</td>
</tr>
<tr>
<td>Share Application Money</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Preference Share Capital</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reserves</td>
<td>98,199.65</td>
<td>83,280.16</td>
</tr>
<tr>
<td>Revaluation Reserves</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net Worth</td>
<td>98,883.68</td>
<td>83,951.20</td>
</tr>
<tr>
<td>Deposits</td>
<td>1,202,739.57</td>
<td>1,043,647.36</td>
</tr>
<tr>
<td>Borrowings</td>
<td>169,182.71</td>
<td>127,005.57</td>
</tr>
<tr>
<td>Total Debt</td>
<td>1,371,922.28</td>
<td>1,170,652.93</td>
</tr>
<tr>
<td>Other Liabilities &amp; Provisions</td>
<td>95,455.07</td>
<td>80,915.09</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,566,261.03</td>
<td>1,335,519.22</td>
</tr>
</tbody>
</table>

| **Assets**               |          |          |
| Cash & Balances with RBI | 65,830.41| 54,075.94|
| Balance with Banks, Money at Call | 48,989.75| 43,087.23|
| Advances                 | 1,045,616.55| 867,578.89|
| Investments              | 350,927.27| 312,197.61|
| Gross Block              | 6,595.71  | 5,133.87 |
| Accumulated Depreciation | 0        | 0        |
| Net Block                | 6,595.71  | 5,133.87 |
| Capital Work In Progress | 409.31   | 332.68   |
| Other Assets             | 47,892.03| 53,113.02|
| **Total Assets**         | 1,566,261.03| 1,335,519.24|
| Contingent Liabilities   | 993,018.45| 899,565.18|
| Bills for collection     | 0        | 0        |
| Book Value (Rs)          | 1,445.60  | 1,251.05 |

Sources: self designed
Reserve Funds

Assets

The total assets of the bank increased by 17.28% from 13,35,519.23 crores at the end of March 2012 to 15,66,261.04 crores as at the end of March 2013. During the period, the loan portfolio increased by 20.52% from 8,67,578.89 crores to 10,45,616.55 crores. Investments increased by 12.41% from 3,12,197.61 crores to 3,50,927.27 crores as at the end of March 2013. A major portion of the investment was in the domestic market in Government Securities.

Liabilities

The bank’s aggregate liabilities (excluding capital and reserves) rose by 17.24% from 12,51,568.03 crores on 31st March 2012 to 14,67,377.36 crores on 31st March 2013. The increase in liabilities was mainly contributed by increase in deposits and borrowings. The global deposits stood at 12,02,739.57 crores as on 31st March 2013 against 10,43,647.36 crores as on 31st March 2012, representing an increase of 15.24% over the level on 31st of March, 2012. The borrowings increased by 33.21% from 1,27,005.57 crores at the end of March 2012 to 1,69,182.71 crores as at the end of March 2013 mainly attributable to borrowings from RBI in India and borrowings & refinance outside India.

Table 7- Income Statement of State Bank of India

In Rs. Crores

<table>
<thead>
<tr>
<th></th>
<th>Mar '13</th>
<th>Mar '12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12 mths</td>
<td>12 mths</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Earned</td>
<td>119,657.10</td>
<td>106,521.45</td>
</tr>
<tr>
<td>Other Income</td>
<td>16,034.84</td>
<td>14,351.45</td>
</tr>
<tr>
<td>Total Income</td>
<td>135,691.94</td>
<td>120,872.90</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expended</td>
<td>75,325.80</td>
<td>63,230.37</td>
</tr>
<tr>
<td>Category</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Employee Cost</td>
<td>18,380.90</td>
<td>16,974.04</td>
</tr>
<tr>
<td>Selling and Admin Expenses</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,139.61</td>
<td>1,007.17</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>26,740.65</td>
<td>27,954.03</td>
</tr>
<tr>
<td>Preoperative Exp Capitalised</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>29,284.42</td>
<td>26,068.99</td>
</tr>
<tr>
<td>Provisions &amp; Contingencies</td>
<td>16,976.74</td>
<td>19,866.25</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>121,586.96</td>
<td>109,165.61</td>
</tr>
<tr>
<td>Net Profit for the Year</td>
<td>14,104.98</td>
<td>11,707.29</td>
</tr>
<tr>
<td>Extraordinary Items</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Profit brought forward</td>
<td>0.34</td>
<td>6.05</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,105.32</td>
<td>11,713.34</td>
</tr>
<tr>
<td>Preference Dividend</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Equity Dividend</td>
<td>2,838.74</td>
<td>2,348.66</td>
</tr>
<tr>
<td>Corporate Dividend Tax</td>
<td>375.95</td>
<td>296.49</td>
</tr>
<tr>
<td>Per share data (annualised)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earning Per Share (Rs)</td>
<td>206.2</td>
<td>174.46</td>
</tr>
<tr>
<td>Equity Dividend (%)</td>
<td>415</td>
<td>350</td>
</tr>
<tr>
<td>Book Value (Rs)</td>
<td>1,445.60</td>
<td>1,251.05</td>
</tr>
<tr>
<td>Appropriations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to Statutory Reserves</td>
<td>10,890.29</td>
<td>9,067.85</td>
</tr>
<tr>
<td>Transfer to Other Reserves</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Proposed Dividend/Transfer to Govt</td>
<td>3,214.69</td>
<td>2,645.15</td>
</tr>
<tr>
<td>Balance c/f to Balance Sheet</td>
<td>0.34</td>
<td>0.34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,105.32</td>
<td>11,713.34</td>
</tr>
</tbody>
</table>

**1.10 Financial Performance of ICICI Bank**

Our profit after tax increased by 28.8% from 64.65 billion in fiscal 2012 to 83.25 billion in fiscal 2013. The increase in profit after tax was mainly due to 29.2% increase in net interest income and 11.3% increase in non-interest income offset, in part, by a 14.8% increase in non-interest expenses and 13.9% increase in provisions and contingencies (excluding provisions for tax). Net interest income increased by 29.2% from 107.34
billion in fiscal 2012 to 138.66 billion in fiscal 2013, reflecting an increase of 38 basis points in net interest margin and an increase of 13.5% in average interest-earning assets. Non-interest income increased by 11.3% from 75.02 billion in fiscal 2012 to 83.46 billion in fiscal 2013. The increase in non-interest income was primarily due to a gain of 4.95 billion from treasury-related activities in fiscal 2013 compared to a loss of 0.13 billion in fiscal 2012 and an increase in dividend income from subsidiaries from 7.36 billion in fiscal 2012 to 9.12 billion in fiscal 2013. Fee income increased by 2.9% from 67.07 billion in fiscal 2012 to 69.01 billion in fiscal 2013. Non-interest expenses increased by 14.8% from 78.50 billion in fiscal 2012 to 90.13 billion in fiscal 2013 primarily due to an increase in employee expenses and other administrative expenses. Provisions and contingencies (excluding provisions for tax) increased by 13.9% from 15.83 billion in fiscal 2012 to 18.03 billion in fiscal 2013. The increase in provisions and contingencies (excluding provisions for tax) was primarily due to an increase in provisions for non-performing and restructured loans in the Small & Medium Enterprises (SME) and corporate loan portfolio.

