



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

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Dear Comrades,

25th May, 2018

News of Interest 25th MAY

MOTIVATIONAL QUOTES

I BELIEVE THAT THROUGH KNOWLEDGE AND DISCIPLINE, FINANCIAL PEACE IS POSSIBLE FOR ALL OF US. DAVE RAMSEY

HIGHLIGHTS

1. GOVT APPOINTS NON-EXECUTIVE CHAIRPERSONS AT 3 PSBS
2. FACING LENDING CURBS, DENA BANK SEEKS MORE INSURANCE PARTNERS
3. CITY UNION BANK POSTS 18% RISE IN NET PROFIT FOR Q4 AT RS 1.52 BILLION
4. BANK UNIONS CALL FOR TWO-DAY NATIONWIDE STRIKE FROM MAY 30
5. BANKS TO OFFER BASIC SB DEPOSIT ACCOUNTS TO ALL CUSTOMERS UNDER FINANCIAL INCLUSION INITIATIVE

Financial Express

1. Govt appoints non-executive chairpersons at 3 PSBs

In a tweet, financial services secretary Rajiv Kumar said: "As part of banking reforms and on recommendation of Banks Board Bureau (BBB), the government appoints Charan Singh, Anjali Bansal, and Tapan Ray as non executive chairperson of Punjab & Sind Bank, Dena Bank and Central Bank of India, respectively."

By: FE Bureau

The government on Thursday appointed non-executive chairpersons at three public-sector banks — Punjab & Sind Bank, Dena Bank and Central Bank of India.

In a tweet, financial services secretary Rajiv Kumar said: "As part of banking reforms and on recommendation of Banks Board Bureau (BBB), the government appoints Charan Singh, Anjali Bansal, and Tapan Ray as non executive chairperson of Punjab & Sind Bank, Dena Bank and Central Bank of India, respectively."

The appointments come at a time when both Dena Bank and Central Bank of India are under the prompt corrective action (PCA) framework of the Reserve Bank of India (RBI) until they fix their finances. RBI has also imposed restriction on lending by Dena Bank.

As such, 11 of the 21 PSBs are officially stressed as they are under the PCA, while all of them are saddled with massive bad debts. Several scams, including the over \$2-billion fraud at Punjab National Bank, too have dented image of some of the PSBs.

However, with the resolution process of bad assets under the insolvency framework gaining momentum (The acquisition of Bhushan Steel by Tata Steel subsidiary, for instance, is expected to reduce PSBs' bad debt by around `35,000 crore) and a substantial provisioning for bad assets having completed, the government believes the worst is already behind.

Tapan Ray retired last year as the corporate affairs secretary, while Charan Singh earlier served as senior economist at IMF as well as a director at Reserve Bank of India. Anjali Bansal is the founder of Spencer Stuart's India and had worked at McKinsey and Company.

Changes at the top levels are expected soon at several other PSBs, including Allahabad Bank whose MD and CEO Usha Ananthasubramanian was recently divested of all executive powers.

Indian Banks' Association (IBA), the umbrella body of all banks, is also in the process of hiring a consultant to measure the level of reforms being carried out at public sector banks.

Due to high NPAs and resultant provisioning, State Bank of India this week announced a loss of `7,718 crore in the fourth quarter of 2017-18, which is its highest ever.

Punjab National Bank posted a net loss of `13,417 crore for the quarter, the worst quarterly performance by any lender in the country's banking history, following the Nirav Modi-Mehul Choksi fraud.

2. Facing lending curbs, Dena Bank seeks more insurance partners

The bank earned Rs 323.3 crore in non-interest income during the March quarter, a little over Rs 314.97 crore earned during the same period a year ago

By: Shritama Bose

State-owned Dena Bank on Thursday sought bids from corporate agencies to increase its portfolio of providers of health, general and life insurance products through the bancassurance channel, weeks after the Reserve Bank of India (RBI) asked the bank to stop fresh lending.

A senior executive at the bank told FE that the move was aimed at increasing third-party income. "We already have certain arrangements on this front. The IRDA (Insurance Regulatory and Development Authority) also allows us to add more partners. So we are looking at that possibility to augment our third-party income," the banker said.

At present, the bank counts as its partners Life Insurance Corporation of India (LIC) for life covers, United India Insurance Company and Chola MS General Insurance Company for general insurance and Apollo Munich Health Insurance Company for health covers.

On May 11, Dena Bank had said in a notification to the stock exchanges that RBI had restricted it from assuming fresh credit exposure and recruitment of staff. The bank, which has been headless since January, will now have to look for ways of boosting non-interest income in the absence of income from new loans. Businesses such as bancassurance, which make no demands on a bank's capital base, are ideal for generating such revenue.

