

SAVE PSB! SAVE THE OFFICERS FRATERNITY!



**ALL INDIA PUNJAB & SIND BANK OFFICERS FEDERATION
(AIPSBOF - CODE 91)**

**11TH TRIENNIAL CONFERENCE
CHANDIGARH**

15.09.2024

RESOLUTIONS ADOPTED:

CONCERNS AND CHALLENGES BEFORE PUBLIC SECTOR BANKS

In recent months, directives from the Reserve Bank of India (RBI) and the Finance Ministry have underscored the need for banks to focus on core banking activities. Additionally, the RBI has deregulated interest rates, granting banks greater autonomy in setting their rates. The importance of the resolutions adopted stems from several critical issues:

1. Rising Credit-Deposit (CD) Ratio and Investment Trends:

The CD ratio has increased significantly, reaching over 80% in March 2024 and approximately 78% in June 2024. This reflects a substantial gap between deposit growth and advances, which was nearly 4% last year. Meanwhile, household investments in deposits are declining year-over-year, while investments in mutual funds have surged from ₹65,000 crores in 2020-21 to ₹1,70,000 crores in 2022-23. This shift is a serious concern for banks, requiring strategies to attract and retain deposits.

2. Impact of Declining Retail Deposits:

The decrease in retail deposits has led banks to rely on higher-cost bulk deposits and Certificates of Deposit (CDs). In some cases, banks have had to reduce their equity to raise funds, which negatively impacts the Net Interest Margin (NIM). Rating agencies predict a decline in credit growth from 17.3% last year to around 14% this year. Addressing this issue is crucial for maintaining financial health and profitability.

3. Branch Expansion and Technological Investments by Private Banks:

Private banks, already experiencing a decline in NIM, are expanding their branch networks to acquire new customers and investing heavily in technology. For instance, as per news print media sources it has been mentioned, HDFC plans to open nearly 1,000 branches, ICICI about 600, and Axis Bank around 500 in this current financial year.

4. Workforce Dynamics:

RBI data shows a continuous decline in manpower in Public Sector Banks (PSBs) compared to an increase of nearly 1 lakh employees in Private Sector Banks (PSBs) for FY 2022-23. To address this disparity, our bank needs to focus on recruitment and retention to ensure effective operations and service delivery. A motivated and satisfied workforce is essential for achieving organizational goals and maintaining high performance.

5. Regulatory Changes and Long-Term Lending Risks:

The increase in provisions for standard assets related to long-term infrastructure projects—from 0.4% to 5%—aims to mitigate risks associated with using short-term funds for long-term loans, which can create liquidity mismatches. This regulatory change necessitates careful management of long-term lending practices.

As a public sector bank we are not an exceptions to these challenges. In this critical period, it is essential for the union and management to work together to evaluate and adapt strategies to improve the bank's market share and position. A satisfied workforce is key to achieving these goals, as it leads to higher productivity and better organizational outcomes.

AIPSBOF, as the recognized majority union of our Punjab and Sind Bank, is believe that coordinated efforts will enhance performance, profitability, and overall bank's growth. The union will support efforts to inform and motivate field functionaries, fostering a positive and productive work environment. On the basis of the above the following resolutions are Adopted by the AIPSBOF Conference, Chandigarh.

1.Impact on Business of our Bank:

Comparison of interest income & Expenditure

Interest Expenditure						Other Expenditure			Total Expenditure		
2022	2023	increse/ decrease	2024	increase/ decrease	% Change 2023 vs 2024	2022	2023	2024	2022	2023	2024
4,445	5,019	575	6,853	1,834	37	2,281	2,463	2,932	6,725	7,483	9,785
Interest Income				increase/ decrease		Other income			Total Income		
2022	2023		2024			2022	2023	2024			
7,096	7,993	897	9,694	1,701	21	959	940	1,221	8,055	8,933	10,915
2,651	2,973		2,841								
Operating Profit				Provision & Contingencies			Net Profit				
2022	2023	2024	2022	2023	2024	2022	2023	2024			
1,330	1,450	1,131	291	137	536	1,039	1,313	595			

NIM of PUBLIC SECTOR BANKS

Public Sector Banks	31.03.2024	31.03.2023	Variation - %
SBI	3.28	3.37	-0.09
PNB	3.09	3.06	0.03
BOB	3.18	3.31	-0.13
UNION BANK OF INDIA	3.1	3.07	0.03
INDIAN BANK	3.47	3.37	0.1
INDIAN OVERSEAS BANK	3.28	2.93	0.35
CENTRAL BANK OF INDIA	3.4	3.64	-0.24
BANK OF INDIA	2.97	3.01	-0.04
UCO BANK	2.92	2.87	0.05
BANK OF MAHARASTRA	3.92	3.56	0.36
PUNJAB AND SIND BANK	2.45	2.91	-0.46
CANARA BANK	3.05	3.05	0

The Net Interest Margin (NIM) of our bank is one of the lowest among public sector banks. High-cost deposits and low-yield advances are negatively impacting our returns and growth. Although retail lending has shown growth, this increase is largely due to co-lending arrangements. In co-lending, the bank either incurs commissions or shares profits, and the quality of assets the bank invests in is also questionable. Additionally, borrowers end up paying higher interest rates on their loans.