Total assets increased by 9.8% from 4,890.69 billion at March 31, 2012 to 5,367.95 billion at March 31, 2013. Total deposits increased by 14.5% from 2,555.00 billion at March 31, 2012 to 2,926.14 billion at March 31, 2013. Savings account deposits increased by 12.6% from 760.46 billion at March 31, 2012 to 856.51 billion at March 31, 2013. The current and savings account (CASA) ratio was 41.9% at March 31, 2013 compared to 43.5% at March 31, 2012. Term Deposits increased by 17.7% from 1,444.81 billion at March 31, 2012 to 1,700.37 billion at March 31, 2013. Total advances increased by 14.4% from 2,537.28 billion at March 31, 2012 to 2,902.49 billion at March 31, 2013 primarily due to an increase in the domestic corporate and retail loan book. The net non-performing asset ratio increased marginally from 0.62% at March 31, 2012 to 0.64% at March 31, 2013. We continued to expand our branch network in India. Our branch network in India increased from 2,752 branches and extension counters at March 31, 2012 to 3,100 branches and extension counters at March 31, 2013. We also increased our ATM network from 9,006 ATMs at March 31, 2012 to 10,481 ATMs at March 31, 2013.
The total capital adequacy ratio of ICICI Bank on a standalone basis at March 31, 2013 in accordance with RBI guidelines on Basel II was 18.74% with a Tier-1 capital adequacy ratio of 12.80% compared to a total capital adequacy ratio of 18.52% and Tier-1 capital adequacy ratio of 12.68% at March 31, 2012.

Operating results data

Table 8- Operating Results Data of ICICI Bank

<table>
<thead>
<tr>
<th>Particular</th>
<th>2011-2012</th>
<th>2012-2013</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>335.42</td>
<td>400.75</td>
<td>19.5</td>
</tr>
<tr>
<td>Interest expense</td>
<td>228.08</td>
<td>262.09</td>
<td>14.9</td>
</tr>
<tr>
<td>Net interest income</td>
<td>107.34</td>
<td>138.66</td>
<td>29.2</td>
</tr>
<tr>
<td>Non interest income:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee income</td>
<td>67.07</td>
<td>69.01</td>
<td>2.9</td>
</tr>
<tr>
<td>Treasury income</td>
<td>0.13</td>
<td>4.95</td>
<td>-</td>
</tr>
<tr>
<td>Dividend from subsidiary</td>
<td>7.36</td>
<td>9.12</td>
<td>23.9</td>
</tr>
<tr>
<td>Operating income</td>
<td>182.36</td>
<td>222.12</td>
<td>21.8</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>78.50</td>
<td>90.13</td>
<td>14.8</td>
</tr>
<tr>
<td>Operating profit</td>
<td>103.86</td>
<td>131.99</td>
<td>27.1</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>88.03</td>
<td>113.96</td>
<td>29.5</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>64.65</td>
<td>83.25</td>
<td>28.8</td>
</tr>
</tbody>
</table>
The following table sets forth, for the periods indicated, the operating results data.

in billion, except percentages

<table>
<thead>
<tr>
<th>Category</th>
<th>2011-2012</th>
<th>2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>335.42</td>
<td>400.75</td>
</tr>
<tr>
<td>Interest expense</td>
<td>228.08</td>
<td>262.09</td>
</tr>
<tr>
<td>Net interest income</td>
<td>107.34</td>
<td>138.66</td>
</tr>
<tr>
<td>Fee income</td>
<td>67.07</td>
<td>69.01</td>
</tr>
<tr>
<td>Treasury income</td>
<td>(0.13)</td>
<td>4.95</td>
</tr>
<tr>
<td>Dividend from subsidiaries</td>
<td>7.36</td>
<td>9.12</td>
</tr>
<tr>
<td>Operating income</td>
<td>182.36</td>
<td>222.12</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>78.50</td>
<td>90.13</td>
</tr>
<tr>
<td>Operating profit</td>
<td>103.86</td>
<td>131.99</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>88.03</td>
<td>113.96</td>
</tr>
<tr>
<td>Tax, including deferred tax</td>
<td>23.38</td>
<td>30.71</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>64.65</td>
<td>83.25</td>
</tr>
</tbody>
</table>

1. Includes merchant foreign exchange income and margin on customer derivative transactions.
2. Operating expenses include lease depreciation and direct marketing agency expenses.
3. All amounts have been rounded off to the nearest 10.0 million.
4. Prior period figures have been re-grouped/re-arranged, where necessary.
Key ratios

The following table sets forth, for the periods indicated, the key financial ratios.

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2012</th>
<th>Fiscal 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average equity (%)</td>
<td>11.09</td>
<td>12.94</td>
</tr>
<tr>
<td>Return on average assets (%)</td>
<td>1.44</td>
<td>1.66</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>56.11</td>
<td>72.20</td>
</tr>
<tr>
<td>Book value per share</td>
<td>524.03</td>
<td>578.25</td>
</tr>
<tr>
<td>Fee to income (%)</td>
<td>36.86</td>
<td>31.11</td>
</tr>
<tr>
<td>Cost to income (%)</td>
<td>42.91</td>
<td>40.49</td>
</tr>
</tbody>
</table>

1. Return on average equity is the ratio of the net profit after tax to the quarterly average equity share capital and reserves.
2. Return on average assets is the ratio of net profit after tax to average assets. The average balances are the averages of daily balances, except averages of foreign branches which are calculated on a fortnightly basis.
3. We have modified our presentation of mark-to-market gains and losses on foreign exchange and derivative transactions to gross basis, which was previously on net basis. Accordingly, for fiscal 2012 and fiscal 2013, the average total assets/total liabilities have been grossed up.

Net interest income and spread analysis

The following table sets forth, for the periods indicated the net interest income and spread analysis. In billion, except percentages interest income 335.42, 400.75 19.5% interest expense 228.08 262.09 14.9

Net interest income 107.34 138.66 29.2
Average interest-earning assets 3,932.59 4,465.40 13.5 average interest-bearing liabilities 13,603.51, 4,073.47 13.0% net interest margin 2.73% 3.11% average yield 8.53% 8.97% average cost of funds 6.33% 6.43% Interest spread 2.20% 2.54%.

1. The average balances are the averages of daily balances, except averages of foreign branches which are calculated on a fortnightly basis.
2. All amounts have been rounded off to the nearest 10.0 million. Net interest income increased by 29.2% from 107.34 billion in fiscal 2012 to 138.66 billion in fiscal 2013 reflecting an increase in net interest margin from 2.73% in fiscal 2012 to 3.11% in fiscal 2013 and a 13.5% increase in the average volume of interest-earning assets. The yield on interest-earning assets increased from 8.53% in fiscal 2012 to 8.97% in fiscal 2013 offset, in part, by an increase in the cost of funds from 6.33% in fiscal 2012 to 6.43% in fiscal 2013. The interest spread increased from 2.20% in fiscal 2012 to 2.54% in fiscal 2013. Net interest margin increased from 2.73% in fiscal 2012 to 3.11% in fiscal 2013. The following table sets forth, for the periods indicated, the trend in yield, cost, spread and margin.

