ICICI Bank
SEPTEMBER 2024 | VOL. 40

THE ORANGE BOOK

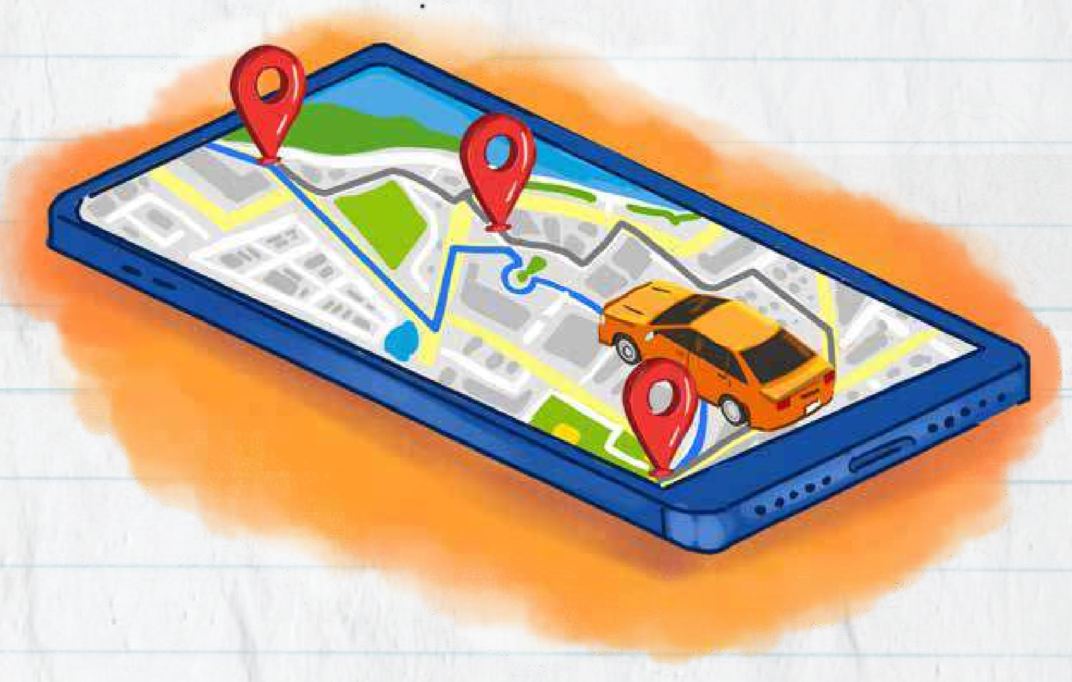
See the unseen teachers around you

Unseen Teachers: Unexpected Guides to Personal Finance

5-minute read

This Teachers' Day, let's recognise the unseen teachers around, who guide us about the fundamentals of Personal Finance.

GPS maps



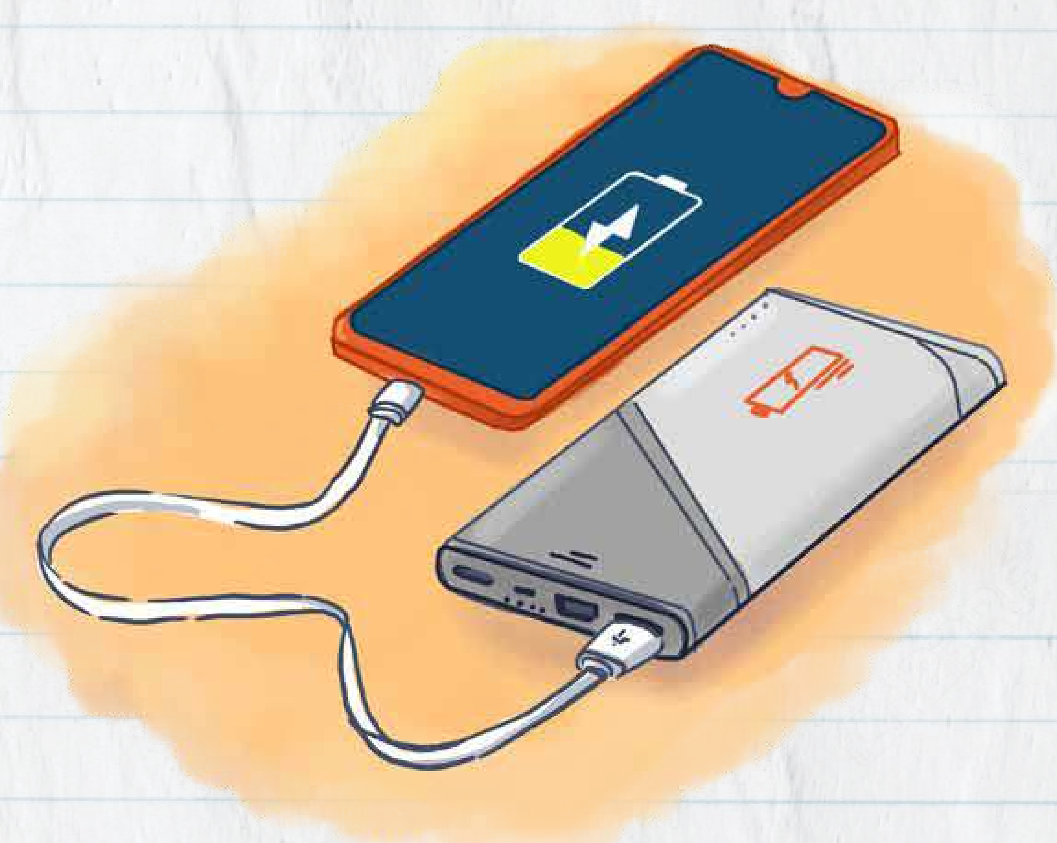
- Provide multiple routes to reach your destination from which you can choose one
- Adjust the route real-time based on traffic or diversions.

