

Anup Bagchi named CEO of HDFC Bank

ICICI veteran to join as additional director; ADRs rise 5%

SUBRATA PANDA

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HDFC Bank, the country's largest private sector, has appointed ICICI group veteran Anup Bagchi as its next managing director and chief executive officer (MD & CEO), following the Reserve Bank of India's (RBI's) approval.

Bagchi, who has been appointed as additional director from October 2, will take charge as MD & CEO on October 27, a day after incumbent Sashidhar Jagdishan's term ends.

Bagchi, 56, who is currently the MD & CEO of ICICI Prudential Life Insurance Co, will have a three-year term. His remuneration and other terms will be as approved by the RBI.

An alumnus of the Indian Institute of Management Bangalore and Indian Institute of Technology Kanpur, Bagchi has over three decades of experience across banking, capital markets, wealth management and insurance, and has been associated with the ICICI Group since 1992.

Ending months of suspense



ILLUSTRATION: AJAYA MOHANTY

MARCH

- Part-time chairman Atanu Chakraborty resigns
- Bank commissions an external legal review

JUNE

- Rajiv Kumar is designated as part-time chairman; CEO succession begin

AUGUST

- Jagdishan said he will not seek reappointment

SEPTEMBER

- HDFC Bank sends two names for MD&CEO to RBI

OCTOBER

- RBI approves the name of **Anup Bagchi** as MD & CEO; to take charge on Oct 27

Analysts and investors welcomed the decision.

"The good part is that since Bagchi is young, he can easily serve for a long tenure — say nine, 12 years, etc — and hence can come with a long-term view and vision to change the bank, of

course subject to the board and RBI approvals," said Suresh Ganapathy, MD and head of India research at Macquarie Capital.

HDFC Bank ADRs (American Depositary Receipts) were up 5 per cent after the announcement.

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An ICICI veteran: Bagchi's career graph

1992	ICICI Group	Joined the group
May 1, '11 – Oct 31, '16	ICICI Securities	MD & CEO
Nov 1, '16 – Jan 31, '17	ICICI Bank	Head of retail banking
Feb 1, '17 – Apr 30, '23	ICICI Bank	Executive director
May 1, '23 – Jun 18, '23	ICICI Prudential Life Insurance	Executive director & chief operating officer
Jun 19, '23 – Present	ICICI Prudential Life Insurance	MD & CEO

Source: ICICI Bank

Bagchi has built a diverse career spanning treasury, retail banking, wholesale banking, investment banking, and digital financial services. Over the course of his career, he has held several pivotal leadership positions, including CEO & MD of ICICI Securities and executive director of ICICI Bank. He will be the first outsider to occupy the corner office at HDFC Bank.

This is the second instance of an insurance company CEO taking over as the head of a large private bank. Earlier, Amitabh Chaudhry, who was the CEO of HDFC Life Insurance, became the CEO of Axis Bank—the third largest private bank.

Bagchi served as executive director of ICICI Bank from 2017 to 2023, overseeing retail, business and rural banking, followed by wholesale banking. During his tenure, the bank's retail mortgage portfolio crossed ₹2 trillion, making it the first private sector lender in India to achieve the milestone. He also held leadership roles across treasury, investment banking and digital financial services.

Bagchi was earlier MD & CEO of ICICI Securities and served as chairman of ICICI Prudential Asset Management Company until May 2023. He was also a director of ICICI Prudential Pension Funds Management Company and ICICI Home Finance.

At ICICI Prudential Life

Insurance, which he had led since June 2023, annualised premium equivalent (APE) rose 15 per cent year-on-year to ₹10,407 crore in FY25, crossing the ₹10,000-crore mark for the first time. Profit after tax increased nearly 40 per cent to ₹1,189 crore.

Bagchi's appointment comes at a critical juncture for the lender, which has faced a series of governance-related developments since March.

According to experts, Bagchi will have a lot on his plate — not least restoring investor confidence after a prolonged period of stock price underperformance, reigniting growth, particularly deposit and current account savings account (Casa) growth, and improving margins.

In March, then part-time chairman Atanu Chakraborty resigned, citing certain “happenings and practices” at the bank that he said were not in line with his values and ethics. A subsequent legal review commissioned by the bank found no basis for his allegations.

Last month, HDFC Bank's board shortlisted two candidates — Kaizad Bharucha, deputy MD at the bank, was the other candidate — and forwarded their names to the RBI for approval to head the bank. This was after Jagdishan informed the board that he would not seek reappointment when his second term ended in October. Jagdishan took

charge in October 2020, succeeding Aditya Puri, and was reappointed in 2023.

In a report on Thursday, Yes Securities praised Bagchi for his skills in stakeholder relations, including the governmental and regulatory ecosystem. “We see this as positive

for HDFC Bank,” Yes Securities in the note.

HDFC Bank, along with State Bank of India and ICICI Bank, is classified as a domestic systemically important bank by the RBI and is subject to additional capital requirements.

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The warning comes at a time when foreign investors have turned cautious on Indian equities, with foreign portfolio investors (FPIs) pulling out funds amid rising global bond yields, tariff pressures, and the absence of a domestic artificial intelligence (AI) play.

The ministry officials hoped that, over time, investors will come to appreciate the resilience and the sustenance of high growth in India in the post-Covid years. “As some of these clouds inevitably dissipate, India's intrinsic growth potential will earn the attention it deserves from investors,” they said.

The ministry review pegs economic growth at 7.3 per cent in Q2FY27 following a robust 7.8 per cent expansion in the June quarter.

“Growth momentum has extended into Q2FY27, though at a more measured pace. Geopolitical and geoeconomic uncertainty mean that India cannot afford to rest on its post-Covid growth laurels. It has to be earned every quarter. That is the challenge for policymakers,” the review said.

The officials said most high-frequency indicators point to continued economic activity in the early part of Q2. “Monsoon conditions have been more favourable than earlier anticipated, with kharif sowing close to last year's levels across several crops. This supports the outlook for agricultural output and rural demand, although rabi prospects will require monitoring,” they added.

However, the review maintained that sustaining growth

will require preserving macro-economic stability and strengthening economic resilience. It also warned that inflation arising due to supply shocks will restrain economic growth. “Interest rates in developed world are rising sharply. It will spill over into domestic bond yields as well. Apart from that, it means crossborder capital flows will slow as higher interest rates will persuade many investors to stay invested in domestic markets amidst pervasive and rising global uncertainty,” it said.

The officials underlined upside risks to inflation from compounding climate, geopolitical and monetary headwinds. “A strong El Niño event could pose risks to the upcoming Rabi crop through heat stress and reduced soil moisture, although a positive Indian Ocean Dipole (IOD) may partially offset these effects. Geopolitical tensions and elevated crude oil prices could also add to imported inflation pressures, particularly amid the US Federal Reserve's 25 bps rate hike in September,” the review said.

However, it said the Reserve Bank of India's recent open market operations to absorb excess system liquidity could help maintain balanced financial conditions and contain undue demand-side overheating. “Meanwhile, festive demand and higher input costs could add some near-term pressure to prices. However, proactive supply-side and market measures by the Government could help contain these upside risks and provide a cushion against temporary