



ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPARC)

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Dear Comrades,

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News of Interest 16th AUG

MOTIVATIONAL QUOTES

'NEVER BEND YOUR HEAD. ALWAYS HOLD IT HIGH. LOOK THE WORLD STRAIGHT IN THE EYE.' HELEN KELLER

HIGHLIGHTS

- 1. INDIA POST PAYMENTS BANK LAUNCH BY PM MODI ON AUG 21 TO BE A GRAND AFFAIR**
- 2. CANARA BANK TO HIRE SOCIAL MEDIA AGENCY FOR CUSTOMER OUTREACH AND PROMOTION**
- 3. COSMOS BANK FRAUD: NPCI SAYS ITS SYSTEMS FULLY SECURE**
- 4. NEW ENEMY OF OUTSOURCING: DIY BY BANKS**
- 5. HOW CORPORATION BANK'S 'HALLA BOL' ON NPAS BEGAN YIELDING RESULTS**

Business Standard

1. India Post Payments Bank launch by PM Modi on Aug 21 to be a grand affair

The IPPB, which has already been delayed by several months, is currently running pilot services in Raipur and Ranchi

Kiran Rathee

The launch of the much-delayed India Post Payments Bank (IPPB) promises to be a grand affair. Prime Minister Narendra Modi will do the honours in Delhi's Talkatora stadium along with Communications Minister Manoj Sinha on August 21. Simultaneous launches are also being planned across all the 650 districts of the country and a schedule for the same is being drawn up.

The importance of the launch can be gauged from how ministers have been asked to inform the Prime Minister's Office and take prior permission before leaving the country on August 21. In case a minister wishes to leave the country, separate arrangements need to be made, sources clarified.

The launch in the districts will be done by the local Member of Parliament (MP) or minister and in those constituencies where the Bharatiya Janata Party (BJP) MPs are not present, a strong BJP leader will do the needful.

Electronics and Information Technology Minister Ravi Shankar Prasad is going to Kolkata for the unveiling. Sources said he is interested in Patna since the local BJP MP Shatrughan Sinha has not evinced any interest. Bihar Deputy Chief Minister Sushil Modi is likely to conduct the programme in Patna.

Prasad was set to leave for Argentina on the morning of August 21. Instead he will leave on the night of August 21 from Kolkata.

The stadium in Delhi is set to host over 1,500 people, including postal employees, members of the direct benefit transfer mission, banks, etc. This is purported to be one of the biggest launches in the country.

The IPPB, which has already been delayed by several months, is currently running pilot services in Raipur and Ranchi. According to sources, the postal bank will tie up with other banks and financial companies to offer products like loans, mutual funds, and insurance policies to its customers.

The Department of Posts was one of the 11 entities to get an in-principle nod from the Reserve Bank of India in 2015 for setting up a payments bank. Although many other entities, including Airtel, Fino, Paytm, etc, have launched services, the postal bank was yet to commercially roll out its services across the country. The IPPB missed the September 2017 deadline to open 650 branches across the country, primarily because it failed to get a system integrator on board in time.

However, with the launch, the IPPB will become one of the largest banking networks in India. India Post has 154,000 post offices, of which 139,000 are in rural areas. The government is planning to utilise the 650 branches to serve as controlling offices to service and monitor all the post offices in the country. All the post office branches will be linked to the IPPB by end of this year.

2. Canara Bank to hire social media agency for customer outreach and promotion

The bank is looking for a social media service provider who can assist in creating and managing a strong social media presence

[Press Trust of India](#)

Canara Bank plans to hire a social media agency as part of its brand promotion and to reach customers in a better way.

The bank is looking for a social media service provider who can assist in creating and managing a strong social media presence as per the prevailing market trend and requirements of the bank, Canara Bank said. The bank's

marketing and retail resources wing uses manual methods for managing its social media accounts.

"The bank intends to engage a service provider who can provide social media services and assist in creating and managing a strong social media presence," the bank said detailing the scope of work. It said the promotion will be in accordance with its overall marketing plan.