Yield on interest-earning assets 8.53% 8.97% on advances 9.55 9.94 on investments 7.24 7.73 on SLR investments 7.34 7.80 - on other investments 7.10 7.62 on other interest-earning assets 6.21 5.96

Cost of interest-bearing liabilities 6.33 6.4 cost of deposits 6.12 6.38 current and savings account (CASA) deposits 2.87 2.97 - term deposits 8.21 8.47 - cost of borrowings 6.71, 6.54 and interest spread 2.20 2.54

Net interest margin 2.73% 3.11% yield on interest-earning assets increased from 8.53% in fiscal 2012 to 8.97% in fiscal 2013 primarily due to the following factors:

- Yield on average advances increased from 9.55% in fiscal 2012 to 9.94% in fiscal 2013 primarily due to an increase in yield on domestic and overseas corporate loans
as a result of incremental disbursements at higher lending rates and the full impact of increase in our base rate during fiscal 2012. However, subsequently we reduced our base rate to 9.75% with effect from April 23, 2012 in response to a decrease in repo rate by 50 basis points in April, 2012.

- Yield on average interest-earning investments increased from 7.24% in fiscal 2012 to 7.73% in fiscal 2013. The yield on Statutory Liquidity Ratio (SLR) securities increased from 7.34% in fiscal 2012 to 7.80% in fiscal 2013 primarily due to investments in longer duration SLR securities at higher yields and maturities of low yielding securities. The yield on average interest-earning non-SLR investments increased from 7.10% in fiscal 2012 to 7.62% in fiscal 2013.

- Interest income also includes interest on income tax refund of 2.58 billion in fiscal 2013 compared to 0.80 billion in fiscal 2012. The receipt, amount and timing of such income depends on the nature and timing of determinations by tax authorities and is not consistent or predictable.

- During fiscal 2013, the impact on interest income of losses on securitized pools of assets (including credit losses on existing pools) was 0.28 billion compared to 2.02 billion in fiscal 2012.

- RBI reduced the CRR by 200 basis points in phases during fiscal 2012 and fiscal 2013. CRR was 6.00% at September 30, 2011, 4.75% at March 31, 2012 and 4.00% at March 31, 2013. As CRR balances do not earn any interest income, the reduction had a positive impact on the yield on interest-earning assets during fiscal 2013. The cost of funds increased from 6.33% in fiscal 2012 to 6.43% in fiscal 2013 primarily due to the following factors –

- The cost of deposits increased from 6.12% in fiscal 2012 to 6.38% in fiscal 2013. The cost of average term deposits increased by 26 basis points from 8.21% in fiscal 2012 to 8.47% in fiscal 2013, reflecting the full impact of the systemic increase in deposit rates in fiscal 2012. This was partly offset by decrease in the cost of borrowings from 6.71% in fiscal 2012 to 6.54% in fiscal 2013. Net interest margin of overseas branches improved from 1.23% for fiscal 2012 to 1.34% for fiscal 2013 primarily due to increase in yield on advances. Yield on overseas advances increased primarily due
to new disbursements at higher interest rates. Further, during fiscal 2012, there were repayments and prepayments of low yielding loans. The full impact of the reduction in low yielding loans was reflected during fiscal 2013. The increase in yield on advances was offset, in part, by the impact of higher liquidity maintained in the international operations during the year. The reduction of CRR by 75 basis points to 4.00% and reduction in repo rate by 100 basis points to 7.50% by RBI during fiscal 2013 indicates a reversal in policy stance. While, the interest rates in the system are believed to have peaked, the extent and timing of decline in interest rates will depend on systemic liquidity, the future movement of inflation as well as on the evolving fiscal situation. The following table sets forth, for the period indicated, the trend in average interest-earning assets and average interest-bearing liabilities in billion, except percentages

Advances 2,316.6 2,751.19 18.8% Interest-earning investments 1,337.46 1,424.90 6.5 other interest-earning assets 278.44 289.31 3.9 total interest-earning assets 3,932.59 4,465.40 13.5 deposits 2,335.93 2,648.48 13.4 borrowings3 1,267.58, 1,424.99 12.4

Total interest-bearing liabilities 3,603.51, 4,073.47 13.0%

1. Average investments and average borrowings include average short-term re-purchase transactions.
2. Average balances are the averages of daily balances, except averages of foreign branches which are calculated on a fortnightly basis.
3. Borrowings exclude preference share capital. The average volume of interest earning assets increased by 13.5% from 3,932.59 billion in fiscal 2012 to 4,465.40 billion in fiscal 2013. The increase in average interest-earning assets was primarily on account of an increase in average advances by 434.50 billion and average interest-earning investments by 87.44 billion. Management’s Discussion & Analysis, Annual Report 2012-2013 59 average advances increased by 18.8% from 2,316.69 billion in fiscal 2012 to 2,751.19 billion in fiscal 2013 primarily on account of increase in domestic corporate and retail advances and overseas corporate advances.
Average interest-earning investments increased by 6.5% from 1,337.46 billion in fiscal 2012 to 1,424.90 billion in fiscal 2013, primarily due to an increase in average interest-earning SLR investments by 6.3% from 804.51 billion in fiscal 2012 to 855.54 billion in fiscal 2013. Average interest earning non-SLR investments increased by 6.8% from 532.94 billion in fiscal 2012 to 569.36 billion in fiscal 2013. Interest-earning non-SLR investments primarily include investments in corporate bonds and debentures, certificates of deposits, commercial paper, Rural Infrastructure Development Fund (RIDF) and related investments and investments in liquid mutual funds. Average interest-bearing liabilities increased by 13.0% from 3,603.51 billion in fiscal 2012 to 4,073.47 billion in fiscal 2013 on account of an increase of 312.55 billion in average deposits and an increase of 157.41 billion in average borrowings. The ratio of average CASA deposits to average deposits was at 38.0% in fiscal 2013 compared to 39.1% in fiscal 2012.

Non-interest income

The following tables set forth, for the periods indicated, the principal components of non-interest income. In billion, except percentage fee income1 67.07, 69.01 2.9%
Income from treasury-related activities (0.13) 4.95 dividend from subsidiaries 7.36 9.12 23.9 other income (including lease income) 0.72 0.38 (47.2)

Total non-interest income 75.02, 83.46 11.3%

1. Includes merchant foreign exchange income and income on customer derivative transactions.

Non-interest income primarily includes fee and commission income, income from treasury-related activities, dividend from subsidiaries and other income including lease income. The non interest income increased by 11.3% from 75.02 billion in fiscal 2012 to 83.46 billion in fiscal 2013. The increase in non-interest income was primarily on account of gain from treasury-related activities in fiscal 2013 compared to a loss in fiscal 2012, and an increase in dividend income from subsidiaries.
Fee income

Fee income primarily includes fees from corporate clients such as loan processing fees and transaction banking fees and fees from retail customers such as loan processing fees, fees from credit cards business, account service charges and third party referral fees. Fee income increased by 2.9% from 67.07 billion in fiscal 2012 to 69.01 billion in fiscal 2013 primarily due to an increase in fee income from transaction banking fees, credit card fees, fee income from forex and derivative products and third party referral fees, offset, in part, by decrease in loan processing fees.