What we can learn

- Assess multiple investment options that can help you reach your financial goal.
- Monitor your investments regularly and adjust your portfolio to accommodate changes in markets, policies, interest rates etc.
- Ensure your financial plan has the flexibility to adjust to these changes.

Power Bank

When fully charged, it saves the day when your phone or tab is running on low battery.



What we can learn

Keep an adequate emergency fund (expenses for 6-12 months) as a safety net for sudden expenses or an unexpected cash crunch.

Leaky Tap

Even a small leak adds up to significant wastage of water, so it should be closed or repaired.

What we can learn

- Small expenses for things such as unused gym memberships, OTT or music streaming services or audiobook subscriptions add up to a considerable sum of money.
- We should review these subscriptions, especially the ones that are on auto-renewal and stop those that we don't actively use.

Garden

Be it a balcony garden or a big vegetable patch, every garden has a wealth of lessons.

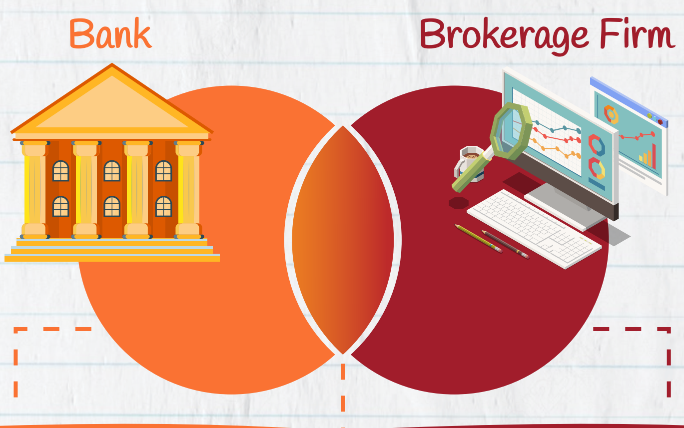
What we can learn

- Having a variety of assets enriches and safeguards your portfolio, just as varied plants make a garden beautiful and useful.
- Different investments have different time horizons, just as different plants take different times to flourish for their harvests. Be patient and stay invested.
- Keep a close eye on your investments and make adjustments as required to make your portfolio thrive.

An explainer on buying and selling shares

2-minute read

What you need:



Savings Account

- Money in your Savings Account is used to buy shares and you will receive money in this account after selling shares.
- A Savings Account can be opened with a bank.

