



ALL INDIA BANK OFFICERS' CONFEDERATION

(Registered under the Trade Unions Act 1926, Registration No.:3427/Delhi)

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Press Release

All India Bank Officers Confederation, the largest officers' organization having membership of around 280000 officers met at SBIOA House, Bentinck Street, Kolkata today to discuss the proposal of the Dept. of Finance for 10 Banks for a turnaround plan. These, ten banks have been identified by the government where capital infusion in future will be conditional. These banks are IDBI Bank, Bank of India, UCO Bank, Andhra Bank, Indian Overseas Bank, Dena Bank, United Bank of India, Allahabad Bank, Bank of Maharashtra and Central Bank of India. The unions/ Associations of these banks have been asked to sign a MOU in respect of what they say a 'Turn-around Plan'. Thus unions/ Associations are asked to take responsibility for turnaround whereas they have not been party to the decisions. It is the policy of government, credit decisions and environmental factors due to which the entire banking industry today is facing the menace of NPA, in which employees have very little role. The major portion of the NPA are big ticket loans which includes corporates and infra projects, steel, telecom etc. The credit decisions in such cases are not taken by employees represented by the respective unions. More than 20 Bank boards do not have any representation in the form of Employee/Officers Directors, which have not been filled since the last two years. The standing committee on finance recommended in Feb 2016 gave detailed recommendations. The list of top willful defaulters as suggested by the standing committee is yet to be published. Except for Bank of India, none of the Boards of the Banks have employee / officer director appointed by the Govt. The responsibility of the rising NPA cannot be shifted to the employees.

AIBOC has objections to the conditions like mobilization capital from market without substantial capital infusion by the Government and closure of Branches. One of the conditions contains realignment/reorientation of perks/perquisites of employees and officers of these banks till their turn around and both the officers' and employees' unions have been asked to sign a MOU. Even if all officers and employees forgo their salaries and perquisites for one year that will not turn around the Banks. It is therefore meaning less to target the perks of employees and officers, which is a miniscule amount.

The meeting resolved not to sign the MOU on the terms and conditions set by the Govt. but negotiate a better turnaround plan which will be more viable and practical.

Our alternative suggestions to the Government are:

1. We will assure to recover smaller NPAs, where possible, through follow up.
2. The larger NPA's should be recovered through stringent measures and supported by a political will and owning of responsibility at all levels.
3. Increase credit deposit ratio by giving more loans to smaller borrowers.
4. Demand for credit is huge for rural and semi urban areas which should be part of turnaround plan.
5. Recruit more staff to cater to more borrowers and to meet the expectations of customer service and for implementing the plans and policies and various poverty alleviation schemes of the Government.
6. Reduction in extravagant expenditure is possible without touching staff expenses.
7. Avoid meetings in star hotels, reduce electricity expenditure, reduce expenses on unnecessary travel.
8. Stop cross selling and concentrate on NPA recovery, for few years.
9. Rationalization of accounting procedures of the balance sheet.
10. Foregoing statutory dues from banks like IT.
11. Dividends paid by the Banks to be converted as reserve fund for capital infusion.

12. Tax holidays to banks.

13. Modification of Prudential and provisioning norms to match Indian socio-economic environmental etc.

We also demand:

- Immediate meeting with Unions/ Associations by Dept. of Finance, GOI.
- Immediate appointment of officer/ employee Directors in the board of the Banks.
- Immediate implementation of the recommendations of the Parliamentary Standing Committee on NPA.
- Immediate publication of names of willful defaulters and treating willful default as a criminal offence.
- Immediate release of compensation to Banks for the expenditure incurred in opening 27 crore Jandhan Accounts, Implementation of pension yojanas and cost incurred and opportunity cost due to demonetization.

We have also discussed with other Unions and Associations which have agreed for a common stand on this issue.

D. T. Franco
General Secretary