Profit/loss on treasury-related activities (net)

Income from treasury-related activities includes income from sale of investments and revaluation of investments on account of changes in unrealized profit/loss in the fixed income, equity and preference share portfolio, units of venture funds and security receipts. Profit from treasury-related activities was 4.95 billion in fiscal 2013 compared to a loss of 0.13 billion in fiscal 2012. Treasury income for fiscal 2013 primarily included gain on Government securities and 60 other fixed income positions, profit on security receipts and other gains, offset, in part, by mark-to-market losses on equity and preference share portfolio. Loss from treasury-related activities in fiscal 2012 primarily included realized/mark-to-market provision on security receipts, offset, in part, by reversal of mark-to-market loss/realized gain on investments in government of India securities and other fixed income positions and gain on equity/preference investments. During fiscal 2013 the mark-to-market gain on the credit derivatives portfolio was 0.06 billion compared to 0.56 billion in fiscal 2012. At March 31, 2013, we had an outstanding net investment of 11.47 billion in security receipts issued by asset reconstruction companies in relation to sale of non-performing loans. Security receipts issued by asset reconstruction companies are valued as per net asset value obtained from the asset reconstruction company from time to time. During fiscal 2013, the impact of these security receipts on the income from treasury-related activities was a gain of 0.45 billion compared to a loss of 4.08 billion in fiscal 2012.
**Dividend from subsidiaries**

Dividend from subsidiaries increased by 23.9% from 7.36 billion in fiscal 2012 to 9.12 billion in fiscal 2013. In fiscal 2013, dividend from subsidiaries included dividend of 3.27 billion received from ICICI Prudential Life Insurance Company Limited, 1.67 billion received from ICICI Bank Canada and 1.31 billion received from ICICI Bank UK.

**Non-interest expense**

The following table sets forth, for the periods indicated, the principal components of non-interest expense. In billion, except percentages payments to and provisions for employees 35.15, 38.93 10.8% depreciation on own property (including non banking assets) 4.82 4.57 (5.2)

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2013</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments to and provisions for employees</td>
<td>35.15</td>
<td>38.93</td>
<td>10.8%</td>
</tr>
<tr>
<td>Employee expenses</td>
<td>35.15</td>
<td>38.93</td>
<td>10.8%</td>
</tr>
<tr>
<td>Depreciation on own property</td>
<td>4.82</td>
<td>4.57</td>
<td>(5.2)</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>38.11</td>
<td>46.30</td>
<td>21.5</td>
</tr>
<tr>
<td>Total non-interest expense (excluding lease depreciation)</td>
<td>78.08</td>
<td>89.80</td>
<td>15.0</td>
</tr>
<tr>
<td>Depreciation (net of lease equalization) on leased assets</td>
<td>0.42</td>
<td>0.33</td>
<td>(21.4)</td>
</tr>
<tr>
<td>Total non-interest expense</td>
<td>78.50</td>
<td>90.13</td>
<td>14.8%</td>
</tr>
</tbody>
</table>

Non-interest expenses primarily include employee expenses, depreciation on assets and other administrative expenses in fiscal 2013, non-interest expenses increased by 14.8% from 78.50 billion in fiscal 2012 to 90.13 billion in fiscal 2013 primarily due to an increase in employee expenses and other administrative expenses.

**Payments to and provisions for employees**

Employee expenses increased by 10.8% from 35.15 billion in fiscal 2012 to 38.93 billion in fiscal 2013. Employee expenses increased due to annual increments and increase in the number of employees. The number of employees increased from 58,276 at March 31, 2012 to 62,065 at March 31, 2013. The employee base includes sales executives, employees on fixed term contracts and interns.
Depreciation

Depreciation on owned property decreased by 5.2% from 4.82 billion in fiscal 2012 to 4.57 billion in fiscal 2013. Depreciation on leased assets decreased from 0.42 billion in fiscal 2012 to 0.33 billion in fiscal 2013. Management’s Discussion & Analysis Annual Report 2012-2013

Other administrative expenses

Other administrative expenses primarily include rent, taxes and lighting, advertisement and publicity, repairs and maintenance and other expenditure. Other administrative expenses increased by 21.5% from 38.11 billion in fiscal 2012 to 46.30 billion in fiscal 2013. The increase in other administrative expenses was primarily due to increase in our branch and ATM network. The number of branches and extension counters (excluding foreign branches and offshore banking units) increased from 2,752 at March 31, 2012 to 3,100 at March 31, 2013. We also increased our ATM network from 9,006 ATMs at March 31, 2012 to 10,481 ATMs at March 31, 2013. The increase in other administrative expenses was offset, in part, by a decrease in collection expenses. Provisions and contingencies (excluding provisions for tax)

The following tables set forth, for the periods indicated, the components of provisions and contingencies. In billion, except percentages provision for investments (including credit substitutes) (net) 4.13 1.26 (69.5) % provision for non-performing and other assets1 9.93 13.95 40.5 provision for standard assets 1.44 others 1.77 1.38 (22.0)

Total provisions and contingencies (excluding provisions for tax) 15.83 18.03 13.9%

1. Includes restructuring related provision. Provisions are made by us on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portions of doubtful assets are provided / written off as required by extant RBI guidelines. Provisions on retail non-performing loans are made at the borrower level in
In accordance with our retail assets provisioning policy, subject to the minimum provisioning levels prescribed by RBI. The specific provisions on retail loans held by us were higher than the minimum regulatory requirement. In addition to the specific provision on NPAs, we maintain a general provision on performing loans and advances at rates prescribed by RBI. For performing loans and advances in overseas branches, the general provision is made at higher of host country regulations requirement and RBI requirement. Provisions and contingencies (excluding provisions for tax) increased by 13.9% from 15.83 billion in fiscal 2012 to 18.03 billion in fiscal 2013 primarily due to an increase in provisions on non-performing and restructured loans in the SME and corporate loan portfolio. This was, offset, in part, by write-backs primarily on the unsecured retail asset portfolio and lower provision on investments. Provision for investments decreased from 4.13 billion in fiscal 2012 to 1.26 billion in fiscal 2013. In fiscal 2012, the provision for investments of 4.13 billion was primarily due to permanent diminution recognized on certain investments. The provision coverage ratio at March 31, 2013 computed as per the RBI guidelines was 76.8%. Additional general provision of 1.44 billion was made on standard assets during fiscal 2013 reflecting an increase in the loan portfolio. We held a cumulative general provision of ` 16.24 billion at March 31, 2013 compared to the general provision of 14.80 billion held at March 31, 2012.