Furthermore, the credit rating process for loans is not integrated, leading to improper loan pricing. This inefficiency affects the overall interest income of the bank.

AIPSBOF conference being in session at Chandigarh demands the management for formation of an internal marketing team to source assets and strengthening the Direct Selling Agent (DSA) model for retail banking. Allowing DSAs to mobilize MSME loans could also facilitate increased retail growth for the bank.



2. MPP Calculations:

We wish and request that MPP (Man power Planning) of our bank is to be reassessed,
The details of officers from Scale I to Scale VII of our bank as follows.

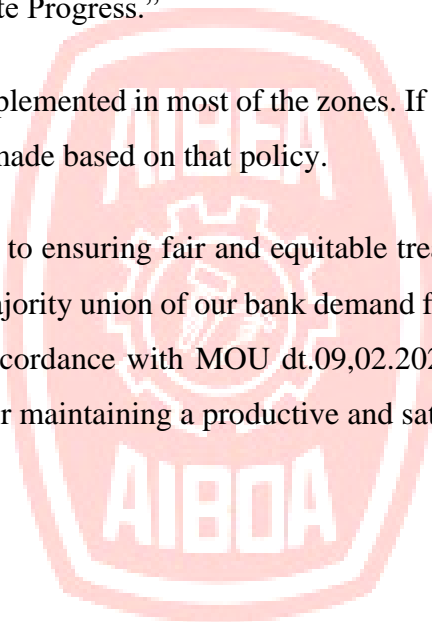
Zone Name	No of Branches Including RCC/ ARMB/ZO	S1	S2	S3	S4	S5	S6	S7	Grand Total	Average staff
AMRITSAR ZO	92	194	71	39	7		1		312	3.39
BAREILLY ZO	73	149	59	28	10	1			247	3.38
BHATINDA ZO	64	143	45	26	5	1			220	3.44
BHOPAL ZO	63	131	38	30	11		1		211	3.35
CHANDIGARH ZO	98	227	58	49	15	2			351	3.58
CHENNAI ZO	42	109	46	17	12		1		185	4.40
DEHRADUN ZO	60	118	39	34	6	1			198	3.30
DELHI- I ZO	47	139	56	41	14	4	1		255	5.43
DELHI- II ZO	68	170	59	45	18	3	1		296	4.35
FARIDKOT ZO	97	196	69	27	11	1			304	3.13
FGM Office Chandigarh	1	1	2	5			1	1	10	10.00
FGM Office Mumbai	1	2	2	2	1		1	1	9	9.00
GANDHINAGAR ZO	29	49	30	18	5	2			104	3.59
GURDASPUR ZO	87	168	63	30	9	1			271	3.11
GURUGRAM ZO	52	134	49	30	10	1			224	4.31
GUWAHATI ZO	34	62	30	20	4	1			117	3.44
HEAD OFFICE	55	109	315	265	88	49	21	11	858	15.60
HOSHIARPUR ZO	57	110	37	26	7	1			181	3.18
JAIPUR ZO	59	142	51	18	7	1			219	3.71
JALANDHAR ZO	77	166	61	33	9		1		270	3.51
KOLKATA ZO	88	191	76	48	7	4	1		327	3.72
LUCKNOW ZO	97	209	64	53	10	2	1		339	3.49
LUDHIANA ZO	76	157	66	29	13	3			268	3.53
MUMBAI ZO	41	114	46	19	19	3	1		202	4.93
NOIDA ZO	50	110	45	30	7	1			193	3.86
PANCHKULA ZO	75	206	55	28	8	2	1		300	4.00
PATIALA ZO	83	171	71	26	10	1			279	3.36
VIJAYAWADA ZO	43	108	44	25	9	4	1		191	4.44
Grand Total	1709	3785	1647	1041	332	89	34	13	6941	4.06

Recent developments in our banks particularly transfer of officials have highlighted several issues. Transfers are being based on the Man Power Planning (MPP) and highlighted certain zones are excess and certain zones are deficit. But while assessing, in reality the average number of staff in each zone is only slightly varied, with differences of plus or minus one. There is no significant variation in the average staff strength across zones. This situation indicates that future manpower needs, particularly for the next 1-3 years, have not been properly assessed. Consequently, this inadequacy is impacting both existing branches and the establishment of new branches. The Bank has planned to open more than 100 branches this year, but the lack of adequate manpower is hampering this process.

