

Banks Board Bureau

Activity Report: April 2019 to September 2019

During the last half year (April-September 2019), the Bureau met on three occasions and undertook the following activities.

1. Vacancies of whole-time Directors (WTDs) in Public Sector Insurance Companies (PSICs)

In August 2019, the Bureau was advised to initiate the process of appointment for two vacancies of Managing Director of LIC and one vacancy each of Chairman and Managing Director in GIC and AICIL. After due interface, on August 27, 2019, with the applicants, the Bureau recommended for filling up of the vacancies.

2. Vacancies of Managing Director and CEOs in Public Sector Banks (PSBs)

The Bureau issued a consolidated advertisement for vacancies in four large PSBs viz. Bank of Baroda, Bank of India, Canara Bank and Punjab National Bank on August 20, 2019. The due process of scrutinising the applications including the personality assessment of the applicants by M/s Korn Ferry and a comprehensive background check by M/s AuthBridge Research Services is underway and the interfaces will be scheduled shortly.

In view of the amalgamation of various PSBs announced in August 2019 by Government of India, the Bureau recommended on September 24, 2019 that the vacancy in Punjab National Bank for MD & CEO can be filled up Shri SS Mallikarjuna Rao, who was the MD & CEO of Allahabad Bank.

3. Leadership Development Program (LDP) for nationalised banks

The inaugural batch of around 75 personnel identified this year for the Leader Development are undergoing intervention under the Program being coordinated by IIM Bangalore. The Knowledge Partner has administered leadership diagnostic tools on these shortlisted participants, consisting of Psychometric Assessments based on Hogan Assessments, the MVPI, the ELP and Functional Survey and In-person Assessments including the Competency and Development Potential Review, to develop Individual Development Plans (IDPs) for each of these participants. The IDPs have been conveyed to the participants and IIM B for further utilization in the LDP.

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“Live Projects” that intends to spur action plans aimed at improving each bank operational and financial parameters, have been formalized. Charters submitted by the participants have been reviewed by a panel comprising Shri B Sriram, (Ex- MD, SBI), Shri Jai Kumar Garg, (Ex MD & CEO, Corporation Bank), Shri R Subramaniakumar, (Ex- MD & CEO, Indian Overseas Bank), Shri N.S. Venkatesh (Ex ED, IDBI and CEO of AMFI) along with Professor M Jayadev and Professor P C Narayan of IIM Bangalore.

4. Database for review of board activities of PSBs

In order to have a more systematic and data driven approach to evaluating the performance of the boards of various PSBs, the Bureau has commenced creation of a database to capture the activities of the boards of the PSBs. The database will be used for identifying the functional balance of the board and will assist the Bureau in fine tuning its recommendations for placing executives with requisite skills on PSB boards.

5. Status of Recommendations

The Bureau has been making various recommendations to the Government in line with its mandate. The Bureau recommendations can be broadly grouped into 16 heads and the status of these recommendations is as under:

Recommendations	Partially accepted	Fully Accepted	Under consideration
16	8	4	4

The major recommendations that were accepted by Government in August-September 2019 related to the roles and responsibilities of the Non-Official Directors, the number of executive directors in PSB boards, the performance appraisal of top executives, appointment of chief risk officer etc. The Bureau is continuously evaluating its recommendations in light of the dynamic changes to the capital and business structure of PSBs and feedback from the stakeholders. The Bureau along with the Reserve Bank of India continues to engage with the Government on the pending recommendations.