Financial Express

3. Cosmos Bank fraud: NPCI says its systems fully secure

The National Payments Corporation of India (NPCI) today said its systems are "fully secure" and the cyber fraud of more than Rs 90 crore at Pune-based Cosmos Bank happened due to a malware-based attack on the lender's IT system.

By: [PTI](#)

The National Payments Corporation of India (NPCI) today said its systems are "fully secure" and the cyber fraud of more than Rs 90 crore at Pune-based Cosmos Bank happened due to a malware-based attack on the lender's IT system. Hackers managed to siphon off over Rs 90 crore through a malware attack on the server of the bank and cloning thousands of debit cards, Cosmos Bank chairman Milind Kale had said.

The fraudulent transactions were carried out on August 11 and August 13 and the malware attack by the hackers originated in Canada, he said. In a release, NPCI said one of its network members has confirmed about a malware based attack on their system which has caused a fraud loss of over Rs 90 crore.

"NPCI wish to reiterate that our systems are fully secure and this particular issue has occurred within the Banks own IT environment," it said, adding that NPCI will continue to extend support to the affected bank in identifying the cause of the fraud. Head Risk Management of NPCI Bharat Panchal said the malware based attack on bank's IT system has caused the fraud.

"Under the attack, maximum transactions have been reported from outside India...we are monitoring the situation continuously," he said. The bank has also registered an FIR at the Chatusringi police station in the city. A case was registered under sections 43, 65, 66(C) and 66 (D) of the Information Technology Act and relevant sections of the Indian Penal Code.

Kale had said that over the two days, hackers withdrew a total Rs 78 crore from various ATMs in 28 countries, including Canada, Hong Kong and a few ATMs in India, and another Rs 2.5 crore were taken out within India. On August 13, hackers again transferred Rs 13.92 crore in a Hong Kong-based bank by using fraudulent transactions, he had said.

Kale had said the cooperative bank's core banking system was not affected and that it has already appointed a professional forensic agency to investigate the fraud. As a precautionary measure, the bank has closed ATMs operations and suspended net and mobile banking facilities, he had said.

Economic Times

4. New enemy of outsourcing: DIY by banks

By *Shilpa Phadnis*

Here's the big reason why most of the big IT services companies are still struggling to accelerate: Many large banks have got into a do-it-yourself mode for their IT. Where once they outsourced work, they are now choosing to do more of it in-house, mostly in their own global in house centres (GICs) in countries like India.

The financial vertical has long been the bread & butter of the IT services business, but the sector's contribution to overall revenue has fallen for most of the big vendors over the past few years.

For TCS, financial services were 33.4% of overall revenue in 2016-17 — it was down to 31.1% in the last quarter. For Cognizant, it's down 3 percentage points in the past two years, and for Infosys it's down 1.4 percentage points.

There are also no signs of a reversal in this trend. In the last quarter, TCS' financial services vertical grew at 4% year-on-year, when its overall revenue grew 10%. The corresponding figures for Cognizant were 4.5% and 9.2%, and for Infosys 2% and 6.8%. Compared to the preceding quarter too, growth was anaemic, far lower than the overall quarter-on-quarter growth, suggesting that the sector continues to weigh on the IT industry.

At the last quarter earnings announcement, Infosys COO U B Pravin Rao admitted as much when he said the company had a negative impact in the quarter from two of its clients due to in sourcing. The company's revenue from financial services declined by 1.5% compared to the preceding quarter. HCL Technologies' revenue from the financial vertical shrunk by 1.4% in the June quarter and the company said it was due to some of its clients in sourcing work. Neither Rao nor named the clients that are in sourcing, but it is possible to make some guesses based on who outsources to whom.

