

ICICI Bank, after going through rough patch, goes in for top level managerial changes

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Anup Bagchi ICICI Securities MD & CEO (file photo)

The country's largest private sector lender, ICICI Bank on Friday announced some top-level changes. Rajiv Sabharwal, executive director in charge of the lender's retail business, will be replaced by Anup Bagchi, currently managing director and CEO, ICICI Securities. Bagchi's place will be taken by Shilpa Kumar, at present group executive and head of markets and proprietary trading at ICICI Bank. The bank's treasury operations will now be overseen by B Prasanna, currently Managing director and CEO ICICI Securities Primary Dealership.

Sabharwal, who was responsible for retail banking, business banking, rural banking and financial inclusion, will be leaving ICICI Bank to pursue opportunities outside the company, effective January 31, 2017. Bagchi, meanwhile, will take over as head of retail banking effective November 1, and his appointment to the board will be effective February 1.

The lender recently offloaded a stake in its life insurance arm ICICI Prudential, raising Rs 6,057 crore. ICICI Bank has been through a rough patch recently with its asset quality deteriorating. For the three months to June, the lender reported a 25% year-on-year fall in earnings thanks to a very small operating profit growth, up 3.5% on an annual basis, and large provisions for bad loans that rose 163% year-on-year.

The top line grew a weak 6% year-on-year notwithstanding treasury gains which increased around 180% year-on-year. Net interest income was virtually flat, up just 1% over the previous year because of high interest reversals from bad loans. Net margins at the lender dropped for the second consecutive quarter by 21 basis points quarter-on-quarter to 3.2%.