Trading Account

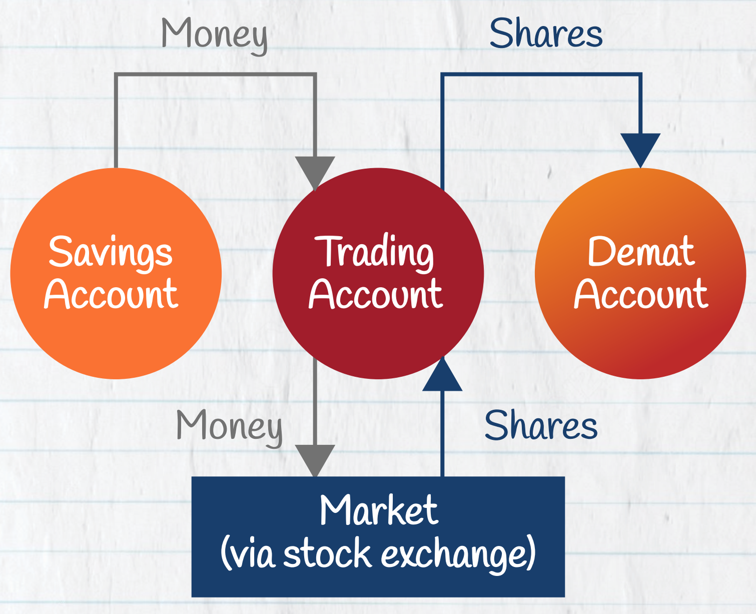
- It is a platform used to buy and sell shares from the market via Stock Exchanges.
- A Trading Account can be opened with a brokerage firm/platform.

Demat Account

- It is used to hold shares bought by you, in dematerialised form (electronic form).
- A Demat Account can be opened with either a bank or a brokerage firm.

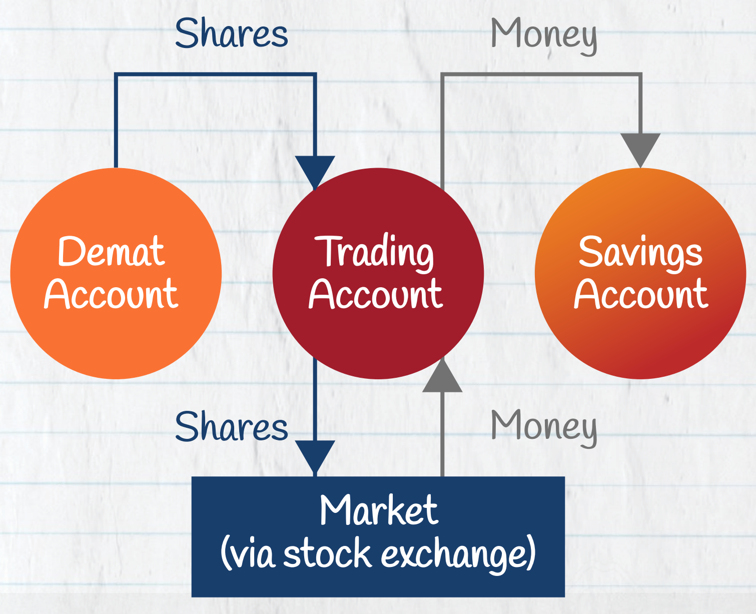
OPEN A 3-IN-1 TRADING, DEMAT AND SAVINGS ACCOUNT

The Buying Process:



1. Decide on a company whose shares you want to buy based on your research and the number of shares based on the current share price.
2. Log in to your Trading Account and enter the company name, quantity of shares and select the exchange you want to buy the shares from.
3. The funds to buy the shares move from the Savings Account linked to your Trading Account to the Stock Exchange, i.e. funds will be debited from your Savings Account.
4. The shares are allocated from the Stock Exchange to your linked Demat Account, i.e. shares will be credited to your Demat Account.

The Selling Process:



1. Decide the shares you want to sell and their quantity.
2. Log in to your Trading Account, enter the details of the shares you want to sell and submit your transaction.
3. The shares will be transferred from your Demat Account to the Stock Exchange, i.e. shares will be debited from your Demat Account.
4. The money received from selling the shares will be transferred to your linked Savings Account on the next working day, i.e. funds will be credited to your Savings Account.

Points to keep in mind before choosing a brokerage firm:

1. Ease of transferring funds from your Savings Account to a Trading Account and vice versa
2. Access to market research to decide which shares to invest in and the time period of investment
3. Transparent brokerage structure
4. Innovative features for convenient buy/sell transactions
5. Trust and safety associated with the brokerage firm.

How to select the shares

1. Look at the research recommendations of the brokerage firm or consult with an Equity Advisor of the brokerage firm to choose the shares you would like to buy or sell. Reputed brokerage firms provide research recommendations across trading products for both long-term and short-term periods.
2. Your investments should be aligned with your risk appetite, your investment objective and the current composition of your investment portfolio.

