



ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPARC)

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Dear Comrades,

19th June , 2018

News of Interest 19th JUN

‘CHANGE YOUR LIFE TODAY. DON'T GAMBLE ON THE FUTURE, ACT NOW, WITHOUT DELAY.’ SIMONE DE BEAUVOIR

HIGHLIGHTS

1. ICICI BANK APPOINTS SANDEEP BAKHSHI AS COO, CHANDA KOCHHAR GOES ON LEAVE
2. MANY COMPANIES MAY NOT GET CREDIT FROM PSBS IN FY19: INDIA RATINGS REPORT
3. LED BY PRIVATE SECTOR LENDERS, BANK CREDIT UP 3.4% IN DECEMBER QUARTER
4. PNB SCAM: NON-FUNCTIONAL' EMAIL A/C OF CBI OFFICER BLOCKED
5. PIYUSH GOYAL TO MEET CHIEF EXECUTIVES OF PSBS TODAY

Business Standard

1. ICICI Bank appoints Sandeep Bakhshi as COO, Chanda Kochhar goes on leave

N S Kannan named MD and CEO of ICICI Prudential Life Insurance

Nikhat Hetavkar

The board of ICICI Bank has appointed Sandeep Bakhshi whole-time director and chief operating officer (COO) to run the affairs of the private lender. Chanda Kochhar, managing director (MD) & chief executive officer (CEO) will be on leave, pending the probe. The changes come amid allegations of a quid pro quo in transactions between Videocon Industries, Kochhar and her husband Deepak Kochhar's company NuPower Renewables. The bank board has appointed former Supreme Court judge B N Srikrishna to probe allegations of conflict of interest against Kochhar. He will be aided by a number of internal and external 'experts' to complete the investigation. The bank said Bakhshi's appointment as COO will be for a

period of five years, subject to regulatory approvals. **ALSO** He will take over as COO on June 19 or on the date of regulatory and other approvals,

5 KEY CHALLENGES BEFORE BAKHSHI

- Cleaning up ICICI Bank's image, following the controversy involving its MD & CEO Chanda Kochhar which has been hit due to bad loans and weak credit growth, and achieve targets set out for 2019-20
- Improving asset quality, wherein gross NPAs rose to almost 9% at the end of 2017-18
- Strengthening the bank's corporate governance, which is now being questioned
- Enhance profitability,
- Restoring investor confidence

whichever is later, the bank said in a filing with the BSE. He will be responsible for handling all the businesses and corporate centre functions at the bank. All executive directors on the board of ICICI Bank and the executive management will report to him. Bakhshi will report to Chanda Kochhar, who will continue in her role as MD & CEO.

Bakhshi is at present MD & CEO of ICICI Prudential Life Insurance Company. Kochhar has decided to stay on leave till the completion of the enquiry as announced on May 30, 2018, the bank said. During her period of leave, the COO will report to the board.

Prior to moving to the life insurance arm, Bakhshi was deputy MD of ICICI Bank. He looked after the corporate clients in the northern and eastern regions of ICICI Limited before joining ICICI Lombard in 2002. ICICI Bank board also recommended to the board of directors of ICICI Prudential Life Insurance Company to appoint N S Kannan as MD & CEO of the life insurer, subject to regulatory and other approvals.

Know the new COOSANDEEP BAKHSHI, a veteran of ICICI Bank, has served for 32 years in various positions across the group, starting with his role in the development financial institution, ICICI Limited. The 57-year-old joined the corporate banking department of ICICI in 1986, where he worked on project finance, business development, project appraisals, project monitoring and business restructuring. In 2002, he led a team to set up the group's general insurance arm, ICICI Lombard General Insurance Company. He also served as deputy managing director and head of retail at ICICI Bank from 2009 to 2010, before being appointed CEO & MD of ICICI Prudential Life in 2010. ICICI Pru Life was the first private insurance company to go public in 2016.

2. Many companies may not get credit from PSBs in FY19: India Ratings report

Government's substantial cash infusion of Rs 1.53 trn into state-run banks in FY19 would be adequate to cover credit costs emanating from stressed assets

Press Trust of India

Higher interest rates, increasing risk aversion by state-run banks and volatile external environment are key drives for credit quality of corporates in the current financial, says a report.

The rising risk aversion indicates that sourcing credit for issuers who are rated below 'A' is increasingly becoming difficult, an India Ratings report said.

"The adverse conditions in the interest rate market, increasing risk aversion by state-run banks, volatile external environment and limited access to alternative financing options as critical drivers for corporate credit quality in FY19, especially for weak entities," the report said.

