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ICICI Bank top-brass lose performance bonus

By [Joel Rebello](#), ET Bureau | Updated: May 02, 2016, 12:37 PM IST

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MUMBAI: **ICICI Bank** Managing Director [Chanda Kochhar](#) and other senior executives decided to forgo their bonuses for the past fiscal year, as the nation's second-largest lender by assets reported disastrous fourth-quarter earnings on Friday.

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Kochhar announced the decision during a post-results conference call with analysts. "Performance bonus would, however, be paid to employees in the grades of deputy general manager and below," Kochhar said.

The decision to forego bonuses for fiscal 2016 was taken by the bank's executive management, which includes Kochhar and executive directors [NS Kannan](#), K Ramkumar, Rajiv Sabharwal and Vishakha Mulye, a person familiar with the reason for the same said. ICICI Bank's January-March profit shrank to less than a fourth from a year earlier, the sharpest year-on-year drop in at least 15 years, as the bank set aside Rs 3,600 crore as extraordinary provisions in anticipation of bad loans. The profit of Rs 702 crore was also the lowest for a quarter since June 2008, making executive bonuses untenable.

Four levels of executives -directors, group executives, senior general managers and general managers -will receive no bonuses. There are 22 senior general manager at the bank, its annual report for year ended March 2015 showed. The number of general managers is likely to be more than double that.

According to the annual report, Kochhar earned Rs 1.66 crore as a bonus for fiscal 2015, in addition to her Rs 2.01 crore basic salary. EDs Kannan and Ramkumar earned Rs 1.11 crore each as bonus, while Sabharwal got Rs 95.93 lakh. Mulye joined the bank as an ED only in November 2015.

"By not taking bonuses, the ICICI management is sending the right signal which says that they are ready to take the pain when the going is tough," said Manish Sabharwal, chairman of staffing firm Teamlease.

"It shows that when upsides are rewarded, there is also punishment for the downside. It means the management is ready to partner with shareholders in taking the hit."

ICICI Bank's gross non-performing assets expanded to 5.82% of total loans from 3.78% a . 1.20 year earlier and earnings per share fell to ₹ 4.99 in March 2015.

The bank warned of uncertainties due to weak global and domestic economic [environment](#), a sharp slowdown in the commodity cycle and high levels of debt in sectors like power, iron and steel, mining, cement and rigs.

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