'Bank IT staff more efficient than outsourced employees'

Deutsche Bank, Bank of America, Citibank and UBS have been some of the biggest outsourcers of IT, according to IT advisory firms TOI spoke to. Deutsche Bank has an annual outsourcing spend of \$6 billion and counts DXC, IBM, Atos, Wipro and Infosys as IT partners. Bank of America outsources \$5 billion of IT annually and has contracts with IBM, Accenture, Infosys and TCS, among others. Citibank is estimated to outsource between \$1.1 billion and \$1.5 billion, to vendors including TCS, Wipro, HCL and NTT Data. UBS outsources about \$1 billion and its vendors include Capgemini, Epam, Luxoft, HCL and Genpact.

All of these financial institutions are now in sourcing, as also those like RBS, Credit Suisse, ANZ. "Citi had sold their captive business to TCS and Wipro (in 2008) and now they again have a captive business with 4,500 people in Pune alone, and plan to be 8,000-strong there," said an industry executive who did not want to be named. Citi has centres in Pune, Mumbai and Chennai, employing about 16,000 people, and is growing everywhere. Citi declined to provide a comment for the story.

A UBS spokesperson disputed the outsourcing figure provided by third

parties to TOI, but acknowledged that the bank had in sourced around 2,000 jobs in the last six months, with the primary objective of improving effectiveness and efficiency. The spokesperson said, "UBS' business solution centres abroad and in Switzerland have grown in recent years. We now have a global and consistent network that includes India, the US, Poland, and China, as well as the near shore centres in Switzerland (Schaffhausen, Biel and Ticino). This has created the conditions for in sourcing where it makes sense."

The bank told TOI that one of the main reasons for in sourcing is that it wants to retain and strengthen strategic and market-differentiating expertise within the bank — activities that differentiate the bank as a financial services provider from its competitors. "In the technology area, there are topics such as block chain, digitisation or artificial intelligence. Or operational activities that generate added value for our clients. Or also positions in research, analytics, finance and risk management," the spokesperson said, with reference to strategic and market differentiating areas.

Business Line

5. How Corporation Bank's 'halla bol' on NPAs began yielding results

AJ VINAYAK

Bank resorts to a 'peaceful' way to recover bad loans.

The Hindi phrase '*halla bol*' is usually associated with aggression. However, Mangaluru-based Corporation Bank is using it in a peaceful way to raise its voice against non-performing assets (NPAs) in the bank.

In fact, the bank's '*halla bol*' recovery campaign has started giving results with the lender making good recoveries in NPAs, including from written-off accounts, during the first quarter of 2018-19.

The bank made a recovery of more than ₹1,709 crore during Q1 of 2018-19 against ₹813 crore in the first quarter of 2017-18.

The recoveries from written-off accounts increased to ₹515 crore (₹71 crore) during the period. However, recoveries from written-off accounts was ₹318 crore for the whole of 2017-18.

Jai Kumar Garg, Managing Director and Chief Executive Officer of the bank, told *BusinessLine* that the bank's '*halla bol*' campaign was launched in 2016-17.

Under this, bank officials go to the borrowers whose accounts have become NPAs, and discuss why the borrower is not paying and what could be done about it. Steps such as one-time settlement and restructuring are initiated based on the requirements.

Stating that '*halla bol*' is being done in a peaceful manner, he said this effort has given a lot of dividend on the recovery front. The wholehearted involvement of the rank and file of the bank has helped achieve success in this initiative. Barring a few stray cases, even the borrowers are responding positively.

Asked about the success rate, he said it is difficult to identify the success rate for every campaign. He said the total recovery of the bank was ₹1,590

crore in 2015-16. It increased to ₹3,300 crore in 2016-17 and to ₹4,500 crore in 2017-18. Giving the latest figures, he said the bank's recovery in NPA accounts stood at ₹2,031 crore till August 8 of 2018-19 against ₹1,062 crore in the corresponding period of the previous fiscal.

Clarifying that '*halla bol*' is not aimed at the borrower; he made it clear that it targets NPA accounts. If the borrower comes to the branch, the bank respects the borrower and listens to him. "The borrower tells his problem, we tell our problem, and then a solution will come. We are not against the borrower. '*Halla bol*' is against the NPA account and not the borrower," he said.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)
GENERAL SECRETARY**