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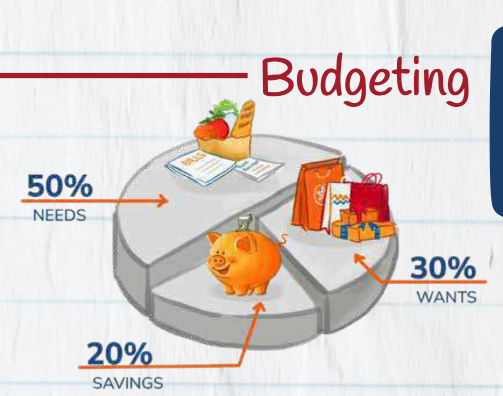
A-Z: The Personal Finance Glossary

5-minute read

A Asset Allocation

A strategic risk-balancing approach to investing that distributes funds across diverse asset classes.

B Budgeting

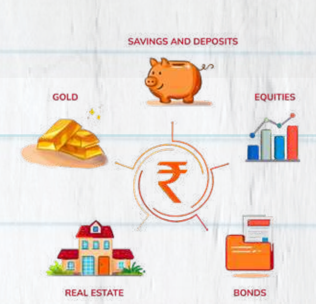


Process of managing finances by creating a plan on how to spend, save and invest money to optimise and track expenditures. The 50-30-20 rule is widely used for budgeting.

C Capital Gains

Profits generated when a capital asset is sold for a higher price than its cost. Capital assets include real estate, land, securities etc.

D Diversification



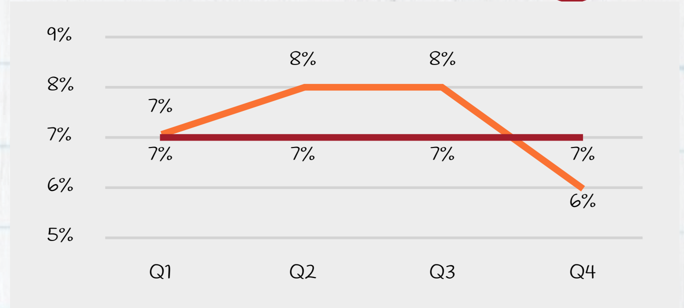
The technique of investing across a mix of diverse investment products and assets to minimise overall risk.

E Emergency Funds

These are safety funds set aside from regular investments that can be used in case of emergencies. The safety funds should cover 6 to 12 months of living expenses.

OPEN FD FOR EMERGENCY FUNDS

F Fixed and Floating Rate of Interest



Fixed Rate: Interest rate remains fixed for the entire term or part of the loan term and does not vary with market fluctuations.

Floating Rate: An interest rate that fluctuates according to the market or along with an index.

G Goals

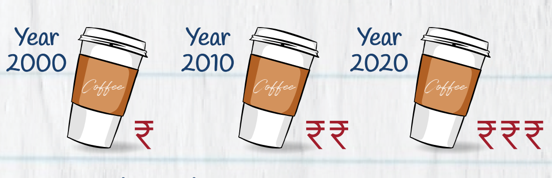
Objectives that one wishes to fulfil. Goals should ideally be SMART, i.e. Specific, Measurable, Achievable, Relevant and Time-bound. It is important to periodically review your investments to keep them in line with your financial goals.

H Human Life Value (HLV)

Human Life Value is a financial metric that measures one's present economic worth considering future earnings and contributions. It is used to determine how much Life Insurance cover one should have.

CALCULATE NOW

I Inflation



Rate of increase in prices over a given time period.

K KYC

KYC or Know Your Customer is a mandatory process for verifying a customer's identity when opening an account and when required in the future.

L LRS

The Liberalised Remittance Scheme (LRS) is a scheme by the RBI that allows a Resident Indian to transfer up to USD 2,50,000 abroad per financial year.

KNOW MORE

M Margin Funding

A short-term loan at a fixed interest rate that one can use to make up for shortfalls when trading in the stock markets. This funding is provided by full-service brokers.

N Nomination

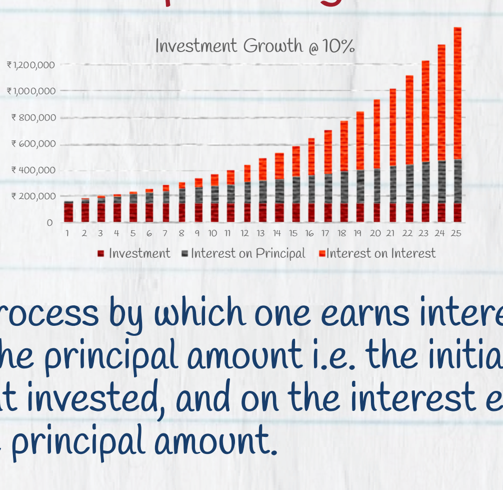
Nomination is the process of appointing a custodian to manage the proceeds of an individual's account or investments and ensuring they reach the heirs.