Moreover, female officials have been disproportionately affected by this year's transfer decisions. This issue contradicts the HRD initiative highlighted in the Bank's annual report for 2023-24, which launched the 'Women Mentorship Programme - PSB Sakhi' under the theme, "Invest in Women: Accelerate Progress."

Moreover the MPP is not implemented in most of the zones. If the policy is not implementable why the transfers are being made based on that policy.

The AIPSBOF is committed to ensuring fair and equitable treatment for all its members. and AIPSBOF the recognized majority union of our bank demand formulation and implementation of new transfer policy in accordance with MOU dt.09,02.2023. We believe that addressing these concerns is essential for maintaining a productive and satisfied workforce.

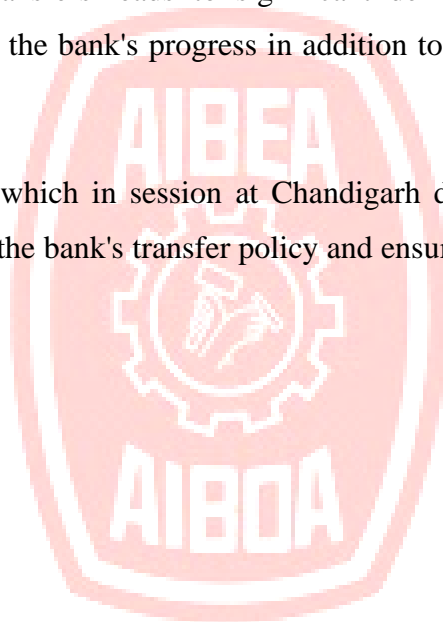


3. Cost of Transfer:

According to a report submitted by Canara Bank in response to a Parliamentary Q&A, on average, 33% of officials are transferred within the bank. The Central Vigilance Commission (CVC) guidelines stipulate that officials should not remain in the same city for more than six years, a policy also reflected in our bank's transfer policy. With nearly 6,900 officials in our bank, this implies that approximately 2,300 officials are subject to transfer. If the average cost of transferring an officer is ₹1 lakh, the total transfer cost for our bank amounts to approximately ₹23 crores.

Furthermore, studies indicate that public sector banks experience an average business loss of 2-5% due to transfers. In our bank, with 2,300 officials being transferred, an average of 10-15 days of work is lost due to the time required for taking charge or joining period leave. This high level and frequent transfers leads to significant de motivation among the officer community, which hampers the bank's progress in addition to that it will significantly affect customer service also.

Therefore, The AIPSBOF, which in session at Chandigarh demand of the management to minimizing transfers as per the bank's transfer policy and ensuring greater transparency in the process.



4. Attrition in our Bank:

The bank incurs significant costs for the development of human resources. When an employee leaves the bank after 2 to 3 years, it results in a substantial loss. On average, the bank spends approximately ₹20 to ₹25 lakhs per official on salary for 3 years in addition to that bank will incur costs for benefits to officials such as lease, petrol, and costs related to recruitment and transfers. If 100 officials leave the bank (amounting to around ₹20 to ₹25 crores), the investment made in developing those officials is effectively lost.

Dissatisfaction with transfer policies can lead to higher attrition rates, as employees may seek opportunities elsewhere where they feel more valued and secure. The More attrition and dissatisfaction make it challenging for any organization to attract and retain skilled talent, impacting the bank's ability to maintain a stable and experienced workforce.

AIPSBOF conference being in session at Chandigarh demands the management for conducting proper exit interviews for departing officials to assess the reasons for their exit, such as concerns related to transfers or issues with growth and promotional opportunities.



5. Strategic Implementation of EASE Reforms 7.0 – Focus on Employee Development and Manpower Management

A. Addressing Manpower Mismatches and Enhancing Coordination:

- Develop a data-driven approach to assess and address the mismatch in manpower supply and demand.
- Ensure that manpower needs are evaluated based on factors including branch specialization, category (location, business volume, RAM level, and NPA level), and emerging business requirements.
- Improve coordination among departments to eliminate gaps and streamline the recruitment and deployment process.
- Establish a centralized dashboard to track zone-wise vacancies and facilitate transparent transfer requests.

