ALL INDIA BANK EMPLOYEES ASSOCIATION – AIBEA
BANK EMPLOYEES FEDERATION OF INDIA – BEFI

MARCH ON TO
ALL INDIA BANK STRIKE
ON 22ND OCTOBER, 2019

- **STOP MERGER OF BANKS**
- **Stop banking reforms**
- **Ensure recovery of bad loans, take stringent action on defaulters**
- **Do not harass customers with penal charges & do not increase in service charges, Increase interest rate on Deposits**
- **Stop attacks on jobs and job security**
- **Adequate recruitments in all Banks**

AGITATIONAL PROGRAMME

From 25-9-2019	Display of posters before all bank branches
30-9-2019	Black Badge Wearing
4-10-2019	Demonstration in all centres
14-10-2019	Dharna in Mumbai, Delhi, Kolkata, Chennai, Bengaluru, Hyderabad, Mangalore
21-10-2019	Demonstrations/ Rally at all centres
22-10-2019	**ALL INDIA BANK STRIKE**

WHY THIS STRIKE ?

Banks play a very vital role in the economic development of our nation. Especially, when ours is still a developing economy, the role of banks becomes much more crucial and critical to ensure overall development. In this background, the public sector banks have a very special and pivotal role to play.

Public sector banking was ushered into in our country when State Bank of India came into being in 1955. Thereafter, 14 major private banks nationalized in 1969 and another 6 private banks were nationalized in 1980. Thus public sector banks became the mainstay of Indian banking sector.

These public sector banks have been playing a leading role in augmenting the precious savings of the people and deploying the same as credit to all the needy sectors of the economy. From a mere 8000 branches, today banks have grown into an industry with 90,000 branches. Branches have been opened in many nook and corner villages thus taking banking to the common people. From a total deposit of Rs. 5000 crores, today public sector banks have mobilized nearly Rs. 85 Lac crores as deposits. Similarly, from total loans and advances of Rs. 3500 crores, today public sector banks have extended loans to the extent of Rs. 60 lac crores.

40% of the loans are given to the priority sector like agriculture, employment generation, poverty reduction, rural development, small and medium industries, education and health, infrastructure development, women empowerment, industrial development, exports, etc. In a big way class banking was transformed into mass banking. Public sector banks, in the last six decades, have immensely contributed for broad-based economic development of our country. Green revolution, white revolution, etc. are all the result of the contributions of public sector banks.

Our public sector banks have a further important role to play to realise the objectives for which banks were brought into public sector. Banks have to further reach every citizen of this country. Bank credit has to further reach all the needy segments and sections of the society. Thus there is a great need and necessity to strengthen and expand our public sector banks, in the overall interest of our nation.

But unfortunately, in the name of new economic policies and liberalisation of banking regulations, banking sector reforms are being pursued in the last 28 years by successive Governments. The main idea to de-regulate the banking sector and liberalise the existing controls. The attempt is to privatise these banks and hand over back to private sector. As responsible trade unions in the banking sector, we have been consistently opposing these reform measures.

While banks continue in public sector, the equity holding of the Government has been dilutes from 100% and the law has been amended to allow private capital upto 49%. In 2000, the then Government brought the Bill to increase this to 66% but due to the struggle of bank employees, it could not be carried through. Thus privatisation was averted at that time.

But the attempts to weaken public sector banks have continued and Government desires to pursue their agenda on banking reforms. The main agenda is to privatise the Banks and this would imply privatizing the huge and precious savings of the people. Hence we oppose any attempt to privatise the Banks.

Adequate Recapitalisation of all PSBs :

When the Government is contemplating to take the country towards 5 trillion economy, the role of banks is very critical to achieve this objective. Banks have to enlarge their credit portfolio in a big way. More and more loans and advances have to be given. Increase in credit depends upon availability of adequate capital. Hence, Government should adequately recapitalize all the Public Sector Banks.

