ICICI Bank

Note on Scheme of Amalgamation of Bank of Rajasthan with ICICI Bank Limited

The amalgamation of The Bank of Rajasthan Limited (Transferor Bank) with ICICI Bank Limited (Transferee Bank) will be effected in accordance with the provisions of the Scheme formulated pursuant to Section 44A of the Banking Regulation Act, 1949 (hereinafter referred to as the 'said Act') and Reserve Bank of India's guidelines for merger/amalgamation of private sector banks dated May 11, 2005, (hereinafter referred to as 'RBI Guidelines') and in accordance with the applicable provisions of the Companies Act, 1956, and the Memorandum and Articles of Association of the Transferor Bank and the Transferee Bank and other applicable provisions of laws for the time being in force. In terms of Section 44A of the said Act and the RBI Guidelines, a Resolution is required to be passed by a majority in number representing two-thirds in value of the Members of the Transferor Bank and the Transferee Bank, present either in person or by proxy at the respective general meetings of the Members of the Transferee Bank and the Transferor Bank. As both the Transferor Bank and Transferee Bank are banking companies duly licensed under the provisions of the said Act, the amalgamation of the Transferor Bank with the Transferee Bank is exclusively governed by the provisions of Section 44A of the said Act and the RBI Guidelines which constitute a composite and complete code governing amalgamation of banking companies and the provisions of the scheme of amalgamation and the matters incidental and ancillary thereto, and as such the said amalgamation would require only the sanction of the Scheme by Reserve Bank of India (hereinafter referred to as 'RBI') for the Scheme coming into effect, and accordingly the provisions of the Companies Act, 1956 relating to amalgamation and matters incidental or ancillary thereto are not applicable. The Scheme does not require the approval of any High Court(s)/Company Courts/the National Company Law Tribunal under the provisions of the Companies Act, 1956.

Benefits of the Scheme of Amalgamation

In the opinion of the Board of Directors of the Transferee Bank, the following are the main benefits that are expected to accrue to the Transferee Bank from the proposed Scheme:

a) The Transferee Bank has articulated a customer centric strategy which places branches as the focal points of relationship management, sales and service in geographical micro markets. The Transferor Bank has deep penetration in the State of Rajasthan where it has 294 branches with a market share of 9.3% in total deposits of scheduled commercial banks. An amalgamation with the Transferor Bank will place the Transferee Bank among the top three banks in Rajasthan in terms of total deposits and significantly enhance the Transferee Bank's presence and customer proposition in Rajasthan.

b) Increase in branch network: As a result of the amalgamation, the branch network of the Transferee Bank would increase by 463 branches providing increased

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geographic coverage and supporting increase in the Transferee Bank's retail deposit base. This will enhance the competitive advantage of the Transferee Bank and is necessary in light of the fact that the competitive landscape in the Indian banking sector may become intense with the licensing of new private sector banks and liberalisation of branch licensing policy for foreign banks. The proposed amalgamation would significantly enhance the Transferee Bank's presence in the key centres of Delhi, Mumbai and Kolkata. Further, the Transferor Bank's branches outside Rajasthan are well spread with strong presence in large deposit centers thus enhancing the Transferee Bank's retail deposit raising capacity.

c) Support to financial inclusion targets: The Transferor Bank has around 40% of its branches in rural and semiurban areas which would support the Transferee Bank's financial inclusion initiative especially in Rajasthan.

d) Significant reduction in time to market: Setting up branches organically takes significant time and effort in terms of execution and scale up of business. The proposed amalgamation would reduce the time to market for the Transferee Bank.

e) Optimal utilisation of branch network: The Transferee Bank would be able to significantly scale up existing business levels at the branches of the Transferor Bank to optimally utilise the branch network.

Further, there is no likelihood that any creditor of the Transferor Bank or of the Transferee Bank would lose or be prejudiced as a result of the Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. The Transferee Bank has a strong capital and liquidity position and the Scheme would support further growth in its deposit base. It would be able to meet all its liabilities as they arise in the course of the business. Hence the Scheme is in no way expected to adversely affect the interests of any class of creditors or to have any adverse effect on the business or operations of the Transferee Bank, but is in fact expected to substantially enhance the comfort available to the creditors of the Transferor Bank, and have a positive impact on the funding profile of the Transferee Bank.

Share entitlement of the shareholders of Bank of Rajasthan

Simultaneous with the coming into effect of this Scheme, and in consideration of the transfer of and vesting of the Undertaking and the Liabilities of the Transferor Bank in the Transferee Bank in terms of this Scheme, and subject to the provisions of this Part IV of the Scheme, and without any further application, act, instrument or deed, equity shares of Rs. 10/- (Rupees ten only) each, credited as fully paid up, in the ratio of twenty five (25) equity share of the face value of Rs. 10/- (Rupees ten only) each in the Transferee Bank for every One Hundred And Eighteen (118) equity shares of the face value of Rs. 10/- (Rupees ten only) each held in the Transferor Bank shall stand automatically issued and allotted to the equity shareholders of the Transferor Bank whose names are recorded in the Register of Members of Transferor Bank (the "Members") as of the Effective Date.