It said recent analysis of the top 500 corporate borrowers which comprise about 78 per cent of the overall banking system's corporate exposure, indicates that around Rs 7.60 trillion debt is on the books of the non-public sector entities rated 'BBB' and below or have no rating outstanding.

Government's substantial cash infusion of Rs 1.53 trillion into state-run banks in FY19 would be adequate to cover credit costs emanating from stressed assets.

Barring three to four healthy state-run banks, the FY20 CET1 may be below the current regulatory requirements, it said and warned that "this could increase banks' risk aversion and skew incremental lending towards better-rated corporates, leaving lesser space for small and weaker credits."

The report further said excess system level liquidity has become necessary to absorb the short-term financing challenges without stoking an irrational credit culture in the near term.

While recapitalisation will partially restore state-run lenders' ability to normal lending, frontloading and early infusion can address credit tightening to a certain extent, the report said

Financial Express

3. Led by private sector lenders, bank credit up 3.4% in December quarter

Bank credit grew 3.4 per cent on a sequential basis in the December 2017 quarter, helped by better performance by private sector banks and an uptick in industrial credit after two successive quarters of declines, show the Reserve Bank data

By: PTI

Bank credit grew 3.4 per cent on a sequential basis in the December 2017 quarter, helped by better performance by private sector banks and an uptick in industrial credit after two successive quarters of declines, show the Reserve Bank data. At the end of the December quarter, bank credit stood at Rs 80.62 trillion compared to Rs 77.95 trillion in the September 2017 quarter, as per the RBI data. Significantly, industrial credit growth turned positive after moderating for two successive quarters, the data showed. "The growth was broad-based across all population groups and for all major occupations," the RBI said today.

Among bank groups, private sector banks continued to maintain double-digits annual expansion in their loan portfolio and led the overall credit growth. Private banks' credit offtake grew 4.88 per cent in the reporting quarter, while public sector banks loans rose much lower by 2.96 per cent.

Credit to the household sector recorded sustained growth and its share in total credit stood at 47.3 per cent. The weighted average lending rate moderated by 18 bps during the quarter and stood at 10.44 per cent at end December.

Economic times

4. PNB scam: Non-functional' email A/C of CBI officer blocked

ET Bureau

The official email account of one of the officers of Central Bureau of Investigation (CBI), overseeing the probe into the \$2-billion Punjab National Bank (PNB) scandal, was blocked by the agency last month.

This was done after the email account of joint director Rajiv Singh was found "non-functional" on May 17. Singh, along with two other CBI officers, was prematurely repatriated to his parent cadre of Tripura on May 25.

As per available information, nearly 30,000 spam emails were sent from the said email account. As per agency sources, after the official email account was found non-functional the matter was reported to the system division (IT) of the agency which contacted the National Informatics Centre (NIC).

NIC after preliminary investigation discovered that on account of single time suspicious activity, the said email account was "automatically blocked". The computer concerned, along with three others of the same section, have been sent for examination.

The agency spokesperson, however, clarified that no breach of information relating to investigation has been found as of now. He added that no regular case of preliminary enquiry has been initiated in this regard.

Agency sources also insisted that it is completely incorrect to suggest any correlation between the alleged hacking of the email and Singh's premature repatriation.

Meanwhile, CBI sources indicated that the details of movement of Nirav Modi, to and fro UK received from UK Interpol shows he used revoked Indian passport for the said travels.

The Indian government had revoked diamond jeweller and co-accused in the PNB case Nirav Modi's passport on February 23. CBI had issued a diffusion notice against Nirav Modi on February 15 and followed it up with six countries where CBI thought Nirav Modi will visit or reside. These countries are: Belgium, United Kingdom, United States, UAE, Singapore and France. CBI received a reply from UK Interpol saying he left UK on March 31 with details of movements to and fro UK.

Business Line

5. Piyush Goyal to meet chief executives of PSBs today

OUR BUREAU

Interim Finance Minister Piyush Goyal will meet chief executives of various public sector banks (PSBs) here on Tuesday.

Bank chiefs are expected to brainstorm on improving credit flow in the economy in a risk-mitigated manner, sources said.

Also on the agenda is a discussion on "achieving global standards and scale for Indian banks, the way forward".

SBI is expected to make a presentation on these topics, sources added. Nearly 20 chief executives are likely to attend the meeting.

Besides Piyush Goyal, Department of Financial Services Secretary, Rajiv Kumar, will also be present at the meeting.

This meeting comes at a time when public sector banks are faced with the huge challenge of non-performing assets, besides competition from private sector banks and NBFC/fintechs.

With kind regards,

Yours Comradely,



(N. GOVINDRAJULU)
GENERAL SECRETARY