ADD NOMINEE

O Opportunity Cost

The potential benefits that we miss out on when we choose one alternative over another.

P Power of Compounding



The process by which one earns interest on both the principal amount i.e. the initial amount invested, and on the interest earned on the principal amount.

R Risk Profile

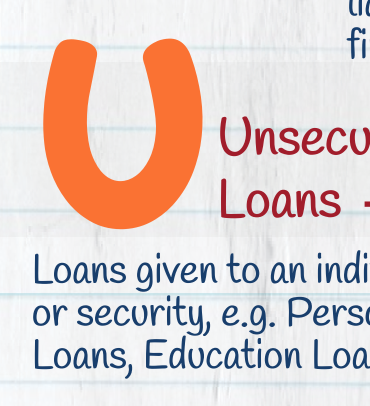
Risk profile is a detailed evaluation of one's willingness and ability to take risks.

S SIP*

SIP (Systematic Investment Plan) is a mode of investing in Mutual Funds which allows one to invest a fixed amount at a fixed frequency like weekly, monthly or quarterly. SIP promotes investment discipline, allows investment of small amounts and helps in averaging out market fluctuations.

ENROL NOW

T Tax Planning



The process of identifying and using all available benefits to minimise one's tax liability during a financial year.

U Unsecured Loans

Loans given to an individual without collateral or security, e.g. Personal Loans, Consumer Loans, Education Loans etc.

V Volatility

A measure of how much a particular asset's value deviates from the average.

W Will

A legal document that defines the distribution of assets amongst various inheritors.

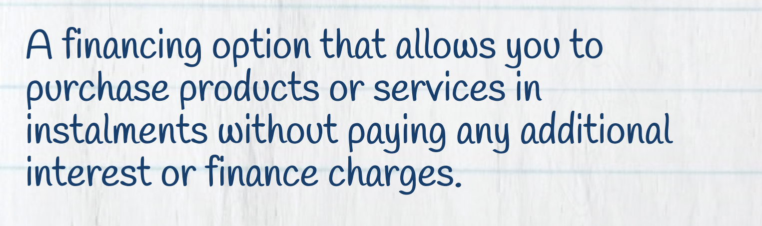
X XIRR

XIRR (Extended Internal Rate of Return) is the annualised rate of return on one's investments where there are multiple cash flows (inflows or outflows), e.g. returns on SIPs are calculated in XIRR.

Y Yield

An income-only return on investment, excluding capital gains. It is calculated by taking the net income and dividing it by the value of the investment, expressed as an annual percentage.
For example: A property is purchased for ₹10 crore and rented out for ₹2 lakh per month. The yield in this case is calculated as follows:
(12x2,00,000)/10,00,00,000 x 100 = 2.40%.

Z Zero Cost EMIs



A financing option that allows you to purchase products or services in instalments without paying any additional interest or finance charges.

*Mutual Fund investments are subject to market risks. Read all scheme-related documents carefully. ICICI Bank Limited is an 'AMFI - Registered Mutual Fund Distributor'. T&Cs.