**Tax expense**

The income tax expense (including wealth tax) increased by 31.4% from 23.38 billion in fiscal 2012 to 30.71 billion in fiscal 2013 reflecting an increase in profit before tax and higher effective tax rate of 26.9% in fiscal 2013 compared to 26.6% in fiscal 2012.
<table>
<thead>
<tr>
<th>Capital and Liabilities:</th>
<th>Mar '13</th>
<th>Mar '12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Share Capital</td>
<td>1,153.64</td>
<td>1,152.77</td>
</tr>
<tr>
<td>Equity Share Capital</td>
<td>1,153.64</td>
<td>1,152.77</td>
</tr>
<tr>
<td>Share Application Money</td>
<td>4.48</td>
<td>2.39</td>
</tr>
<tr>
<td>Preference Share Capital</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reserves</td>
<td>65,547.84</td>
<td>59,250.09</td>
</tr>
<tr>
<td>Revaluation Reserves</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net Worth</td>
<td>66,705.96</td>
<td>60,405.25</td>
</tr>
<tr>
<td>Deposits</td>
<td>292,613.63</td>
<td>255,499.96</td>
</tr>
<tr>
<td>Borrowings</td>
<td>145,341.49</td>
<td>140,164.91</td>
</tr>
<tr>
<td>Total Debt</td>
<td>437,955.12</td>
<td>395,664.87</td>
</tr>
<tr>
<td>Other Liabilities &amp; Provisions</td>
<td>32,133.60</td>
<td>32,998.69</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>536,794.68</td>
<td>489,068.81</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Balances with RBI</td>
<td>19,052.73</td>
<td>20,461.29</td>
</tr>
<tr>
<td>Balance with Banks, Money at Call</td>
<td>22,364.79</td>
<td>15,768.02</td>
</tr>
<tr>
<td>Advances</td>
<td>290,249.44</td>
<td>253,727.66</td>
</tr>
<tr>
<td>Investments</td>
<td>171,393.60</td>
<td>159,560.04</td>
</tr>
<tr>
<td>Gross Block</td>
<td>4,647.06</td>
<td>4,614.69</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net Block</td>
<td>4,647.06</td>
<td>4,614.69</td>
</tr>
<tr>
<td>Capital Work In Progress</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Assets</td>
<td>29,087.07</td>
<td>34,937.10</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>536,794.69</td>
<td>489,068.80</td>
</tr>
<tr>
<td>Contingent Liabilities</td>
<td>802,383.84</td>
<td>923,037.16</td>
</tr>
<tr>
<td>Bills for collection</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Book Value (Rs)</td>
<td>578.65</td>
<td>524.01</td>
</tr>
</tbody>
</table>

Sources: self Designed
Financial condition

Assets

The following table sets forth, at the dates indicated, the principal components of assets. In billion, except percentages cash and bank balances 362.29 414.18 14.3% Investments 1,595.60 1,713.94 7.4 Government and other approved investments1 869.48 923.76 6.2 RIDF and other related investments2 181.03 201.98 11.6 equity investment in subsidiaries 124.53 123.22 (1.1) other investments 420.56 464.98 10.6 advances 2,537.28 2,902.49 14.4 domestic 1,843.25 2,168.92 17.7 overseas branches 694.03 733.57 5.7 fixed assets (including leased assets) 46.15 46.47 0.7 other assets 349.37 290.87 (16.7) total assets 4,890.69 5,367.95 9.8%

1. Banks in India are required to maintain a specified percentage, currently 23.0%, of their net demand and time liabilities by way of liquid assets like cash, gold or approved unencumbered securities.
2. Investments made in Rural Infrastructure Development Fund and other such entities pursuant to shortfall in the amount required to be lent to certain specified sectors called priority sector as per RBI guidelines.
3. All amounts have been rounded off to the nearest 10.0 million. Total assets increased by 9.8% from 4,890.69 billion at March 31, 2012 to 5,367.95 billion at March 31, 2013, primarily due to an increase in advances and investments. Net advances increased by 14.4% from 2,537.28 billion at March 31, 2012 to 2,902.49 billion at March 31, 2013. Investments increased by 7.4% from 1,595.60 billion at March 31, 2012 to 1,713.94 billion at March 31, 2013.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and balance with RBI and other banks, including money at call and short notice. Cash and cash equivalents increased from 362.29 billion at March 31, 2012 to 414.18 billion at March 31, 2013. The increase
was primarily due to an increase in term and call money lending. The balances with RBI decreased from 157.92 billion at March 31, 2012 to 143.75 billion at March 31, 2013 primarily due to reduction in CRR.

Investments

Total investments increased by 7.4% from 1,595.60 billion at March 31, 2012 to 1,713.94 billion at March 31, 2013, primarily due to an increase in investment in government securities by 54.28 billion, Rural Infrastructure Development Fund and other related investments (pursuant to shortfall in achievement of directed lending requirements) by 20.96 billion, pass through certificates by 35.20 billion and commercial paper and certificates of deposit by 34.87 billion. The investment in mutual funds decreased by 21.54 billion and corporate bonds and debentures decreased by 20.36 billion during fiscal 2013. At March 31, 2013, we had an outstanding net investment of 11.47 billion in security receipts issued by asset reconstruction companies in relation to sale of non-performing loans compared to 18.32 billion at March 31, 2012. At March 31, 2013, we had notional non-funded credit derivatives outstanding of 3.07 billion compared to 10.25 billion at March 31, 2012. We had no funded credit derivatives outstanding at March 31, 2013.

Advances

Net advances increased by 14.4% from 2,537.28 billion at March 31, 2012 to 2,902.49 billion at March 31, 2013 primarily due to increase in the domestic corporate and retail loan book. Net retail advances Management’s Discussion & Analysis Annual Report 2012-2013 63 increased by 11.4% from 963.63 billion at March 31, 2012 to 1,073.59 billion at March 31, 2013. Net advances of overseas branches (including offshore banking unit) decreased in USD terms by 0.7% from US$ 13.6 billion at March 31, 2012 to US$ 13.5 billion at March 31, 2013. In rupee terms, net advances of overseas
branches (including offshore banking unit) increased by 5.7% from 694.03 billion at March 31, 2012 to 733.57 billion at March 31, 2013.

Fixed and other assets

Net fixed assets increased marginally from 46.15 billion at March 31, 2012 to 46.47 billion at March 31, 2013. Other assets decreased by 16.7% from 349.37 billion at March 31, 2012 to 290.87 billion at March 31, 2013. At March 31, 2013, we have presented mark-to-market on forex and derivatives trading transactions (including revaluation on outstanding funding swaps) and interest accrual on hedge swaps on gross basis. Accordingly, the gross positive mark-to-market amounting to 113.24 billion has been included in other assets at March 31, 2013. Consequent to the change, other assets have increased by 154.22 billion at March 31, 2012. This was previously presented on a net basis and the net positive mark-to-market was recorded in ‘Other Assets’ and the net negative mark-to-market was recorded in ‘Other Liabilities’.

Liabilities

The following table sets forth, at the dates indicated, the principal components of liabilities (including capital and reserves). In billion, except percentage equity share capital 11.53 11.54 0.1% reserves 592.52 655.52 10.6 deposits 2,555.00 2,926.14 14.5 savings account deposits 760.46 856.51 12.6 current account deposits 349.73 369.26 5.6 Term deposits 1,444.81 1,700.37 17.7 borrowings (excluding subordinated debt and preference share capital) 1,022.00 1,053.29 3.1 domestic 377.38 402.98 6.8 overseas branches 644.62 650.31 0.9 subordinated debt (included in Tier-1 and Tier-2 capital)1 376.15 396.62 5.4 domestic 358.90 378.21 5.4 overseas branches 17.25 18.41 6.7 preference share capital1 3.50, 3.50 0.0 other liabilities 329.99 321.34 (2.6)

Total liabilities 4,890.69, 5,367.95 9.8%

1. Included in Schedule 4 - “Borrowings” of the balance sheet.
2. All amounts have been rounded off to the nearest 10.0 million.

Total liabilities (including capital and reserves) increased by 9.8% from 4,890.69 billion at March 31, 2012 to 5,367.95 billion at March 31, 2013, primarily due to an increase in borrowings and deposits. Deposits increased by 14.5% from 2,555.00 billion at March 31, 2012 to 2,926.14 billion at March 31, 2013. Borrowings increased from 1,401.65 billion at March 31, 2012 to 1,453.41 billion at March 31, 2013.

