



Canara Bank Officers' Union [Regd.]

[AFFILIATED TO ALL INDIA BANK OFFICERS' ASSOCIATION]

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TO ALL MEMBERS

Dear Comrades

Hard Won Rights of the Bank Officers Are Being SACRIFICED.

One of the most significant and positive issues won for the workforce in the recently concluded 7th Joint Note for wage revision for Officers, is no doubt, the two full Saturdays holidays, in a month, bringing out a major change in the Banking Regulation Act and NI act. This historic achievement by the Industry level organizations brought a great respect to the Life of an Ordinary silent Bank Officer who could now bring some stability and balancing to his Job life and social life.

In the present day environment, all are aware that a Bank Officer stands exposed without the legal protection of the ID act, the Bank Officer is further exposed to the Mounting Risks and pressures at his work spot, day in and day out. These work pressures, if goes on increasing unchecked, may result in increase in the number of unfortunate and avoidable incidents of the bank officers taking an extreme steps of ending their career or some times, their Life.

Under the above extreme circumstances, the least thing that is expected of a trade Union, which functions on the genuine principles of trade union philosophy, is to ensure that the earned rights are not diluted and to take specific steps for mitigation of the risks involved in the processes, though one may not be able to completely eliminate all the work pressures.

Instead it is quite unfortunate that the so called majority organization for Officers in our Bank, despite its numbers, instead of taking practical and plausible steps to address the legitimate issues of the officers Community, chose to camouflage itself under the mask of championing the Bank's cause by projecting itself towards unrealizable target net profits, under the caption POWER of 10.

Power of 10 – FAR FROM REALITY- HOW??

TABLE OF ACTUALS FOR 3 YEARS

Particulars	FY12-13		FY13-14		FY14-15	
Aggregate Deposits	355,856.00	8.81%	420,723.00	18.23%	473,840.00	12.63%
FBT	143,795.00		166,036.00	13.40	176,274.00	5.81
Advances	242,177.00	4.17%	301,067.00	24.32%	330,036.00	9.62%
Total Income	37,231.00		43,480.00	14.37	48,300.00	9.98
Total expenditure	31,341.00		36,684.00	14.56	41,350.00	11.28
Operating Profit	5,890.00		6,796.00	13.33	6,950.00	2.22
Net profit	2,872.00		2,438.00	(17.80)	2,703.00	9.80
CAR	12.40		10.63	DOWN	10.56	DOWN
Gross NPA	2.57		2.49	UP	3.89	UP
Net NPA	2.18		1.98	DOWN	2.65	UP
NIM	2.40		2.27	DOWN	2.25	DOWN
GPT%(TOTAL BUS)	0.97%		0.94%		0.87%	
NPT%(DO)	0.48%		0.33%		0.33%	
OPT: NPT	48.76%		35.87%		38.89%	
Total Business	5.98 lac cror		7.22 lac cro	20.73%	8.04 lac	11.36%

The above table is the actuals taken from the Balance Sheet of our Bank for 3 years for analytical study. We are all officers and our Young colleagues are highly qualified like MBAs, Chartered accountants and Technocrats who are now handling high profile accounts. While we sanction limits to Borrowers based on the Balance Sheet and trends, this analysis is also on the above lines which is more scientific rather than mere words.

NPT as a % to OPT is below 50%. In other words the OPT shall be minimum of Rs 20,000 Crore to achieve Rs. 10,000 Crore of NPT.

Assuming that our Bank grows @ 20% (that is the maximum increase in 3 years) then we may achieve Rs 9.60 lac crores in year 2015-16 and by 2015-16 our total business shall go to Rs 11.50 lac crores. These two figures again depend on how our deposits grow and how our advances grow. (However 2014-15 witnessed a growth rate of 9.62% only)

For an achievement of 20% growth we need an aggressive growth which depend on

- a) Market conditions for the next two years
- b) RBI Policy for Rate of interest (now RBI reduces ROI on advances but no corresponding increase is witnessed in Deposits)
- c) Government Policy on development of the Economy
- d) World Economic situation (Greece issue now and slow down of economies in the earlier years)
- e) The capital needed to achieve the above targets. As we grow in business, we need to have adequate capital. You may witness from the above table, that our CAR comes down as we grow in business.
- f) Hence additional cost on capital which will be a drain on our profits.

The GPT Ratio as a % to total business is less than 1% and is almost flat at 0.95% . Hence for the next two years based on 20% volume projection, the GPT will be Rs.9120 Crores and for the year 2016-17 it will be 10925 Crores. The NPT for the next two years based on 20% volume increase will be (NPT average is hovering around 0.33% but let us assume it goes to 0.45%)

First year Rs. 4320 Crores and for the next year it will be Rs. 5175 Crores. Hence to achieve a profit of Rs.10, 000 Cr, we need a total business of Rs. 23 lac Crores under ideal situations,

This is only a simple analysis based on the actual of the 3 years Balance Sheet of our Bank and one can deeply analyse based on the various segments of income and expenditure where we will get an exact trend and further our analysis can be improved.

Even our simple analysis proves that earning Rs10, 000 Cr net profit requires a huge increase in business volume. (Nearly 300% increase) More over, the profits and profitability depends on many factors like NPA, Govt policy of Bank rates, CASA, our volume in FBT and treasury profits etc. THUS FROM THE ABOVE ANALYSIS, REACHING Rs 10 LAC CRORE BUSINESS WOULD BE AUTOMATIC IN THE NEAR FUTURE BUT ACHIEVING 10,000 CR PROFIT IS FAR FROM REALITY.

What is their real agenda? Now they have a new outfit, Does it mean that THEY HAVE LOST FAITH IN their present outfit WHICH had failed to deliver results? Are they trying to upstage and project an individual by sacrificing the welfare of thousands of young and aspiring officers? Whether this parallel functioning diluting the Head office functions and responsibility would be allowed to continued by RBI, our Regulator?

Should the Extra Constitutional Authorities, be allowed to undermine the Well established system of Hierarchical Authority. Why this parallel Banking approach without shouldering any Responsibility?

Why an organisation should forget its primary task of safeguarding its members from exploitation, instead forcing them to be exploited and harassed. **Should we remain Silent Spectators and be a party to such attempts of exploitation?**

Already all are suffering from staff shortage, particularly at the branches where the real business is mobilized. The ideal Business employment model which had to be in pyramid

shape, 'thin at top and heavy at bottom' is slowly turning upside down. The branches, where the original work is done are being monitored by various hierarchical levels , leading to disruption of prioritization of work at branches and are adding to the woes of Bank Officers community.

Ours is basically a Public Sector Bank which has got its own time tested system of fixing business targets commensurate with not only the infrastructure available to them but also on so many other business related factors and in tune with the Govt guidelines and any abnormal growth budgeting may only lead to abnormal business practices and this had to be avoided at all costs in any financial institution, which deals in public money.

Let us do Banking Business, Good, Ethical Business as per the Corporate Objectives, Not at the behest any single individual. Our ethical Banking all through these 109 years had brought us to TOP Standards and Strong Fundamentals. Let us NOT fall prey to the machinations of a single individual.

FINALLY, Let Us Remember,

ACTIONS, NOT WORDS ARE THE ULTIMATE RESULT OF LEADERSHIP.

With greetings



***M A SRINIVASAN
GENERAL SECRETARY.***

***LONG LIVE AIBOA
LONG LIVE AIBEA
CBOU- CBEU – ZINDABAD
TWIN BANNERS ZINDABAD***