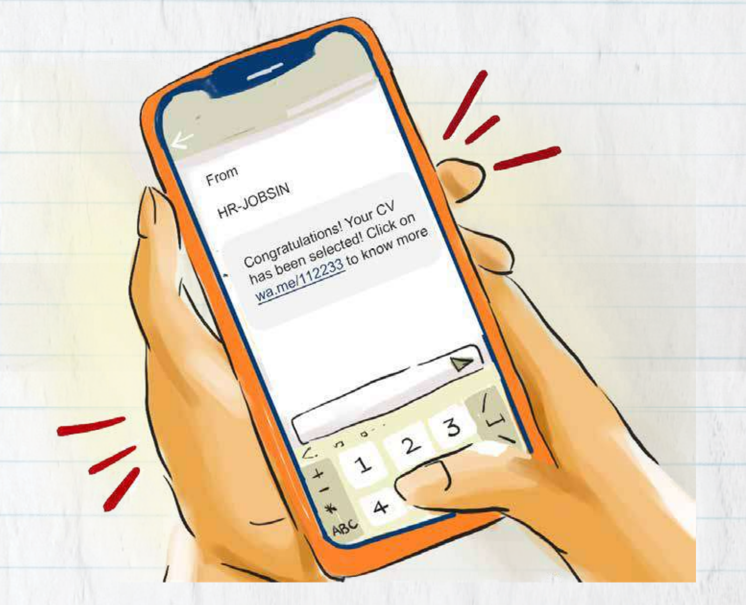
Learn to be safe from job-based frauds

4-minute read

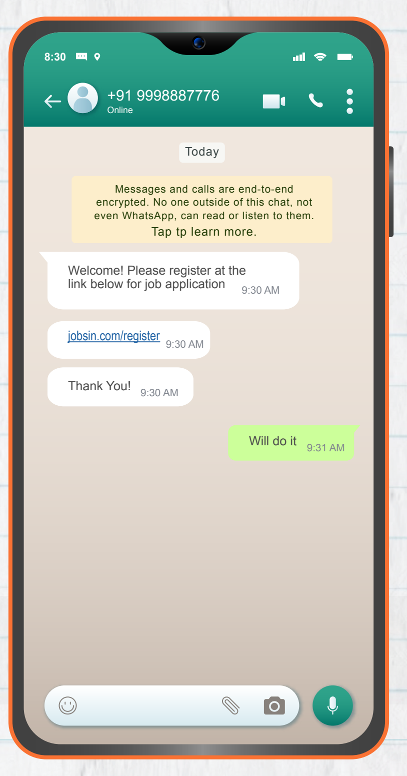
Fraudsters regularly come up with newer types of scams. One such type is job-based fraud. Let us learn to protect ourselves from them.

Part-time job scam:

- Fraudsters send a text message saying 'Your CV has been selected for a job', 'Accept this job and earn a daily salary' etc. to unsuspecting people .



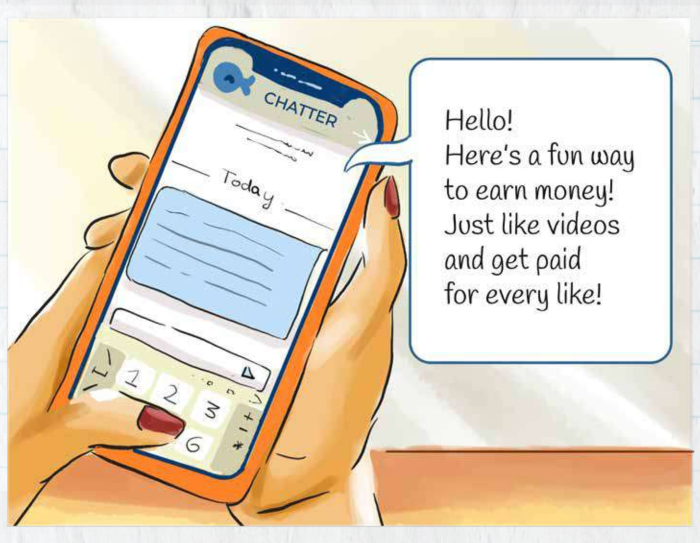
- The message is generally sent using SMS headers like HR-JOBSIN to make it look credible. The message includes a wa.me link that is used for WhatsApp's 'click to chat' feature. It allows users to begin a chat with anybody without having their phone numbers saved.
- Once the link is clicked, a WhatsApp conversation with the fraudster starts. The fraudster shares a link of a malicious website where the victim has to register to apply for the job.



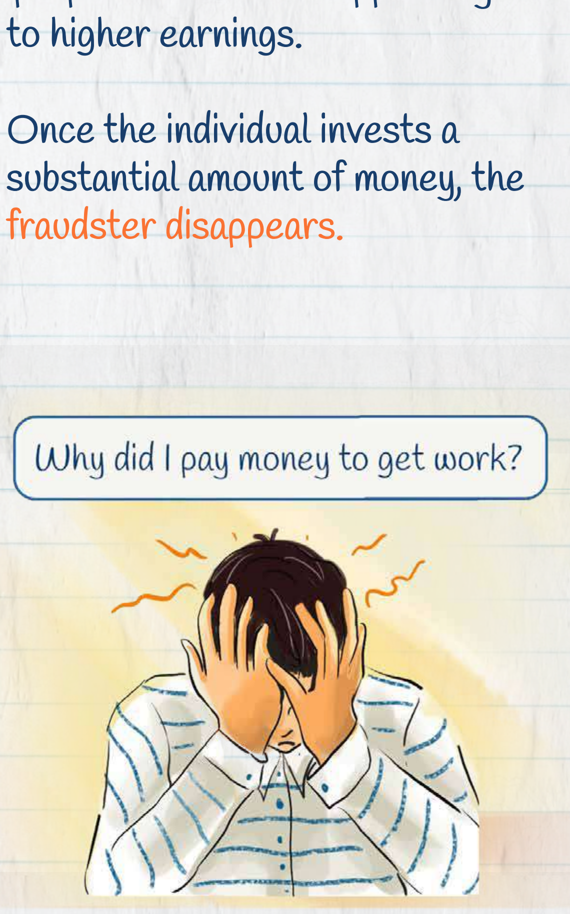
- The victim enters personal details like date of birth, mobile number etc. which are then used for further frauds.
- The fraudster then asks the victim to transfer money for verification and as a registration fee. This money is then withdrawn and the fraudster disappears.

