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India's ICICI introduces branch-free banking

ICICI Bank, India's second largest bank has launched an Internet-only operation dubbed 'b2 - Branch-free banking'.

Customers joining the bank are promised zero charges and automatic sweeping of account balances into higher-interest fixed deposit accounts. Subscribers will be issued with a pre-paid Visa card for online purchases and utility bill payments.

The bank claims it is the first in India to launch an online-only bank.

V. Vaidyanathan, executive director, ICICI Bank says: "India has over 49 million Internet connections and this number is growing at around 20%. So this innovation of banking only on the net will gather momentum."

The bank already operates an online direct bank in the UK paying high interest on Internet account balances.