India needs banking expansion , not consolidation´:

Even though our public sector banks have grown impressively in terms of branch expansion and proliferation, even though thousands and thousands of branches have been opened in the remote rural areas, still banks are yet to reach everyone. **What we need in our country is expansion of banks and not consolidation of Banks.**

Merger of Banks is murder of Banks:

In a big bang announcement, Finance Minister has informed the nation that 10 Public Sector Banks (PNB, Canara Bank, Union Bank of India, Indian Bank, United Bank of India, Allahabad Bank, Syndicate Bank, Corporation Bank, Oriental Bank of Commerce and Andhra Bank) will be merged into 4 Banks.

What will be the result of merger ?

The meaning and net result of this will be will be that the following 6 Banks

- **Allahabad Bank – founded in 1865**
- **Andhra Bank – founded in 1923**
- **Corporation Bank – founded in 1906**
- **Oriental Bank of Commerce - 1943**
- **Syndicate Bank - 1925**
- **United Bank of India – founded in 1950**

will now be closed.

Government may call it a merger but in reality it is cold-blooded murder of 6 Banks. Because, after merger, these 6 Banks which have been built up over the years, will disappear from the banking scenario.

Nationalised Banks – pillars of our economy:

Banks were nationalised in 1969 with a very clear social and economic objective of broad-basing the economy and its development. In the last 50 years, the nationalised Banks have made a phenomenal contribution in building up a strong economy with a visible social orientation. 8000 Branches have become 90,000 bank branches today, out of which 40,000 branches in located in rural and semi-urban areas which were earlier neglected. Credit to priority sector has boosted our economy resulting in achievements like green revolution and white revolution, industrial progress, job generation, rural development, etc. In 2008 when the entire globe was facing financial turmoil and banking tsunami, Indian banking system was safe because of our public sector banks.

Govt. wants sabke saath, sabka vikas but cuts the lifeline to prosperity:

The Government talks of prosperity for all but by closing down these 6 Banks, 6 main arteries of the banking system are being cut off. The victim Banks, viz. Allahabad Bank, Andhra Bank, Corporation Bank, Syndicate Bank, United Bank of India and Oriental Bank of Commerce are very good Banks and have catered to the economic development in the respective geographic areas in a big way. Suddenly deciding to close these Banks is inappropriate and unwarranted as well as harmful to the economy.

Merger of Banks is a diversion from the economic crisis:

The country is facing serious economic slowdown and downturn. Public Sector Banks with their huge resources at their command can play a decisive role to revive the economy. In fact, only last week, our FM has assigned important jobs for our Bank in boosting the economy. The decision to merge and close Banks is a total diversion from these tasks.

Merger is no panacea for problems faced by Banks:

Bank themselves face problems due to huge pile of bad loans. While the Public Sector Banks made a total gross profit of Rs. 150,000 crores for the year ended 31-3-2019, because of total provisions towards bad loans, etc. amounting to Rs. 2,16,000 crores, the Banks ended in a net loss of Rs. 66,000 crores. Can anyone believe that merger of Banks will result in recovery of the huge corporate bad loans? Rather, as we have observed after merger in SBI, bad loans in SBI has gone up. Same risk is facing these Banks now.

A Bank which could not detect Nirav Modi fraud for many years, will it be more effective, if it become still bigger?

In fact Banks, if they become too big, cannot monitor their business effectively. For example, PNB, could not realise that Nirav Modi was cheating their Bank for many years. If Banks will become further big, it will become more difficult to monitor bad loans and frauds when frauds are already on the increase.

Big Banks are not automatically strong Banks:

Too big to fail has been thoroughly proved wrong when in 2008, many big banks all over the world collapsed like a pack of cards. Big bank means big risk, because the big bank can give big loans and take big risks; resultantly may ruin the bank. What India needs is strong and people-oriented Banks and not necessarily big banks.

In India Banking density is low, we need expansion, not consolidation:

Everyone knows that in India, banking density is much low compared to many countries of the world. Thousands of villages are still unbanked. Our Banks need expansion and not amalgamation. There is a huge space for banks to expand and reach the people. When we need more branches to be opened, merger of banks will result in closure of large number of branches. We have seen after merger in SBI that 7000 branches were closed down. In this proposed merger, the closure of branches will be much more. It will be most unwise to reduce bank branches in the country. Hence Banks need to be expanded. There is no need for consolidation.

