ALL INDIA BANK OFFICERS' ASSOCIATION

CENTRAL OFFICE

2nd Floor, 109/10, Angappa Naicken Street,

CHENNAI - 600 001

Ph: 25265511/Mobile: 98406 45081 Fax: 044-25249081 / E-mail: aiboa.hq@gmail.com Website: www.aiboa.org

Circular No.5/IX/2026
21.08.2026.

TO

ALL STATE COMMITTEES / AFFILIATED UNITS:

Comrades,

REALITY OVER RHETORICS
DISCUSSION HELD BY IBA
ON PROFIT / PERFORMANCE-LINKED INCENTIVE

* * * * *

The Indian Banks' Association (IBA), with a view to finding an amicable resolution to the issues involved in the industrial dispute concerning Profit/Performance-Linked Incentive (PLI), convened a meeting at Mumbai yesterday.

2. IBA was represented by Shri A.K. Goel, Chief Executive; Shri Gopal Murli Bhagat, Deputy Chief Executive; Shri Arvind Mishra, Senior Advisor (HR & IR); and Shri S. Sankararaman, Advisor (HR & IR). Our Organisation was represented by the undersigned along with representatives of all the eleven participating organisations.

3. Government of India, vide its communication dated 19.11.2024, enlarged the coverage of Performance-Linked Incentive from Scale IV up to Whole-Time Directors. The annualised pay under the scheme ranges from 255 days to 365 days. Immediately on receipt of the communication, our Organisation submitted its suggestions to the Department of Financial Services (DFS) in December 2024, seeking proportionate PLI for officers, as the existing arrangement would leave 3,54,937 officers, constituting 89.42% of the workforce, demotivated despite shouldering higher responsibilities.

4. It may be recalled that the concept of Institution-based Profit and its sharing was secured through a bilateral understanding at the industry level on 11.11.2020, covering all cadres in the banking industry. The benefit then ranged from 5 days to 15 days of **Basic Pay plus D.A.,** depending upon the profit earned by the Bank.

5. Subsequently, the industry-level understanding underwent a change from a **profit- based model** to a **performance-based model,** with performance to be assessed on 5 business parameters out of the 8 suggested parameters, to be mutually decided between the Unions and individual Bank Managements. The understanding also provided for a quarterly review. However, these review meetings have not been implemented by the Banks.

6. Meanwhile, eight Unions gave a call for strike action in March 2025, projecting **recruitment** as one of the prominent issues. Our Organisation, however, consistently focused on the **foreignisation of IDBI,** besides demanding PLI for officers on a footing comparable to Executives and Whole-Time Directors, along with other important issues affecting officers.

7. While PLI has since been extended by the Banks up to Scale III officers, officers in Scales IV to VII continue to remain excluded. Further, in addition to the industry-level understanding on

PLI, ***the SBI workforce has received additional incentives during the last two years under the CDS Scheme, based on its internal performance ranking system of "AAA", "AA" and "A".***

8. The issue continues to remain unresolved before the conciliation forum and is now awaiting judicial intervention. The matter is listed for hearing in the High Court of New Delhi in October 2026.

9. During yesterday's meeting with IBA, our Organisation placed the following viewpoints firmly before the authorities:

- **The understanding reached with IBA provided for a review of the performance parameters. However, while shifting from the profit-based system to performance-based assessment, the Banks have not conducted the stipulated quarterly review meetings with the Unions.**
- **The bell-curve method adopted by private sector banks, including ICICI Bank, for individual performance assessment has already been discontinued, being considered an outdated methodology. Such models, therefore, cannot be allowed to become the basis for determining PLI for officers.**
- **The benefit of PLI should cover the entire workforce, with annualized pay being extended proportionately to the workforce, on the lines of the benefit available to Executives, taking into account their responsibilities and contribution.**
- **The communications addressed to the then Secretary, DFS, Shri M. Nagaraju, as well as to the Hon'ble Finance Minister, Government of India, by the three Officers' Organisations—INBOC, NOBO and AIBOA—were also submitted before IBA. These communications clearly set out our position and demand for a fair and proportionate PLI for officers.**

10. The meeting lasted for about 65 minutes. We have once again made our position clear that the issue cannot be addressed through rhetoric or selective application of performance criteria. Equity, fairness and proportionate recognition of the contribution of officers must remain the guiding principles.

We shall keep our State Committees and affiliated units informed of further developments as and when they take place.

Yours comradely,

(S.NAGARAJAN)
GENERAL SECRETARY

REPRODUCED BY KARNATAKA BANK OFFICERS' ORGANISATION (REGD.) MANGALURU-575 003

Mangaluru
22.08.2026

(SURESH HEGDE S)
GENERAL SECRETARY

ALL INDIA BANK OFFICERS' ASSOCIATION	**... ... ...**	**ZINDABAD**
KARNATAKA BANK OFFICERS' ORGANISATION	**... ... ...**	**ZINDABAD**
OFFICERS - WORKMEN UNITY	**... ... ...**	**ZINDABAD**