

THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS

(REGD.No.7364)

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Dear Comrades,

CHARTER OF DEMANDS SUBMITTED TO IBA

30th October, 2012 was the historic day when the UFBU, in a delegation under the leadership of Com. P.K. Sarkar, presented the Common Charter for consideration of the IBA with a request for an early commencement of the negotiations on the 10th Bipartite / 7th Joint note so that the salary revision takes place at the earliest. Leaders from all the nine unions of UFBU were present. On behalf of AIBOC Com. P.K. Sarkar, President, Com. D.S. Rishabadas, General Secretary, Com. Harvinder Singh, Sr. Vice President, Com. Anandha Kumar, Vice President, Com. D. Thomas Franco, Treasurer, & Com. Dilip Saha, General Secretary, PNBOA attended.

The Chairman, IBA Shri. K. R.Kamath welcomed the UFBU Leaders. The IBA team consisted of Shri. K.R. Kamath, CMD of PNB, Mr.T.M.Bhasin, Vice President, IBA and CMD, Indian Bank, Mr. D. Sarkar, CMD, Union Bank of India, Mr.S.L.Bansal, CMD, Oriental Bank of Commerce, Mr. Bhaskar Sen, CMD, United Bank of India, Mr.Syam Srinivasan, MD, Federal Bank, Mr. Balakrishna. V. Chaubal, DMD & CDO, SBI, Mr. Unnikrishnan, Dy. Chief Executive, IBA and Mr. Probir Moulik, Senior Advisor, HR&IR, IBA.

Com. P.K. Sarkar, Convener, UFBU and President AIBOC in his opening remarks stated that it is a great day for all of us when the process of 10th bipartite settlement is being initiated. He requested the Chairman IBA that the negotiations should start with all seriousness and should be completed within a time frame, as real wages have been eroded during the period of present settlement, with a rise of index by 2000 points which is at a much bigger pace than earlier ones. He also pointed out that the risk involved in the Banking Industry is unparalleled when compared to other sectors. He also pointed out that the Banks have performed well during this period and there is considerable increase in the gross profit. He demanded that all these aspects should be taken into consideration.

Com.C. H. Venkatachalam stated that we are demanding wage revision not only because it is due but also because the prices have gone up faster than the normal increase in wages. He highlighted in the last 5 years the business has gone up in volumes by many folds. He also argued that the branches of the Banks have gone up by 18000 but the staff strength has been reduced by 18000. Though technology has made some jobs easier, the risk involved has increased and pointed out that this should be taken into consideration. He also demanded early conclusion of the negotiation.

Com. M. V. Murali requested that the IBA should take into consideration the compensation system available in the industry for new generation Banks as well as the Government. He also wanted that the aspirations of the younger generation entering into the Bank should be taken into account. On behalf of the workmen organisation the Charter was presented by the five workmen unions' viz., NCBE, AIBEA, BEFI, INBEF and NOBW.

Shri. K.R. Kamath responded by saying, "Your aspiration is our aspiration and my constraint should be your constraint" He mentioned that when we compare the take home salary we also look at the cost to the company in Private Banks. He also stated that the increase in the income of the Bank will play a crucial role. He assured that a time frame can be set and all efforts should be made to complete it within the time frame. He announced the negotiating team of IBA headed by Shri. T. M. Bhasin, Chairman, Indian Bank. The meeting ended with a positive note.

Comrades, the full text of the Charter have been circulated through office bearers/E.C. members of our Federation. It is also available on the website of AIBOC i.e. www.aiboc.org.

HALF YEARLY RESULTS-AN APPEAL

As you are aware Q2 financial results of our bank are already out and you must have been disappointed after glancing through the numbers. There is a sharp decline in profitability mainly on account of increased provisioning for NPAs. While comparing the financial results of some peer banks, we take a solace that their performance has also affected badly and we cannot remain immune from the impacts of economic slowdown. Partly it is true but there is a need to introspect and analyse whether we are going in the right direction and will be able to check the slide. Asset quality deterioration is one of the major reasons for our poor performance and Appraisal and monitoring mechanism needs to be strengthened. However, in other areas also our performance is not upto the desired levels. I keep on getting feedback from members about the effectiveness of the policies being adopted by the bank which I convey and share with the Management and Board Members, as was done on 29/10/2012 also.

Bank had introduced the concept of Verticalisation in 2009 with the hope that this will lead to reduced TAT. It was felt that focused growth of different business segments will lead to highest standards of banking practices and customer satisfaction. However, the experience is otherwise. Despite the sincere efforts towards inter-vertical coordination by all concerned, there has been a feeling that instead of improving the customer satisfaction level, we have disenchanted them. We have also observed that post verticalisation we are not able to tap the potential retail business as customers feel more comfortable dealing with the branch than processing centers. TAT has also not improved as desired. Till such time some solutions are found by the management, our members are urged to make all out efforts to increase their retail portfolio to the maximum potential. In Large Corporate and Mid Corporate branches also the concept of Credit Analyst and Relationship Manager has not worked well and customers feel more at ease dealing with one person in the bank. Whatever be the constraints, we have not been able to achieve the desired objectives of verticalisation. Our experience says that different verticals are working like islands and there is complete disconnect between inter-vertical staff.

Second issue is relating to CASA campaign. Nobody denies the fact that CASA deposits are backbone of any bank and we need to mobilize the same aggressively. We are also alive to our social responsibility of Financial Inclusion. However, we seem to have lost the focus and instead of mobilizing CASA deposits a lot of time and manpower is being wasted just to increase the number of accounts. There appears to be mad rush for mere opening of accounts and achieving the numerical targets. Customer acquisition, no doubt should be our priority but not at the cost of quality business and customer satisfaction. What the bank is gaining by opening zero balance non operative accounts. If we utilize this manpower for some other productive purposes, we might be able to improve our efficiency and delivery of better customer services.

Friends, your representative has brought these issues to the notice of the esteemed Board and Board has requested him to make an appeal to all the members to focus their time and energies for the all-round growth of the bank. I make a sincere appeal to all of you to work towards bringing back the glory of our beloved institution and make it 'Numero Uno' bank again.

Wish you and your families a very Happy Deepawali.

With warm greetings,

Yours comradely,



**(HARVINDER SINGH)
GENERAL SECRETARY**