

ICICI BANK: IN RURAL INFRASTRUCTURE

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- ✓ The bank lead model was derived from the SHG (Self Help Group) – Bank linkage program of NABARD. Through this program, banks financed Self Help Groups (SHGs) which had been promoted by NGOs and government agencies.
- ✓ ICICI Bank drew up aggressive plans to penetrate rural areas through its SHG program. However, rather than spending time in developing rural infrastructure of its own, in 2000, ICICI Bank announced merger of Bank of Madura (BoM), which had significant presence in the rural areas of South India, especially Tamil Nadu, with a customer base of 1.2 million and 77 branches.

ICICI BANK: PARTNERSHIP MODEL

ICICI Bank is by far the leading commercial bank providing finance to MFIs directly or indirectly. ICICI developed an innovative partnership model with MFIs, in addition to its active direct debt financing to MFIs.

In this model ICICI leverages the expertise of MFIs, core competency of providing financial services in rural areas and uses the MFIs as agents or service providers. Loans to end users are held in ICICI books, MFIs merely provide services –

conducting due diligence, issuing loans and collecting repayments. MFI paid fees for services.

ICICI has achieved great success in expanding their reach to rural poor by using this model, providing \$227 million worth of loans to 1.2 million rural households using this partnership model.

Objectives of the Bank:

- Offer financial services to corporate and retail client.
- Providing loans to small and medium enterprises.
- To serve the low income segment.
- Enter into strategic partnership with NGOs/ MFIs that serve the rural poor.
- Build rural outreach through low-cost technology networks.
- Create a franchise for social entrepreneurs to start up MFIs.

Loans Against Deposits:

ICICI provide liquidity in your investments by offering you a loan facility against your deposits. Rupee loans are provided against the security:

- Rupee deposits
- NRO and NRF
- FCNR Deposits

Features of Loan Against Deposits:

These are as:-

- Loans are provided to self as well as third party individuals.
- Loans are available upto 90% of the principal amount of the deposit.
- Rupee loans are available at the branch where you maintain your account.
- Loan is disbursed either by way of a demand loan or an overdraft

- For demand loan, the entire loan amount is disbursed at one go by either credit to NRO savings account or issue of a pay order/ demand draft.
- For an overdraft facility, a current account is opened and loan proceeds are disbursed to the account. Cheque book is then issued to you for withdrawals.
- Repayment of the loan shall be made either by adjustment of the deposit or by fresh remittance from outside India through normal banking channels.
- The loan can also be repaid out of the funds in the NRO account of the borrower.
- In case of loans to third parties, the same can be repaid out of the local rupees account of the borrower.

INVESTMENTS

The ICICI Bank, care about all human needs, besides Deposit products and loan offerings, ICICI Bank assists you to manage your finances by providing various investments options ranging from ICICI Bank, Tax Saving Bonds to Equity Investments through Initial Public Offers and Investments in Pure Gold The ICICI Bank facilities following investments products;

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- ICICI Bank Tax Saving Bonds
 - Government of Indian Bonds
 - Investment in Mutual Funds
 - Initial Public Offers by Corporate
 - Investment in “Pure Gold”
 - Foreign Exchange Services
 - Senior Citizens Savings Scheme, 2004

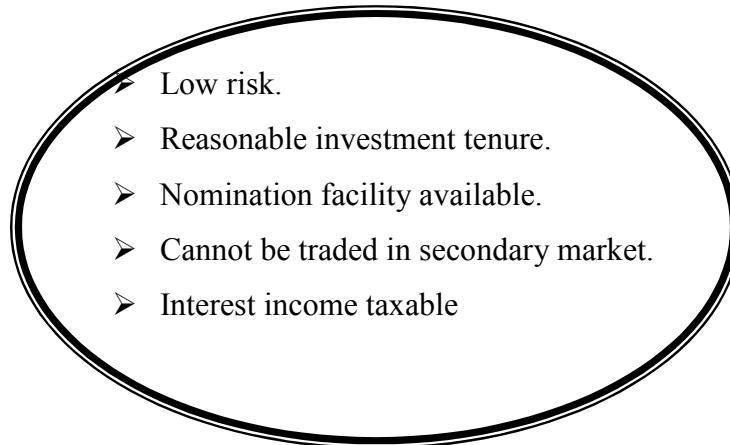
One can invest in above products through any of ICICI branches. For select products ICICI Bank also provides the case of investments through electronic channels like ATMs

ICICI Bank Bonds

- All ICICI Bank Bonds have been rated “AAA” by CARE and “LAAA” by ICRA indicating the highest degree of safety for your money.
- Investment in ICICI Bank Bonds are eligible for tax rebate under Sec 88 of the full extent possible
- Bonds are listed on BSE, NSE

GOI Bonds

8% savings Bonds (Taxable), 2003



MUTUAL FUNDS INVESTMENTS THROUGH ICICI BANK

Mutual Funds:

Mutual Funds pool money of various investors to purchase a wide variety of securities while pursuing a specific goal. Selection of Securities for the purpose is done by specialists from the field. Returns generated are distributed to the Investors.

