

STATE BANK OF INDIA OFFICERS' ASSOCIATION

(BENGAL CIRCLE)

(Registered under Trade Unions Act 1926-Regd. No. 6908)

1, STRAND ROAD, KOLKATA-700 001.

Phone: 2213-0663, 2213-0154, 2213-0665 (after 5.30 P.M.), Fax : (033) 2210-1684



e-mail: sbioabengalcircle@gmail.com
www.sbioabengal.com

IP No. 500077

Circular No. 130/2019

Date : 27.09.2019

To All Members (Please Circulate)

We reproduce hereunder the Circular No. 93 dated 27.09.2019 issued by the General Secretary, All India State Bank Officers' Federation, the contents of which are self-explicit.

With revolutionary greetings,

Shubhajyoti Chattopadhyay
(General Secretary)

To all our Affiliates / Members:

FORMATION OF A COMMITTEE OF ALL STAKEHOLDERS ON PROPOSED BANK MERGERS

We reproduce hereunder the text of AIBOC Circular No. 2019/63 dated 27-09-2019 contents of which are self-explanatory for information of the members.

(Soumya Datta)
General Secretary

FORMATION OF A COMMITTEE OF ALL STAKEHOLDERS ON PROPOSED BANK MERGERS

We reproduce below text of the joint letter no. 10/2019 dated 27.09.2019 of four officers' organisations addressed to the Finance Secretary, Govt. of India, on the captioned subject for your information.

With greetings,
Sd/-

(Soumya Datta)
General Secretary

Text of the Joint Letter No. 10/2019 dated 27.09.2019

ALL INDIA BANK OFFICERS' CONFEDERATION (AIBOC)
ALL INDIA BANK OFFICERS' ASSOCIATION (AIBOA)
INDIAN NATIONAL BANK OFFICERS' CONGRESS (INBOC)
NATIONAL ORGANISATION OF BANK OFFICERS (NOBO)

Ref: Joint Letter No. 10/2019

Date : 27th September 2019

Shri Rajeev Kumar
Finance Secretary
Ministry of Finance
Govt of India
New Delhi

Sir,

FORMATION OF A COMMITTEE OF ALL STAKEHOLDERS ON PROPOSED BANK MERGERS

At the outset, we convey our sincere thanks for the audience with you on 23rd September, 2019, instilling the confidence to the entire workforce of Banking Industry that Govt. of India is keen to resolve the issues highlighted in our proposed strike call on 26th and 27th September, 2019. 02. During the course of our submission and your positive response on the captioned subject matter, formation of a committee of all stakeholders, including management of respective acquirer and acquiree banks and representatives of four officers' organisations for a meaningful discussion over the merger/amalgamation related issues. The following points may please be considered for initiating significant deliberations to benefit the nation as a whole as public sector banks remained engaged in nation building and been the fulcrum of economic progress of the nation for the past 50 years.

Shubhajyoti Chattopadhyay
General Secretary
Mobile : 9434551152

State Bank of India Officers' Association

(BENGAL CIRCLE)

: 2 :

- a. Rationale behind the proposed 10 Banks' merger and the expected benefits that is likely to accrue to the benefits of the Banks and their customers [data, facts and figures].
- b. In what way the proposed amalgamations would ensure the following:
- i] Whether merger would facilitate bad loan recovery [without referring to NCLT]?
 - ii] Combined position - would it improve the capital adequacy and thereby reduce the capital infusion requirement to be made by the government?
 - iii] Would it improve the Return on Assets on amalgamation?
 - iv] Will the proposed merger benefit the customers / borrowers in Agriculture /MSME sectors profusely?
 - v] Rationalisation of the bank branches - will it not affect the customer's direct interface with staff at the branch?
 - vi] Will rationalisation trigger off major HR issues in the proposed entities [due to displacement, dislocation etc.]?
 - vii] Going by the experience of merger of NBI with PNB [1993] and Global Trust Bank with OBC [2005], what would be the impact on *inter-se seniority*, promotions and resultant transfers?
 - viii] Cost of upgradation on account of integration of technology and products and processes, to retain the market share.
 - ix] Impact of merger of 5 Associates with SBI - w.e.f. 01.04.2017 on profit, on bad loans, on branch closures and on human assets of the Banks. Given the net NPA position of over 5% in nine out of ten banks and existing low provisioning coverage ratio of all these ten banks and also the proposed amalgamated banks - which is much lower than the desirable level of 70% indicated by RBI, will not the profitability of the combined entities further deteriorate?
 - x] If the net NPA of the merged entities goes beyond the threshold level of 6%, will not the Prompt Corrective Action (PCA) restrictions be imposed by RBI on them?

We would be much obliged, if you kindly issue necessary direction for arranging preliminary discussion on the above issues at an early date.

With best regards,

Yours sincerely,

Sd/-
(SoumyaDatta)
General Secretary
AIBOC

Sd/-
(Nagarajan S)
General Secretary
AIBOA

Sd/-
(K K Nair)
General Secretary
INBOC

Sd/-
(Viraj V Tikekar)
General Secretary
NOBO

Shubhajyoti Chattopadhyay

General Secretary
Mobile : 9434551152