B. Promoting Transparency and Fairness in Transfers: Merit-Based Transfers:

- Transfers and placements will be governed by merit and seniority to ensure fairness and transparency.
- Minimize preferential placements to uphold the integrity of the process and maintain motivation among field functionaries.

C. Supporting Branch Expansion and Profitability:

- Continue expanding our branch network, focusing on districts where we currently lack a presence. Aim to cover additional districts to enhance our market reach. At present our bank is having present in 335 districts out of 800 districts in India and in South India it has presence in 55 districts out of 146 districts. Ensure that new branches are opened with adequate staffing to achieve profitability by the second year of operation.

D. Employee Skill Development and Retention:

- Implement robust training programs focused on new-age technologies and recent developments in the BFSI sector.

E. Women Empowerment:

- Leverage the 'PSB Sakhi' program to provide mentorship and career advancement opportunities specifically for female officials.

AIPSBOF conference being in session at Chandigarh demands the management for The focus should be given to development of human resources, retaining the talent, to ensure diversity in workplace with special focus on female officials and to focus opening branches in districts where our Bank lack presence.

6. Regulated Working Hours:

AIPSBOF conference being in session at Chandigarh demands the management for Regulated working hours to enhance,

Employee Well-Being: Regulated working hours are crucial for maintaining the health and well-being of employees. Excessive working hours can lead to physical health issues, while regulated hours help ensure that employees have adequate time for rest and personal activities.

Increased Productivity: Research shows that employees who work within regulated hours tend to be more productive and engaged during their work time. Well-rested employees are more focused, make fewer errors, and contribute more effectively to their organizations.

Work-Life Balance: Clearly defined working hours support a healthy work-life balance. By setting boundaries between work and personal life, employees can manage their responsibilities more effectively, leading to higher job satisfaction and reduced absenteeism.

Further, We demand respect the personal time of officials,

Regulated Communication Hours: Strict instructions should be issued to all field functionaries to avoid contacting officials outside of standard working hours, specifically between 8:00 PM and 8:00 AM, unless absolutely necessary. This measure is intended to protect employees' personal time and reduce the risk of burnout. The communication outside these hours is to be made only in unavoidable circumstances, As for as possible minimum disruptions and respect employees personal time as much as possible.

AIPSBOF conference being in session at Chandigarh demands the management to emphasize the work life balance of the officers, by adhering to the regulated working hours to the officers.

7. Avoid misselling of third party products, concentrate on core banking activities and Customer service:

“Banks must ensure their employees understand that the primary responsibility is to serve a customers’ financial needs, while maintaining a focus on targets, said Swaminathan J, deputy governor, Reserve Bank of India”

And the Banks earn meager profit out of third party products and mostly our low cost CASA amount being utilized by customers for purchasing those third party products.

Public Sector Banks and the percent of contribution of Insurance income on their total profit for FY 2022-23 as follows.

Amount in Rs. Crore

Public Sector Banks	NET PROFIT	LIFE INSURANCE INCOME	Percent of Life insurance income on total profit
SBI	50232	2039.92	4.06
PNB	2507	310.39	12.38
BOB	14110	212.85	1.51
UNION BANK OF INDIA	8433	233.69	2.77
INDIAN BANK	5282	100.37	1.90
INDIAN OVERSEAS BANK	2099	3.24	0.15
CENTRAL BANK OF INDIA	1582	78.86	4.98
BANK OF INDIA	4203	140.36	3.34
UCO BANK	1865	33.73	1.81
BANK OF MAHARASTRA	2602	18.45	0.71
PUNJAB AND SIND BANK	1313	19.75	1.50
CANARA BANK	10604	300.11	2.83
	104832	3491.72	3.33

While the contribution of life insurance business income to the bank's overall profit is currently minimal and does not significantly impact the bank's bottom line, life insurance remains an integral part of our operations. As responsible bankers, the first priority is to ensure that insurance coverage protects at least up to the loan amount. This practice helps safeguard depositors' money, manage capital cost provisioning, and mitigate delays in loan recovery in the event of a borrower's death.

AIPSBOF conference being in session at Chandigarh demands the management to involve the officers for sourcing core business of the bank without pressurizing the bancassurance business.

8. Anomaly in Pay:

Anomaly in DA between the LIC Officers and Bank Officers w.e.f 01-08-2021 , 5 Days week has been already been implemented from 01-09=2021. In the wage revision, D.A Calculations from 1960 to 2016 is to be reviewed as other industries are not taking the same for calculation of D.A. AIPSBOF conference being in session at Chandigarh demands that the anomalies requires immediate correction.

We, as All India Punjab and Sind Bank Officers Federation- Regd. Code-91 (AIPSBOF) are committed to save our Bank, Punjab and Sind Bank.