India has a large space for further banking expansion:

The number of Banks in USA with just 323 million population is far more than Banks in India with a population of 1.35 billion. India is not overbanked. There is no need for consolidation.

India needs financial inclusion, merger will exclude small customers from banking map:

Because banking has not reached all people, Government launched Jan Dhan Yojana. Now they have launched Jan Dhan Yojana II. This means we are yet to reach all sections of people. So we need to expand banking services. Mergers will result in shrinkage of banking. Hence there is no need for mergers.

India needs good Banks, not big Banks:

Mergers are proposed to make our Banks bigger to cater to increasing demands for large-sized loans. Bigger the loan, higher the risk. Already Banks are suffering from big corporate defaults. Hence Banks should not be made bigger by merging them. Hence mergers are not needed.

Big Banks will help Big Corporates, not the common man:

There is another side effect of merger and making our Banks bigger. Big Banks will tend to cater to big corporate customer and would tend to ignore the common man. This will defeat the social orientation and objectives of nationalized Banks.

Merger will not make Banks stronger:

Government argues that Banks would become stronger by mergers. There is no evidence to this conclusion. 2 years ago, 6 Banks were merged with SBI with this argument. But SBI has not become stronger so far as financial parameters are concerned. Rather, problems of SBI have become bigger. Branches have been closed. Staff have become surplus. Business expansion has slowed down. NPAs have gone up. Thus Banks will not automatically become strong by merger of Banks.

Mergers will reduce branches and shrink banking services:

Mergers will surely end in closure of branches. Closure of branches would mean more number of customer going to lesser number of branches and banking services would be severely affected. Customer population per bank branch will increase and affect efficient customer service.

Merger of Banks means murder of branches:

Mergers will surely result in closure of branches, whereas we need branch expansion to make banking accessible to all. Mergers and branch expansion are anti-thesis.
Shri Shiv Pratap Shukla, Hon'ble Minister of State for Finance replied in Parliament on 21-12-2018 that 6950 Branches have been closed and merged due to merger of Associate Banks with SBI.

Globally big banks is a myth:

The argument that by merging our Banks, they will become globally big banks and globally competitive, is a mere myth. The earlier belief that 'too big to fail' has become a myth now after the US banking crisis. Big Banks have collapsed like pack of cards. Thus big banks mean bigger risk. India cannot afford to take such risks. Even all our Banks are merged into one Bank, the capital base would be around $4 billion whereas most of the global banks operate with capital base of $60 billion, $70 billion, $80 billion etc.

More bad loans in SBI after mergers:

Mergers are proposed so as to resolve the problems faced by the Banks. Bad loans are the main problem facing the Banks. Can anyone believe that merger will result in recovery of bad loans. Obviously not. After merger of 6 Banks with SBI, the NPA went up. Hence it is also a wrong presumption.

Merger will not help to recover bad loans:

Merger of banks and consequent issues arising from such mergers will put the issue of bad loans in the backburner. This is what happened in SBI after merger of 6 Banks with SBI. Hence Banks will further suffer.

Merger of Banks will cut into employment opportunities:

In our country, where unemployment is a serious problem of the youth, Banks have been providing employment to thousands of educated youth every year. If Banks are merged and branches are closed, intake of staff will come down and hence employment opportunities will be seriously affected.

Don't divert public attention from NPA to mergers:

To resolve the problem of bad loans facing the Banks, Government should take tough measures to recover the bad loans. Instead of that, the Government is trying to divert the attention and focus by resorting to merger of banks which is unwarranted. Bad Loans in the 10 Banks proposed to be merged today are Rs.3,16,632 crores. Whether these bad loans will automatically be recovered if these Banks are merged?

Real agenda is to help the corporates:

Big Banks will only help the big corporates. It is obvious that the Government, in the name of banking reforms, wants to enable the Banks to help the corporates.

Hence we oppose mergers of these 10 banks.