**Deposits**

Deposits increased by 14.5% from 2,555.00 billion at March 31, 2012 to 2,926.14 billion at March 31, 2013. Term deposits increased from 1,444.81 billion at March 31, 2012 to 1,700.37 billion at March 31, 2013, while savings deposits increased from 760.46 billion at March 31, 2012 to 856.51 billion at March 31, 2013 and current deposits increased from 349.73 billion at March 31, 2012 to 369.26 billion at March 31, 2013. Total deposits at March 31, 2013 were 66.9% of the funding (i.e. deposits and borrowings, other than preference share capital). The current and savings account deposits increased from 1,110.19 billion at March 31, 2012 to 1,225.77 billion at March 31, 2013.

**Borrowings (including subordinated debt and preference share capital)**

Borrowings increased by 3.7% from 1,401.65 billion at March 31, 2012 to 1,453.41 billion at March 31, 2013. The borrowings of overseas branches (including offshore banking unit) decreased in USD terms by 5.4% from US$ 13.0 billion at March 31, 2012 to US$ 12.3 billion at March 31, 2013. In rupee terms, borrowings of overseas branches (including offshore banking unit) increased by 0.7% from 663.91 billion at March 31, 2012 to 668.72 billion at March 31, 2013. The capital-eligible borrowings, other than preference share capital, increased from 376.15 billion at March 31, 2012 to 396.62 billion at March 31, 2013.
Equity share capital and reserves

Equity share capital and reserves increased from 604.05 billion at March 31, 2012 to 667.06 billion at March 31, 2013 primarily due to annual accretion to reserves out of profit.

Other liabilities

Other liabilities decreased from 329.99 billion at March 31, 2012 to 321.34 billion at March 31, 2013. At March 31, 2013, we have presented mark-to-market on forex and derivatives trading transactions (including revaluation on outstanding funding swaps) and interest accrual on hedge swaps on gross basis. Accordingly, the gross negative mark-to-market amounting to 108.26 billion has been included in other liabilities at March 31, 2013. Consequent to the change, other liabilities have increased by 154.22 billion at March 31, 2012.

Table 10- Income Statement of ICICI Bank

<table>
<thead>
<tr>
<th></th>
<th>Mar '13</th>
<th>Mar '12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12 mths</td>
<td>12 mths</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Earned</td>
<td>40,075.60</td>
<td>33,542.65</td>
</tr>
<tr>
<td>Other Income</td>
<td>8,345.70</td>
<td>7,502.76</td>
</tr>
<tr>
<td>Total Income</td>
<td>48,421.30</td>
<td>41,045.41</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expended</td>
<td>26,209.18</td>
<td>22,808.50</td>
</tr>
<tr>
<td>Employee Cost</td>
<td>3,893.29</td>
<td>3,515.28</td>
</tr>
<tr>
<td>Selling and Admin Expenses</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>490.16</td>
<td>42.26</td>
</tr>
<tr>
<td>Description</td>
<td>Amount 1</td>
<td>Amount 2</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>9,503.20</td>
<td>8,214.12</td>
</tr>
<tr>
<td>Preoperative Exp Capitalised</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>9,012.89</td>
<td>7,850.44</td>
</tr>
<tr>
<td>Provisions &amp; Contingencies</td>
<td>4,873.76</td>
<td>3,921.22</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>40,095.83</td>
<td>34,580.16</td>
</tr>
<tr>
<td><strong>Net Profit for the Year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,325.47</td>
<td>6,465.26</td>
</tr>
<tr>
<td>Extraordinary Items</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Profit brought forward</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7,054.23</td>
<td>5,018.18</td>
</tr>
<tr>
<td>Total</td>
<td>15,379.70</td>
<td>11,483.44</td>
</tr>
<tr>
<td>Preference Dividend</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Equity Dividend</td>
<td>2,307.23</td>
<td>1,902.04</td>
</tr>
<tr>
<td>Corporate Dividend Tax</td>
<td>292.16</td>
<td>220.35</td>
</tr>
<tr>
<td>Per share data (annualised)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings Per Share (Rs)</td>
<td>72.22</td>
<td>56.09</td>
</tr>
<tr>
<td>Equity Dividend (%)</td>
<td>200</td>
<td>165</td>
</tr>
<tr>
<td>Book Value (Rs)</td>
<td>578.65</td>
<td>524.01</td>
</tr>
<tr>
<td>Appropriations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to Statutory Reserves</td>
<td>2,878.03</td>
<td>2,306.49</td>
</tr>
<tr>
<td>Transfer to Other Reserves</td>
<td>0</td>
<td>0.33</td>
</tr>
<tr>
<td>Proposed Dividend/Transfer to Govt</td>
<td>2,599.39</td>
<td>2,122.39</td>
</tr>
<tr>
<td>Balance c/f to Balance Sheet</td>
<td>9,902.29</td>
<td>7,054.23</td>
</tr>
<tr>
<td>Total</td>
<td>15,379.71</td>
<td>11,483.44</td>
</tr>
<tr>
<td>Sources: Self Designrd</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1.11 Universal Banking offered by SBI

State Bank of India provides following product and services to every customers i.e. under products and services, we would like to introduce that according to every need for products and services listed below, which comes its own products and services –

1. **Personal Banking** – State Bank of India provides a wide range of services in the personal banking segment which are under our products and design with the flexibility to suit your personal requirements for which 24 hours facility to use of ATMs growing speedily and also provides other relevant scheme of products and services which are as under -

1. Deposit schemes
2. Personal finance
3. Services
4. Special salary packages
5. Gold banking

1. **Deposit schemes** - According to requirements of customers an investment of surplus funds or to create a funds for children education and marriage purpose SBI provides a product as per needs of customers, to open an account with any of SBI branches because all are fully computerised and realise the advantage of network, which offers to customers for full liquidity as well as benefits of higher rate of returns, through your savings bank account and also availing an overdraft facility, to meet your occasional temporary funds requirements, and want to build up savings slowly. Discover Recurring Deposit Account and can save a little every month to build up the desired corpus to meet future requirement of funds. Products are designed with flexibility to suit personal requirements. To use 24 hour banking facility through internet banking / widest network of ATMs.
Therefore, this space for different types of deposits/services are being shown as under –

- Current account
- Saving bank account
- Term deposits
- Special term deposits
- Multi option deposit scheme
- Demit account
- Saving plus account
- Basic banking no frills account
- Recurring deposit account
- Premium savings account
- Rate of interest on domestic term deposits
- SBI tax saving scheme, 2006

Hence experience a whole new world of Personal Banking Branches i.e. PBB. Customer friendly, knowledgeable staff will cater to financial requirements with speed and efficiency in an excellent ambience.

2. **Personal finance** – In personal finance a variety of schemes provide by SBI to satisfying varying requirement of the banking customer, and the bank provides the following schemes which are nice-looking rate of interest.

- Housing loan
- Property loan
- Car loan
- Educational loan
- Personal loan
- Loan to pensioners
• Credit khazana
• Loan against shares/debentures
• Loan for ESOPS
• Festival loan
• Tribal-plus scheme

Many of the SBI branches offer loans under Personal Finance. This section also provides an EMI calculator to facilitate computation of monthly refund of payment by customer.

