



ALL INDIA BANK OFFICERS' CONFEDERATION

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State Bank of India Officers' Association

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Press Release

It is disheartening to see the statements of Governor RBI and Dy. Governor RBI on Bank Privatisation. Dr. Urjit Patel had stated "The weaker Banks are losing market share and that is good thing". Are these Banks really weak? Who made them weak? What was the role of the RBI representative in the Board's of these Banks? When the deposits, advances and Gross profits are steadily increasing how do we call these Banks weak?

Dr. Viral Acharya, Dy. Governor, says" This re-privatisation will reduce the overall amount that the Govt needs to inject as Bank Capital and help preserve its hard earned fiscal discipline, along with stable inflation outlook and the diverse nature of our growth engine"

When US, Japan, China etc have pumped in so much of capital why Govt of India should not? The RBI and Govt have received very good return in terms of dividend and Taxes from these Banks.

If Dr. Viral Acharya feels the weak banks can be sold whom does he think will buy? If Private Sector people will buy is it to lose their money?

When we are preparing Turn Around Plan for 10 banks to make them profitable inspite of the Corporate NPA created by RBI & Govt policies these statements are very unpatriotic.

In earlier occasion in 1996-97 when 3 banks were considered weak, the officers and employees worked hard and made them profitable. Now RBI seems to be not interested in a Turn Around at all. Whom are they serving? What happened to their autonomy?

Why can't RBI prepare Turn Around Plan for one bank and prove its capability?

We are capable of turning around all these Banks into profit making enterprises if the Govt and RBI take some serious action on NPA as

recommended by the Parliament Standing Committee on Finance. We also demand that RBI should reimburse the cost of demonetisation to the banks which will augment their Capital.

Let us not forget that between 1960 and 1969, there were 48 compulsory mergers of Private Banks, 20 Voluntary amalgamations, 17 mergers with SBI, 125 transfer of assets and liabilities all involving 210 Private Banks. The no. of Private Banks which was 567 in 1951 came down to 295 in 1961 and finally 91 in 1967. The Nationalisation of Banks was based on the performance of the Private Banks. Out of 10 Private Banks started in 1993, 5 had to be merged due to poor performance. Let us not forget Global Trust Bank which made 1100 Cr loss in 10 years was taken over by Public Sector Oriental Bank of Commerce. Between 1969 and 2014 there were 24 Private Banks which collapsed.

We also demand a discussion with the Association and Unions who are the stakeholders by RBI. The Central Banks role is to develop a robust banking sector and not to destroy it.



(D. T. Franco)
General Secretary
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