Increase interest on Deposits in Banks

Interest rate on bank deposits which represents the precious domestic savings of the people at large has been getting reduced year after year. Even the interest rate on savings has been reduced. Reduction of interest rate on deposits will dissuade savings and divert savings to consumption and speculation. When banks are expected to enlarge their loan portfolio, augmenting more deposits with fair rate of interest should be the policy and not reduction of interest rate on deposits.

Do not harass customers with penal charges and increase in service charges:

On the one side, borrowers who deliberately default their repayment of huge loans are being given all types of concessions and huge bad loans are being resolved with heavy haircuts for the banks and loss to the Banks, the burden of these losses are being shifted on the shoulders of the general customers of the banks. Penal charges are being levied on them for not maintaining minimum balance in their accounts when many of them struggle even for their minimum livelihood. Service charges have been hiked steeply in many banks on every type of service rendered to them. There is an urgent need to review the penal charges and service charges.

Stop attacks on jobs and job security:

Universally, any process of merger, consolidation or amalgamation has resulted in reduction of staff. In fact, it is one of the purpose of mergers to ensure a lean organisation and achieve reduction in labour cost to show more profit. Hence mergers will result in staff redundancy and threaten job security besides drastically reducing future job potential thus depriving the youth to get jobs.

Adequate recruitment in all the Banks:

While the business of the Banks have gone up , while more number of branches have been opened, while the workload in the branches has gone up, the number of workmen employees are getting reduced in al the Banks. These vacancies are not being filled up. The recruitment of staff in the Banks is coming down year after year. Regular and permanent jobs in the Banks are being outsourced on contractual basis. There is an urgent need to adequately recruit employees in all the Banks.

Stop loot of public money by bank loan defaulters

Ensure recovery of bad loans of corporate defaulters

Banks	Gross NPA (Rs. in Crores)		
	2017	2018	2019
TOTAL OF PUBLIC SECTOR BANKS	7,50,256	8,95,600	7,39,541

Non-Performing Assets of Banks

As on 31st March	Gross NPA Rs. in Crores
2012	1,17,000
2013	1,64,461
2014	2,16,739
2015	2,78,877
2016	5,39,955
2017	6,84,733
2018	8,95,600
2019	7,39,541

AMOUNT PROVIDED FOR BAD LOANS

FROM OPERATING PROFITS EARNED

Year	Amount transferred from Operating Profits as provisions from Bad Loans/ NPAs.
2009	11,121 Cr.
2010	18,036 Cr.
2011	29,830 Cr.
2012	38,177 Cr.
2013	43,102 Cr.
2014	63,389 Cr.
2015	76,837 Cr.
2016	1,60,303 Cr.
2017	1,68,469 Cr.
2018	2,70,953 Cr.

Bad debts Written-off in Public Sector Banks

From 2001 to 2018 – Rs.4,97,188 Crores

Year	Amount Written Off
2001	5555
2002	6428
2003	9448
2004	11308
2005	8048
2006	8799
2007	9189
2008	8019
2009	6966

2010	**11185**
2011	**17794**
2012	**15551**
2013	**27013**
2014	**32595**
2015	**49976**
2016	**59400**
2017	**81684**
2018	**128230**
TOTAL	**4,97,188 Crores**

SEE WHERE THE PROFITS GO

Year	Gross Profit Before Provisions for Bad Loans	Provisions made for Bad Loans/NPAs	Published Net Profit
2008-09	45,494 Cr.	11,121 Cr.	34,373 Cr.
2009-10	57,293 Cr.	18,036 Cr.	39,257 Cr.
2010-11	74,731 Cr.	29,830 Cr.	44,901 Cr.
2011-12	87,691 Cr.	38,177 Cr.	49,514 Cr.
2012-13	93,684 Cr.	43,102 Cr.	50,582 Cr.
2013-14	1,27,652 Cr.	63,389 Cr.	37,018 Cr.
2014-15	1,37,817 Cr.	76,837 Cr.	37,540 Cr.
2015-16	1,36,926 Cr.	1,60,303 Cr.	- 17993 Cr.
2016-17	1,58,982 Cr.	1,68,469 Cr.	- 11,388 Cr.
2017-18	1,55,585 Cr.	2,70,953 Cr.	- 85,371 Cr.
2018-19	1,49,804 Cr	2,16,410 Cr	- 66,606 cr