3. Services - SBI provides a wide range of services in the Personal Banking Segment which are as under –

• Domestic treasury
• Broking services
• Revised service charges
• ATM services
• Internet banking
• State Bank mob cash
• E-Pay
• E-Tail
• RBIEFT
• Safe deposit locker
• MICR codes
• Foreign inward remittances

4. Special salary packages – Under salary packages SBI provides many attractive packages in favor of special packages to customers which are as under –

• Corporate salary package
• Defense salary package
• Para military salary package
• State Government salary package
• Railway salary package
• Central Government salary package

5. **Gold banking** - SBI provides related attractive schemes for selling of gold to customers which are as under –

• Retail sale of gold coins
• Gold deposit scheme (GDS)
• Sale of gold and gold metal loans (for Jewelers)

2. **Agriculture/rural** - SBI caters to the requirements of agriculturists and landless agricultural laborers through a network of more than 9992 rural and semi-urban branches. Apart from the branches, there are 428 Agricultural Development Branches which also cater to agriculturists for finance a portfolio of Rs. 1,25,000 crores as agricultural advances for more than 1 crore farmer families in India.

SBI branches have covered a whole range of agricultural activities such as crop production, horticulture, plantation crops, farm mechanization, land development and reclamation, digging of wells, tube wells and irrigation projects, forestry, construction of cold storages and go-downs, processing of agricultural-products, finance to agricultural-input dealers, allied activities just as dairy, fisheries, poultry, sheep-goat, piggery and rearing of silk worms.

For the purpose of special focus to agriculture lending SBI Bank have also appointed agricultural specialists in various disciplines to handle projects/ guide farmers in their agricultural ventures. Advances are given to borrowers for very small activities covering poorest of the poor to hi-tech activities involving large fund outlays.
We have set up Eighteen Agricultural Commercial Branches which handle high value agricultural financing involving large investments.

Traditionally, rural business is associated with agriculture and allied activities. Of late however, the trickles down effect of economic growth, renewed focus on infrastructure development, and employment generation in rural areas have led to huge investment by the Government in rural India, with a view to bridge the Urban and Rural divide.

Considering that agriculture would continue to be significant driver of Indian economy, with the possibilities of rapid growth in emerging areas like contract farming, agro-processing and agro-export zones, etc.

Therefore, the following services under it, which are as follows –

1. Agriculture banking
2. Micro credit
3. Regional rural banks
4. Agriculture debt waiver/relief scheme, 2008

1. **Agricultural banking** - The branches of SBI have covered a whole range of agricultural activities such as crop production, horticulture, plantation crops, farm mechanization, land development and reclamation, digging of wells, tube wells and irrigation projects, forestry, construction of cold storages and go downs, processing of agriculture-products, finance to agricultural-input dealers, allied activities like dairy, fisheries, poultry, sheep-goat, piggery, refurbished second hand tractors, loans against pledge of warehouse receipts, loans against produce stored by the farmer at his own premises, loans against book debts of arties, mulberry cultivation, rearing of silk worms and grain ages, and other attractive activities which are as under –
   - Agricultural gold loans
- Kisan credit card (KCC)
- Product marketing loan
- Kisan gold card scheme (KGC)
- Setting up agricultural clinik and agricultural business centre
- Land purchases scheme
- Scoring model for tractor loan
- Financing for second hand/used tractor scheme
- Financing power tillers
- Financing for combine harvesters
- Scheme for financing farm machinery - where tangible assets are created
- Dairy plus scheme for financing dairy units
- Dairy society plus scheme for financing dairy societies
- Broiler plus
- Scheme to cover loans for general purpose under General Credit Card (GCC)
- SBI krishak uthaan yojna
- Gramin bhandaran yojna – capital investment subsidy scheme for construction/renoovation of rural go-downs
- Scheme for financing private cold storage/private ware houses for on lending to farmers
- Scheme for financing seed processors.
- Mortgage loan to seed processing units
- Capital investment subsidy scheme for commercial production units of organic inputs under national project on organic farming
- Scheme for debt swapping of borrowers
- Artigas plus scheme
- Minor irrigation schemes
- Finance to horticulture
- Financing JLG of tenant farmers
- Scheme for financing micro finance institutions (MFIs)/non Government organizations (NGOs)
Sanjeevani

Krishi kalyan

Financing for organic farming

Lead bank scheme

Business correspondent (BC) arrangement

New tractor loan scheme

Rural self employment training institutes (RSETIs)

3. **Micro credit** – under the micro credit scheme SBI participated in SHG bank credit programme and SBI leader in SHG bank credit linkage etc.

4. **Regional rural bank** - RRBs i.e. Regional Rural Banks were established in 1975 under the provisions of the Ordinance promulgated on 26th September, 1975 and under Regional Rural Banks Act, 1976 with a view to developing the rural economy by providing, for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to small and marginal farmers, agricultural labourers, artisans and small entrepreneurs. Recently, an exercise on consolidation of RRBs by way of amalgamation of geographically contiguous RRBs was implemented by Government of India. Under that initiative, SBI gave out 4 RRBs reducing the number of RRBs sponsored by the bank.

5. **Agriculture debt waiver/relief scheme, 2008** - Under this scheme important information in favor of debt waiver or debt relief, relief for those who are eligible etc. to contact the branch to get full details and have to pay their entire share of overdue loan to get relief from Government. The concerning scheme is in favor of farmers, customers for their related works from the bank and also to get recently information through the bank etc.
5. **Financial inclusion** – The financial inclusion shows the extension of banking services under business facilitators including business correspondents which is called a scheme for financial inclusion.

6. **NRI Services** – Under Non Resident Indian (NRI) services will clarify that in these services included largest bank in India, world’s largest network of branches, more than 191 foreign offices, presence in near about 35 countries and including serving the largest number of Non Resident Indian.

   Therefore, the following variety of services provides by NRI, are as under –

   ● Accounts/deposits.
   ● Remittances
   ● Investments
   ● Loan
   ● SBI world

5. **Government businesses** - Government business are linked with State Bank of India and are extensive because out of 9,315 branches in India there are 7,000 branches are conducting Government business including the large network of these branches which provide easy access to the common customer to deposit the concerning following government dues and pension payments, which are as under –

   ● Centralized pension processing center (CPPC)
   ● SBI e-tax
   ● SBI e-freight
   ● Government account
   ● Public provident fund
   ● Senior citizen saving scheme
   ● Alternate channel for Government business
6. **Corporate banking** - State Bank of India called a shop which provides financial products and services of a wide range for large, medium and small customers for both domestic and international level.

   Therefore, the following elements of corporate banking which are as under –

   - Profile
   - Corporate account group (CAG)
   - MID corporate group
   - Project finance
   - Product and services
   - Cash management product

7. **SBI international banking group network** - State Bank of India's dedicated and skilled team of professionals enables of customers to meet customer’s business and personal requirements by providing comprehensive international banking products and services including financial solutions, for which tailor-made to meet customer’s overseas banking requirements.

   Therefore, the following services are included with SBI International Banking Group Network which are as under –

   - Wholesale banking
   - Retail banking
   - Global trade services
   - Correspondent banking
   - Treasury management services
   - Compliance & risk
   - Remittances
1.12 Universal Banking Offered BY ICICI Bank

1. **Banking accounts** - ICICI Bank offers a wide range of banking accounts such as current, saving, life plus senior, recurring deposit, young stars, salary account, etc. for which tailor made to every customer segments from children to senior citizens and also convenience and simplicity to access are the benefits of ICICI bank accounts.