Mutual Fund Companies offer various schemes. Investors can choose any particular Fund/Scheme or mix of Funds/ Schemes depending upon their perception towards risk.

Investments is done on the basis of prevailing Net Asset Values of various scheme. Mutual Funds investments are subject to Market Risks.

Types of Mutual Funds Sold:

ICICI help you determine which types of funds you need to meet investment goals. This may include the following types of funds:

- Debt: Liquid schemes, Income schemes, G-sec schemes, Monthly Income Scheme etc.
- Equity: Diversified Equity Schemes, Sector Schemes, Index Schemes etc.
- Hybrid Funds: Balanced Schemes, Special Schemes – Pension Schemes, Child education Schemes etc.

At ICICI Bank will help you to identify an appropriate mix of Mutual Fund schemes for your portfolio using asset allocation strategies.

Through ICICI Bank you can invest in various schemes of multiple mutual funds with decent performance record. You can take the aid of various research reports on mutual funds and their schemes before choosing a scheme for investment.

ICICI Bank offers investments in Mutual Funds Through Multiple Channels: With ICICI Bank one can invest in Mutual Funds through following channels:

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- ICICI Bank Branches
 - ICICI Bank ATMs
 - ICICI Direct.com

Dedicated Workforce of ICICI:

- Before being deputed, the officers complete a comprehensive training program and, once deputed, they receive through instructions in financial planning skills and techniques. Throughout their careers officers also attend programs to update their skills.
- All officers in charge of Mutual Funds are certified professionals by AMFI (Association of Mutual Funds in India)
- Many of these officers also hold professional degrees like-
- MBA, CA, ICWA, CFA etc.

ICICI keep you updated

ICICI keep investors updated on the latest happenings in the Mutual Fund industry and the various financial markets through regular electronic updates (daily and weekly) through Emails, a monthly recognize on investments is sent to all customers.

Invest in IPO's Online:

The ICICI bank provides this facility to its customers to purchase and sale of IPO's online.

Various Services of ICICI Bank

Offers a full range of Securities Markets Services for:

- Equities
- Equity Derivatives
- GDR/ADR/Euro Issues and arbitrage
- Debt
- SGL settlements through Constituent account with ICICI Bank.

Equities and Debt by Services offered:

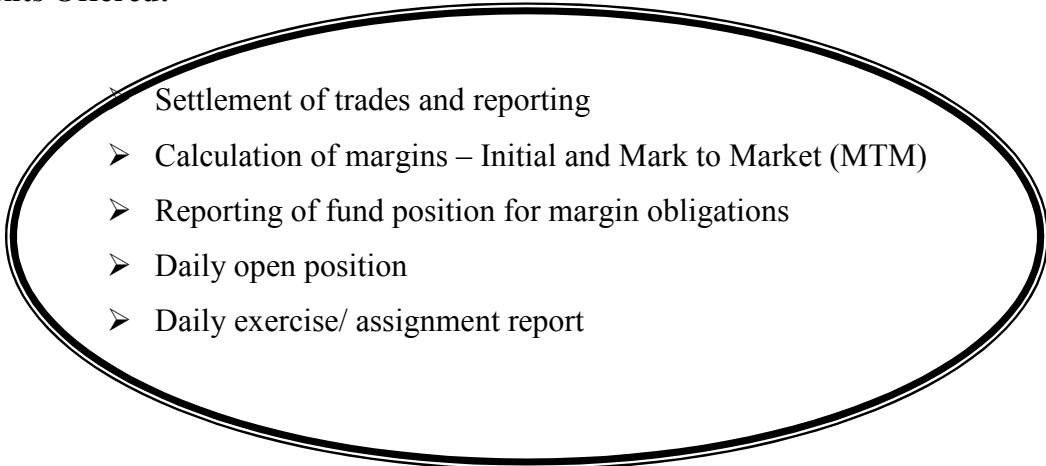
- Safekeeping
- Settlements and corporate action/ event related activities in respect of clients investment holdings including benefit and proxy execution.
- Trade settlements for the clients either by way of delivery vs. payment (DVP) or through stock exchange cleaning mechanisms.
- Fund Accounting
- Reporting

TOP Derivatives:

Preamble:

With the advent of Derivatives Segment in the Indian capital markets, ICICI has registered as a Custodian cum Professional Clearing Member (PCM) for the Derivatives Segment attached to both National Stock Exchange (NSE) and The Stock Exchange, Mumbai (BSE) thereby expanding the scope of services to the derivatives segments.