Task-based job scam:

- Individuals receive unsolicited messages through instant messaging platforms, e-mails, social media notifications offering easy money for simple online tasks, e.g. liking videos, writing reviews etc.



- Upon accomplishing the tasks, individuals are initially paid small amounts to gain their trust.
- They are then offered higher-level tasks with a promise of higher returns and asked to pay advance fees to receive 'prepaid tasks'.
- Over time, fraudsters increase the task fees and scope of work (e.g. 'Get 50 likes on your review') and simultaneously encourage individuals to invest more money to receive 'prepaid tasks' that supposedly lead to higher earnings.
- Once the individual invests a substantial amount of money, the fraudster disappears.



How to protect yourself from such frauds

- Do not click on suspicious links in messages or e-mails.
- Do not share sensitive or confidential information like date of birth, phone number, bank account number, CVV, card expiry date etc. on any website or with any individual you do not know personally.
- Any job that requires you to pay money to get work should be viewed with suspicion. Do not pay money to get work.
- Report any fraud or suspicious incident immediately at www.cybercrime.gov.in or by calling on 1930.

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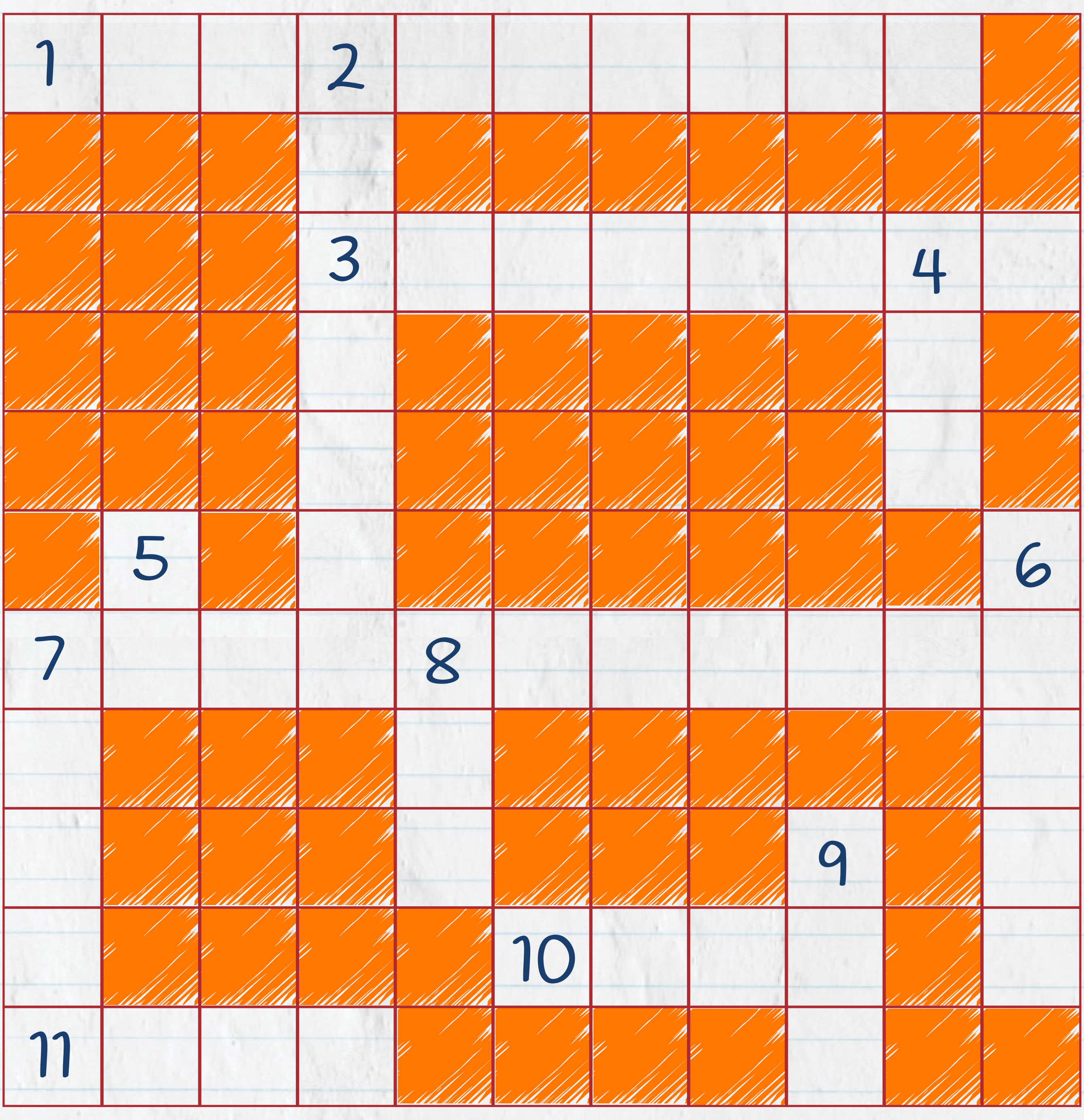
The Personal Finance Crossword