TOTAL OPERATING PROFITS IN 10 YEARS : 12,25,000 CRORES

PROVISIONS FOR BAD LOANS, ETC. : 10,96,000 CRORES

WILLFUL DEFAULTERS AS ON 31.3.2018

Name of the Bank	WILLFUL DEFAULTERS	
	Number	Amount in Cr.
State Bank of India	1680	34436
Punjab National Bank	1090	15190
Bank of India	422	7463
Bank of Baroda	303	6253
Central Bank of India	787	6197
UCO Bank	656	5722
Union Bank of India	803	5103
Vijaya Bank	142	5041
IDBI Bank	116	4828
Canara Bank	491	4759
Indian Overseas Bank	527	4485
Oriental Bank of Commerce	424	4215
Allahabad Bank	250	3965
Andhra Bank	394	3957
Corporation Bank	122	2453
Dena Bank	228	1877
United Bank of India	387	1737
Bank of Maharashtra	212	1518
Indian Bank	67	1373
Syndicate Bank	203	1162
Punjab and Sind Bank	27	283
	9331	1,22,018

Reduction in NPAs of Public Sector Banks due to write-offs (including compromise)

Rs. in crores

Bank	2009-10	2010-11	2011-12	2012-13	2013-14
Allahabad	643	720	1001	1352	82
Andhra	192	150	169	334	263
BOB	515	501	1215	2356	964
BOI	744	880	2415	2415	1767
BOM	236	350	395	663	401
Canara	1290	1050	1460	1535	1591
CBI	294	554	629	1061	1995
Corporation	267	543	565	709	463
Dena	185	196	194	237	479
IDBI	477	884	319	383	1393
Indian	388	590	506	520	628
IOB	389	971	1166	1642	1474
OBC	389	696	933	1416	1252
P & S Bank	81	66	39	50	204
PNB	853	1592	126	997	1947
Syndicate	419	351	891	1297	1025
UCO	371	586	391	617	1423
Union	513	1126	938	1129	913
United	174	415	233	1094	481
Vijaya	479	327	214	543	296
SBBJ	23	166	275	463	399
SBH	71	202	265	343	31
SBI	1990	4007	744	5594	13177
SB Indore	57	0	0	0	0
SBM	20	311	165	275	403
SBP	5	410	120	28	463
SBT	124	152	182	176	196
TOTAL	11189	17796	15550	27229	33710

Bank	2014-15	2015-16	2016-17	2017-18	2018-19
Allahabad	2109	2126	2442	3635	4219
Andhra	1124	814	1623	1666	2280
BOB	1563	1554	4348	4948	13102
BOI	866	2374	7346	8976	7405
BOM	264	903	1374	2460	5127
Canara	1472	3387	5545	8310	14267
CBI	1386	1334	2396	2924	10375
Corporation	779	2495	3574	8228	5989
Dena	515	760	833	661	4672
IDBI	1609	5459	2868	12515	15918
Indian	550	926	437	1606	2872
IOB	2087	2067	3066	6908	7794
OBC	925	1668	2308	6357	6457
P & S Bank	263	335	491	460	1635
PNB	5996	6485	9205	7407	9983
Syndicate	1055	1430	1271	2400	6775
UCO	0	1573	1937	2735	4420
Union	931	792	1264	3477	7771
United	761	649	714	1867	5365
Vijaya	791	510	1068	1539	1518
SBBJ	363	643	1560	0	0
SBH	355	1204	1430	0	0
SBI	21303	15955	20339	39151	58905
SB Indore	0	0	0	0	0
SBM	740	588	161	0	0
SBP	755	1156	3528	0	0
SBT	456	398	556	0	0
TOTAL	49,018	57,585	81,684	1,28,230	1,96,849

The total reduction in Non-Performing assets since 2009-10 till the financial year 2018-19 due to write-offs amounted to Rs.6,18,840 Crores.

Source: Lok Sabha Questions and Answers