Segments Offered:

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- Settlement of trades and reporting
 - Calculation of margins – Initial and Mark to Market (MTM)
 - Reporting of fund position for margin obligations
 - Daily open position
 - Daily exercise/ assignment report

TOP ADR/GDR

Preamble:

Custodian to the largest number of ADR/GDR insurance form India. Actively involved in committee instituted by regulators for policy formulation and operative guidelines on 2way fungibility.

Service offered:

- Delivery and settlement of ADR/GDR underlying shares
- Re-issuance of ADR/GDR

MAIN Advantages;

- India's largest private sector bank and second largest bank in the country
- Low turn around time for client queries
- On line viewing of reports through web enabled reporting and infinity banking
- Office Premises located in Prime area
- State of art systems with comprehensive disaster recovery plan
- SWIFT interface with the Custodial system for STP
- Fire proof vault/ cabinet for physical security storage
- Seamless delivery through focused client relationship group with a fall back TOP customer segments.
- Foreign Institutional Investors (FIIs)
- Domestic Venture Capital Funds
- Overseas Private Equity Funds
- Overseas Private Equity Funds
- Overseas Corporate Bodies (OCBs)
- ADR/GDR arbitrageurs (non-resident entities)
- Overseas Depository Banks for GDR/ADR issues
- Insurance Companies

- Mutual Funds
- Domestic and Foreign companies
- PF and retrial Trusts
- Trading Members on stock exchanges
- Domestic companies
- Corporate offering buy backs and making Open offers
- High Net Worth individuals

Scope of Services:

ICICI Bank: SPD offers a wide spectrum of securities processing services for both physical and demat securities as detailed below:

1. Security Settlement Services

- (a) Receipt, delivery and settlement of equities and debt through Delivery Vs payment (DVP) as well as Clearing House (CH)
- (b) Settlement of SGL and Money Market Instruments with Counter Parties
- (c) Clearing and Settlement trades done in Equity derivatives segment on NSE/BSE by trading member or Custodial Participant
- (d) Delivery & Settlement of ADR/GDR underlying shares and Re-issuance of ADR/GDR.

2. Primary market

Primary market applications in equity, debt and auctions in GoI Securities on specific client instructions. TOP

3. Cash & Banking Services

- (a) Issue of Cheques/ Demand Drafts/ Pay orders/ RBI Cheques for security purchases
- (b) Collection & Deposit of payment instruments for sale transactions

(c) Deposit of corporate benefits such as Dividend amounts, Interest & Redemption proceeds

(d) Booking of dollar remittance and repatriation

(e) Provide bank statement on daily basis

(f) Bank Reconciliation

4. **Corporate Action and Benefit Collection**

(a) Reporting of various corporate actions such as, split, redemption, merger, AGM, Board meetings, put/call dates, rights, bounds, limit monitoring etc. and proxy execution services

(b) Tracking of Corporate benefits such as Interest, Dividend & redemption amounts

(c) Tracking of security benefits such as bonus and rights

(d) Exercise of Put & Call Option

(e) Collection and deposit of Interest/ Redemption/ Dividend amounts and reconciliation thereof

5. **Registration and Safe Keeping of Securities**

a) Safe keeping of Physical securities

b) Registration, rectification, consolidation, split and demat of securities TOP.

6. **Depository Services**

As a Depository Participant with both the apex depositories in India – National Securities Depository limited (NSDL) and Central Depository Services of India Limited (CDSL), ICICI Bank Limited Provides.

- Holding securities in client's account electronically
- Settlement of trades through the client's demat account
- Pledging of securities

7. **Fund Accounting**

Accounting of the client's entire portfolio which includes:

- Valuation of investments
- Daily accrual of income of investments

- Amotization of premium
- Expenses
- Taxation etc.
- Security Classification as per UG GAAP method of accounting and mapping of account codes under SAP

8. **Reporting and MIS**

- a) Fund flows
- b) Corporate action
- c) Holding statement and Portfolio valuation
- d) Aging analysis of securities sent registration, rectification and demat
- e) Customized reporting in respect of equity derivative segment on daily, weekly and monthly basis as applicable
- f) On line access to reports and bank account through ICICI markets and ICICI Bank web site
- g) Reports also provided on “As required basis”.

Above reports are forwarded to the client at a desired frequency. Two-way communications with the clients is via channels mutually agreed and ranging from fax, telex, e-mail to soft and hard copy dispatched by mail or courier.