The bank earned Rs 323.3 crore in non-interest income during the March quarter, a little over Rs 314.97 crore earned during the same period a year ago.

For Q4FY18, Dena Bank posted a net loss of Rs 1,225.42 crore, wider than the Rs 575.26-crore loss it saw in Q4FY17 as provisions more than doubled year-on-year (y-o-y) to Rs 1,991.3 crore.

RBI had first brought Dena Bank under its prompt corrective action (PCA) framework in June 2017 in view of its high net non-performing asset (NPA) ratio and negative return on asset (RoA).

Business Standard

3. City Union Bank posts 18% rise in net profit for Q4 at Rs 1.52 billion

Net Interest Income increased by 18 per cent to Rs 3.68 billion from Rs 3.11 billion

T E Narasimhan

City Union Bank Limited has reported a 18 per cent growth in net profit during the quarter ended March 2018 to Rs 1.52 billion as against Rs 1.29 billion, a year ago.

Net Interest Income increased by 18 per cent to Rs 3.68 billion from Rs 3.11 billion. Net interest margin was at 4.36 per cent.

Gross NPA of the Bank stood at Rs 8.57 billion at 3.03 per cent to Gross Advances. Net NPA of the Bank stood at Rs 4.75 billion at 1.70% to Net Advances.

Bank's capital adequacy as on March 31, 2018 as per Reserve Bank of India (RBI) guidelines on Basel III norms is 16.22% and Tier-1 capital adequacy was 15.79%, well above regulatory requirements.

Economic Times

4. Bank unions call for two-day nationwide strike from May 30

PTI|

Employees and officers of various state-run banks have called for a two-day nationwide strike from May 30 to protest a nominal 2 per cent wage hike offered by the Indian Banks' Association (IBA).

In the wage negotiation meeting held on May 5, 2018, IBA made a propositions to offer 2 per cent hike in the wage bill cost as on March 31, 2017.

It also maintained that the negotiations on officers' demands would be restricted up to scale III officers only.

"It is only because of provisions towards NPA that banks have booked losses, and for this, bank employees are not responsible," United Forum of Bank Unions' convener Devidas Tuljapurkar told reporters here.

He said in the last two-three years, bank employees have worked tirelessly for implementation of government initiatives such as Jan-Dhan, demonetisation, Mudra and Atal Pension Yojana, among others.

"This has resulted into huge increase in their workloads," he said. In the last wage settlement, which was for the period November 1, 2012 to October 31, 2017, IBA had give a wage hike of 15 per cent.

Bank employees have organised a demonstrations on May 29 at State Bank of India' branch main branch at Fort here.

UFBU is an umbrella body of nine unions, including All India Bank Officers' Confederation (AIBOC), All India Bank Employees Association (AIBEA) and National Organisation of Bank Workers (NOBW).

Business Line

5. Banks to offer basic SB deposit accounts to all customers under financial inclusion initiative

MJ MADHAVAN

The RBI has directed all the banks to offer Basic Savings Bank Deposit accounts as part of its efforts to further its financial inclusion objectives. Based on the directive, banks will offer 'Basic Savings Bank Deposit Accounts' to all their customers. Called the Small Account, there would be no need for an initial deposit to open the account.

Banks offer interest for the BSBD Account that provides minimum common facilities. Banks would convert the existing 'no-frills' accounts' into 'Basic Savings Bank Deposit Accounts' (BSBDA).

Conditions for opening a BSBD account

An individual is eligible to have only one 'Basic Savings Bank Deposit Account' in one bank. Holders of a 'Basic Savings Bank Deposit Account' will

not be eligible to open any other savings account in that bank. If a customer has any other existing savings account in that bank, he /she would be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.

However, the bank customer can have term/ fixed deposit and recurring deposit accounts in the bank where one holds a 'Basic Savings Bank Deposit Account'. The 'Basic Savings Bank Deposit Account' would be subject to provisions of the PML Act and Rules and RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening bank accounts issued from time to time.

Services

The RBI circular stipulated that the total credits in BSBDA accounts should not exceed Rs 1 lakh in a year and the maximum balance in the account should not exceed Rs 50,000 at any point of time. Also, the total of debits by way of cash withdrawals and transfers should not exceed Rs 10,000 in a month. Any Foreign remittances cannot be credited to small accounts without completing normal KYC formalities.

The services available free in the 'Basic Savings Bank Deposit Account' will include deposit and withdrawal of cash; receipt /credit of money through electronic payment channels or by means of deposit /collection of cheques at bank branches as well as ATMs.

With kind regards,

Yours Comradely,



(N. GOVINDRAJULU)
GENERAL SECRETARY