



ALL INDIA BANK EMPLOYEES' ASSOCIATION

(Central Office : Chennai)

Singapore Plaza, 164, Linghi Chetty Street, Chennai-600001

ALL INDIA BANK OFFICERS' ASSOCIATION

(Central Office : Chennai)

AK Nayak Bhavan, 14, 2nd Line Beach, Chennai-600001



CIRCULAR TO ALL UNITS & MEMBERS

READ AND CIRCULATE

March, 26, 2017

Dear Comrades,

Demand withdrawal of heavy penalty charges by SBI for banking services, for minimum balance in Accounts, etc.

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Units are aware that recently State Bank of India has imposed various penalty charges for non-maintenance of minimum balance in savings accounts and for availing various services from the Bank. It is very strange that Banks are running for CASA deposits and savings accounts everywhere but at the same time SBI wants to penalize the banking public.

According to recent instructions notified by SBI, maintenance of Rs 5,000 is mandatory for accounts in metropolitan areas, Rs 3,000 in urban areas, Rs 2,000 in semi-urban areas and Rs 1,000 in rural areas. If the above minimum balance is not maintained, there would be penalty charge from Rs. 50 to Rs. 100.

Similarly, if an account holder does more than three cash deposits in his account or four cash withdrawals from the Branch in a month, there would be penalty charges. There are many other additional charges for different types of services that would be levied on the banking customers.

At a time when bank accounts are being made mandatory for every type of transaction and Government is pushing its plan to make everyone open bank account, such heavy penalty in the name of service charges are unfair on the part of State Bank of India. These measures would obviously hit the common and general banking public and not the rich clientele. It is strange that when big corporate companies and business houses are extended all types of concessions for various services availed by them from the Banks, the common bank customers who maintain bank accounts for their personal needs are being punished with heavy charges.

It is being justified by the management that these charges are inevitable in view of the cost of transactions involved. But the question is when Banks can afford to waive so much of interest revenue while waiving loans to big borrowers who default loans, the management becomes so conscious about cost when comes to the common man.

It is a matter of public knowledge that year after year, banks are writing off huge bad loans and providing hundreds of crores towards defaulted loans of rich borrowers from the hard earned profits of the Banks.

Where the profits go: Table showing actual profits earned by SBI, amount provided from profits towards bad loans/contingencies and net profits shown.

P.T.O.

(Rupees in crores)

	Actual Operating profits earned	Provisions made for bad loans and contingencies	Net profit shown
2006-07	10,000	5,458	4,542
2007-08	13,107	6,378	6,729
2008-09	17,915	8,794	9,121
2009-10	18,320	9,154	9,166
2010-11	25,335	17,071	8,264
2011-12	31,573	19,866	11,707
2012-13	31,082	16,977	14,105
2013-14	32,102	21,218	10,891
2014-15	38,914	25,812	13,102
2015-16	43,258	33,307	9,951
In last 10 years	2,61,606	1,64,035	97,578

Thus, one can observe that every year, huge amounts of profit earned by the Bank are spent to adjust the bad loans on account of default by big and rich borrowers. This is the case with every Bank.

If effective measures are taken by the management to recover the bad loans from the rich borrowers, Bank's profits would be doubled and trebled and many banking services to the common people can be extended at much cheaper rates. Interest on Savings and other Deposits can be increased.

But we find that the rich are enabled to enjoy all concessions and the burden of their default and non-payment of loans is sought to be put on the common banking public.

To convey our protest over this unfair decision of the Bank, we call upon all our unions and members to observe the following programme:

- 1. Letters to Finance Minister (draft enclosed).**
- 2. All India Demands Day by Badge Wearing on 12-4-2017**
- 3. Display of posters**
- 4. Demonstrations in all State Capitals and in all major towns and centres (on any date between 4th and 8th April, 2017)**

We request all our units to observe these programmes successfully.

With greetings,



(S. NAGARAJAN)

GENERAL SECRETARY, AIBOA

Yours comradely,



(C.H. VENKATACHALAM)

GENERAL SECRETARY, AIBEA

REPRODUCED BY

ALL INDIA KARNATAKA BANK EMPLOYEES' ASSOCIATION, (REGD.)

&

KARNATAKA BANK OFFICERS' ORGANISATION (REGD.)

MANGALORE

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