Can you solve the Personal Finance Crossword?



CLUES

ACROSS:

1 A type of investment that pools money from many investors to purchase securities like stocks or bonds, managed by a professional (6,4)

3 Simple and Compound are types of ______ (8)

7 A metric that measures an individual's creditworthiness, generally in the range 300-900 (6,5)

10 The helpline number of the Cyber Crime Cell (4)

11 ______ Profiling: An activity you should ideally complete before investing (4)

DOWN:

2 ________ Payments Interface: Full form of UPI (7)

4 Acronym of a government security denominated in grams of gold (3)

5 _____ Code: An image you scan to make UPI payments (2)

6 _____ Account: Where your shares are stored in non-physical form (5)

7 The amount you wish to get from your insurance company in case of any damage/loss to life, health or property (5)

8 Acronym of the event when the shares of a company are offered for sale to the public for the first time (3)

9 Section of the IT Act under which deductions of up to ₹1,50,000 are allowed if invested in specific securities (3)

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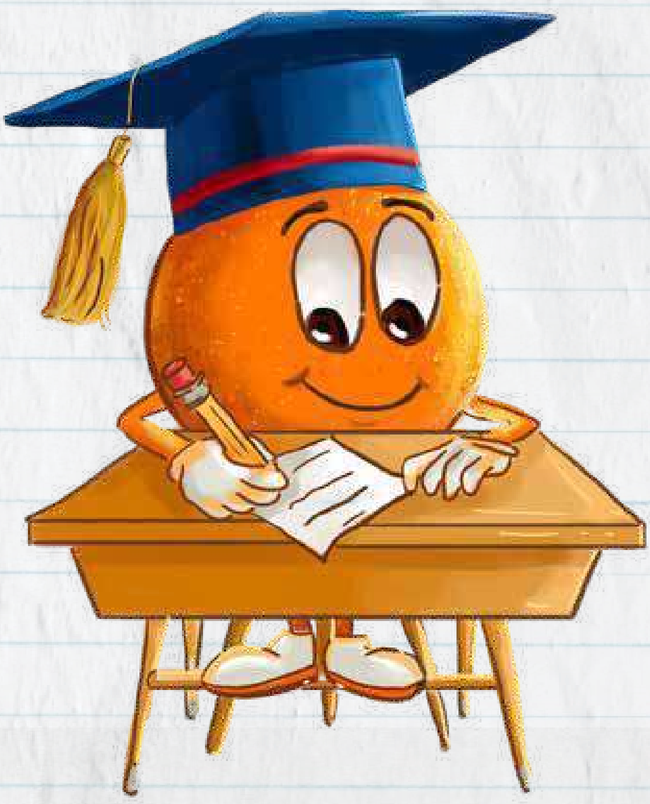
T&Cs.

Answers to the Personal Finance Crossword

ACROSS:	DOWN:
1. MUTUAL FUND	2. UNIFIED
3. INTEREST	4. SGB
7. CREDIT SCORE	5. QR
10. 1930	6. DEMAT
11. RISK	7. COVER
	8. IPO
	9. 80C



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FEEDBACK

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