2. **Young stars account** – A special portal on behalf of children to learn banking basics manage personal finances and have a lot of fun.

3. **Bank campus** – ICICI Bank provide student services for which gives access to students and also their account details after clicking of mouse, and the student gets a cheque book, debit card and annual statements also.

4. **Savings accounts** – Convenience is the name of the game with ICICI Bank’s savings accounts, whether it can be ATM debit card, simply withdrawal, simply loan options or internet banking. In other word can say ICICI Bank’s saving account always keeping you in touch of money.

5. **Fixed deposits** – ICICI Bank offers a range of deposit solutions to meet changeable needs at every stage of life thus, it offers a range of tenures and other features to suit all requirements.

6. **Insurance** – The group of ICICI offers a range of insurance products to cover changeable needs ranging from the life pensions and health, to home motor and travel insurance. The products are made accessible to customers through a wide network of advisors, banking partners. Corporate agents and brokers with the added convenience of being able to buy online. Insurance can be divided in two categories as under-
a. Life insurance
b. General insurance

a. **Life insurance** – The group of ICICI provides so many life insurance products through its prudential life insurance company.

b. **General insurance** – The group of ICICI offers the many general insurance products like motor, travel and home insurance with ICICI Lombard general insurance company.

7. **Loans** – ICICI Bank provides a range of deposits solutions to meet changeable needs at every stage of life, and also offers a range of tenures and other feature to suit all requirements.

a. Home loan
b. Personal loan
c. Vehicle loan

a. **Home loan** – ICICI Bank is called No.1 house loans provider in the country and offers home loans some unbeatable benefits their customers.

b. **Personal loan** – Personal loans are easy to get with ICICI Bank and quite disturb free and also you can secure any loan for an amounting up to Rs. 15 lakh with the help of minimum documentation.

c. **Vehicle loans** – The ICICI Bank is the No.1 financier for car loans in the country. Network of more than 25,000 channel partners in over 1,000 locations Tie-ups with all leading automobile manufacturers to ensure the best deals, and also flexible schemes and quick processing are the main advantage of ICICI and avail attractive schemes at competitive interest’s rates, and also financier for two wheeler loans in the
country, and can say that up to 90% finance facility of the on road cost for particular vehicle, and repayable in convenient repayment options and comfortable tenors from minimum of 6 months and maximum of 36 months.

8. **Cards** – ICICI Bank provides a variety of cards to suit different transactional necessities and strange includes the credit cards, debit cards and also prepaid cards. These cards offer you convenience for financial transactions just like cash withdrawal, shopping and travel, and these above cards are widely accepted both in India and abroad.

Therefore, which are clarify as under-

(a) Credit card
(b) Debit card
(c) Travel card

(a) **Credit card** - ICICI Bank credit cards offer you the advantage of hard cash, convenience and arrange of benefits, anywhere in the world. The range of these benefits from life time free cards, insurance benefits, utility payments, travel discounts and much more etc.

(b) **Debit card** – Debit card of ICICI Bank is the activities from of cash which allows customers to access their bank account around the clock, around the world because debit card of ICICI Bank may be used for shopping at more than 3.5 lakh merchants in India and 24 million merchants worldwide.

(c) **Travel card** – Travel card of ICICI Bank is free way to travel the world and travelling with US Dollar, Euro, Pond sterling swiss francs. For the purpose of security and convenience use the travel card of ICICI Bank because can be issued in duplicate which provides the pin based security and also can be use as credit or debit card.
9. **Mobile Banking** – ICICI Bank mobile banking move with ICICI Bank because it is no longer and can be used for offers the mobile banking facility to its own entire bank. Including credit card, debit card and loan customers.

Mobile banking of ICICI Bank can be classify in two categories of facilities which are as under-

(a) **Alert facility**
(b) **Request facility**

(a) **Alert facility** - Under alert facility, the mobile banking of ICICI Bank keeps customer and informed about the significant transactions their accounts, and also keeps updated, wherever you need.

(b) **Request facility** – Mobile banking of ICICI bank gives the facilities on behalf of requests but enables to query for their account balance.

10. **Investment products** - Under investments products clarify that ICICI bank assist customer’s to manage their finances with ICICI bank along with deposit products and loan offerings and also provides various investment options ranging from ICICI Bank tax saving bonds, and also ICICI Bank provides the facility of equity investments with initial public offers and also investment in Pure Gold.

    Following kinds of facilities of ICICI Bank investment products are as under –
    a. ICICI Bank tax saving bonds.
    b. Government of India bonds.
    c. Investment in mutual funds.
    d. Initial public offers by corporate.
    e. Investment in PURE GOLD.
    f. Foreign exchange services.
    g. Senior citizens saving scheme.
11. **Trade services** – ICICI bank provides online remittances such as online processing of letters of credit and bank guarantees.

12. **Asset management** – Under asset management ICICI bank asset Management Company provides a wide range of retail mutual fund products tailored to suit mixed risk and maturity profits comes under prudential ICICI asset management.

13. **Cash management** – ICICI bank provides a complete range of highly customized solutions for managing the collections and payments requirements of customers by leveraging technology and a daily transaction of customers and report with real time web-enabled downloads and also offer on top information facilitating effective working capital management.

14. **Corporate Banking** – ICICI Bank provides comprehensive and customized financial solutions for their corporate customers, including rupee and foreign currency debts working capital credit, structured financing syndication and transaction of banking products and services.

15. **Internet Banking** – All type of internet banking are available to all ICICI bank savings and deposit account holders, credit card, De-mat and loan customers, the services of internet banking provides to customers a world of convenience with services like balance enquiry, transaction history, account statement, bill payments, fund transfers and other accounts related service requests.

16. **ATM** – Over than 2,500 ATMs across the country, ICICI Bank has one of the largest ATM network in India.

17. **Phone Banking** – Under the phone banking ICICI Bank offers so many services across liabilities, assets along with investments products with both i.e. retail and corporate customers.
18. **NRI Banking** – Under NRI banking system ICICI Bank provides the services to take care of all NRI (Non Resident Indian) banking requirements including deposits, money transfers and private banking.

19. **Money to India** – ICICI Bank is a complete range of online and offline money transfer solutions to send money in India.

20. **Property** – Under the property we can say that for millions of home buyers across the country not just great deals on home loans but also a wealth of expert advice, and also provides home search service which can help to customer identity the property of his choice based on his budget and requirements.

21. **De-mat accounts** – ICICI Bank De-mat services unique features just as e-constructions, consolidation, digitally signed statements, mobile requests and corporate benefit tracking.

22. **Rural banking** – ICICI Bank provides technology based solutions, financial innovations and multiple delivery channels to meet the financial requirements of rural areas.

23. **Micro finance** – ICICI Bank assists over than 2.5 million low income customers to build livelihoods by partnering with over than 100 Micro Financial Institutions.

24. **Branches** – According to survey of branches for ICICI Bank, it has been cleared that there are near about 630 branches of ICICI Bank, and out of it 51 branches are as extension counters which across the country. The net work also puts a wide range of banking products and financial services with easy reach of retail and corporate customers.

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