The share certificates in relation to the equity shares held by the said Members in the Transferor Bank shall be deemed to have been automatically cancelled and be of no effect on and from the Effective Date, without any further act, instrument or deed. The form of issuance of shares of the Transferee Bank to the shareholders of the Transferor Bank, i.e. either in the form of share certificates or in dematerialized form, shall be determined by the form in which the shares of the Transferor Bank are held by the respective Members of Transferor Bank on the Effective Date.

In respect of equity shares of the Transferor Bank where calls are in arrears, without prejudice to any remedies that the Transferor Bank or the Transferee Bank, as the case may be, shall have in this behalf, the Transferee Bank shall not be bound to issue any equity shares of the Transferee Bank (whether partly paid or otherwise) nor to confirm any entitlement to such holder until such time as the calls-in-arrears are paid.

Fractional entitlements

No fractional certificates shall be issued by the Transferee Bank in respect of fractional entitlements, if any, to any Member. The Board of Directors of the Transferee Bank shall, instead consolidate all such fractional entitlements and thereupon issue and allot equity shares in lieu thereof to the trust or a director or an officer of the Transferee Bank or such other person as the Transferee Bank shall appoint in this behalf who shall hold the equity shares in trust on behalf of the Members entitled to fractional entitlements with the express understanding that such trust, director(s) or officer(s) or person shall sell the same in the market at such time or times, no later than 15 (fifteen) days from the date of allotment, and at such price or prices in the market and to such person or persons, as it/he/they deem fit, and pay to the Transferee Bank, the net sale proceeds thereof, whereupon the Transferee Bank shall distribute such net sale proceeds to the Members of Transferor Bank in proportion to their respective fractional entitlements.

Equity shares issued and allotted by the Transferee Bank as mentioned above shall be subject to the provisions of the Articles of Association of the Transferee Bank and shall rank pari passu in all respects and shall have the same rights attached to them as the then existing equity shares of the Transferee Bank, including in respect of dividends, if any, that may be declared by the Transferee Bank, on or after the Effective Date.

The equity shares of the Transferee Bank as mentioned above shall be listed and admitted to trading on the relevant stock exchange/s, whether in India or abroad, where the equity shares of the Transferee Bank are presently listed or admitted to trading, within a period of 120 (one hundred and twenty) days of the Effective Date.

Provisions of the Scheme relating to dissenting shareholders

Any Member of the Transferor Bank or the Transferee Bank, as the case may be, who has voted against the Scheme at the Meeting of the Transferor Bank or the Transferee Bank, as the case may be, or has given notice in writing at or prior to the Meeting of the Transferor Bank or the Transferee Bank, as the case may be, or to the presiding officer

of the Meeting of the Transferor Bank or the Transferee Bank, as the case may be, that he dissents from the Scheme, shall be entitled, in the event of the Scheme being sanctioned by RBI, to claim from the Transferor Bank or the Transferee Bank, as the case may be, their value as determined by RBI when sanctioning the Scheme and such Member shall, in consideration thereof, compulsorily tender the shares held by him, in the Transferor Bank or the Transferee Bank, as the case may be, to the Transferor Bank or the Transferee Bank, for cancellation thereof and to that extent the share capital of the Transferor Bank or the Transferee Bank, as the case may be shall stand reduced or be deemed to have been reduced, by such number of shares held and tendered by such Member, on the date immediately preceding the Effective Date. The determination by RBI as to value of the shares to be paid to the dissenting Member shall be final for all purposes.

Salient features of the Scheme

The Scheme envisages that upon coming into effect of the Scheme (being the date of receipt of the RBI approval for the Scheme, hereinafter referred to as the "Effective Date"), all the properties, assets, estates, rights, title, interests, licenses and authorities acquired by the Transferor Bank shall, subject to such modalities for vesting as stated in the Scheme, without any further act, deed or instrument, stand transferred to or be deemed to be transferred to the Transferee Bank in the manner set out in the Scheme and furthermore, that all the liabilities, borrowings, debts and/or obligations of the Transferor Bank shall, without any further act, deed or instrument, vest or be deemed to vest or be taken over by the Transferee Bank without the necessity of obtaining the consent of any third party or the person who is a party to or concerned with any contract or arrangement by virtue of which such liabilities, borrowings, debts and obligations have arisen in order to give effect to the \provisions of the Scheme.

For ICICI Bank Limited

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