

# SYNDICATE BANK EMPLOYEES' UNION (REGD)

(AFFILIATED TO AIBEA)  
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11<sup>th</sup> TO 14<sup>th</sup> NOVEMBER 2013

## SBI not to merge any associate bank this fiscal

MUMBAI, NOV. 13: BL ,OUR BUREAU



Arundhati Bhattacharya, Chairperson, State Bank of India, and A. Krishna Kumar, MD & GE (NB), announcing the bank's results in Mumbai on Wednesday.

### State Bank of India has gone back on its plan to bring one of its associate bank's under its fold in the current fiscal.

"For the time being, the associate bank merger is on the backburner. **Nothing is going to happen till March 31, 2014,**" said S. Vishvanathan, Managing Director, Associates and Subsidiaries.

In August, the then chairman of the bank, Pratip Chaudhuri, had said that SBI will merge one of its associate bank with itself by end of September.

He had further added that it could be a bank with a weak retail base leading to widespread speculation that the bank to be absorbed could be State Bank of Patiala.

SBI has five associate banks — State Bank of Hyderabad, State Bank of Mysore, State Bank of Travancore, State Bank of Bikaner and Jaipur and State Bank of Patiala.

Arundhati Bhattacharya, the incumbent SBI chief, said, "We need to do a little more consolidation on our side before we take that (another bank) on. It is not off the table, but at this point we need to pay attention to what we are doing in a better manner."

A top executive at the SBI said that there is a new chief at the helm and priorities change when a new person assumes charge.

Another reason why the associate bank merger has been delayed could be because the country's largest lender is grappling with higher staff expenses. Staff expenses at SBI rose 36 per cent in the latest reporting quarter to Rs 5,819 crore. The bank will also have to pay higher salaries for employees of the merged bank. SBI is the highest paymaster among public sector banks.

## **PM to inaugurate Mahila Bank on Indira Gandhi's birthday**

PTI NEW DELHI, NOV 14:

Prime Minister Manmohan Singh and UPA Chairperson Sonia Gandhi will inaugurate country's first all-women Bharatiya Mahila Bank in Mumbai on November 19, the birth anniversary of former Prime Minister Indira Gandhi.

With the inauguration of the bank, seven branches would become operational across the country, including Kolkata, Chennai, Ahmedabad and Guwahati.

Finance Minister P Chidambaram will attend the inauguration of Mahila Bank by the Prime Minister, sources said, adding that the UPA chairperson will grace the occasion.

Headquartered in Delhi, the bank proposes to have 25 branches by March 31, 2014.

It will be inaugurated in Mumbai as the model code of conduct is in force in Delhi which is going to polls in December.

Earlier this month, Finance Minister P Chidambaram had said: "Whether we can do it on November 19, whether we can do it in Delhi or in other city, these are matters my secretary is talking to the Election Commission."

In Budget 2013-14, the Finance Minister had announced setting up of all-women bank with an initial capital of Rs 1,000 crore.

“Women are heads of many banks today, including two public sector banks, but there is no bank that exclusively serves to women. Can we have a bank that lends mostly to women and women-run businesses, that supports women SHGs and women’s livelihood, that employs predominantly women, and that addresses gender-related aspects of empowerment and financial inclusion? I think we can,” Chidambaram had said.

The Reserve Bank of India gave its in-principal approval for the Bharatiya Mahila Bank to be headquartered in Delhi in June and the banking company is being set up.

Earlier this week, the government appointed Usha Ananthasubramanian as the Chairperson and Managing Director of the bank.

Before joining Bharatiya Mahila Bank, she was an executive director with Punjab National Bank.

## **Govt appoints first chief of Bharatiya Mahila Bank**

K. R. SRIVATS NEW DELHI, NOV. 11:



Usha Ananthasubramanian

The Centre has appointed Usha Ananthasubramanian as the first Chairman and Managing Director of the Bharatiya Mahila Bank, the country’s first all-woman bank.

She is currently an executive director at Punjab National Bank, a leading public sector lender.

Besides a post-graduate degree in statistics from the University of Madras, she also has a master’s degree in ancient Indian culture from Bombay University.

Bharatiya Mahila Bank is expected to be formally launched at Mumbai on November 19, which happens to be birth anniversary of former Prime Minister Indira Gandhi.

Usha Ananthasubramanian has over three decades of banking experience. She is the wife of Ananthasubramanian, currently the President of the Institute of Company Secretaries of India.

## **Study: Bad loans of 14 listed banks grew more than 50% in first half**

OUR BUREAU CHENNAI, NOV 14:

The net non-performing assets (NPAs) or bad loans of 40 listed banks jumped by 38 per cent (around Rs 35,424 crore) in the first six months of the current financial year ended September 30, 2013, according to a study done by NPAsource.com, an online portal that focuses on the resolution of stressed assets.

The net **NPAs of 40 listed banks rose to Rs 1,28,533 crore as on September 30, 2013, from Rs 93,109 crore as on March 31, 2013.**

Of the 40, about **14 banks have reported more than a 50 per cent jump in net NPAs** during the six months. According to the portal's analysis, the share of the top ten banks in net NPAs has come down to 68 per cent in September from 70 per cent in March 2013. Also, the NPAs of seven banks was higher than 3.5 per cent as on September 30, 2013.

Top public sector banks such as State Bank of India, Bank of Baroda, Punjab National Bank, Central Bank, IDBI Bank and Union Bank have all reported more than a 30 per cent rise in net NPAs during this period.

Devendra Jain, CMD of Atishya Group, the owner of portal NPAsource.com said, "**Net NPAs in the banking system are likely to touch Rs 1.5 lakh crore** by March 2014 as two more quarters remain in the current fiscal year and the situation is worsening every quarter.

"With interest rates expected to remain high at least for the remaining fiscal and the Indian economy and corporates in poor shape, banks have a tough road ahead. Further pressure on NPAs will come in next two quarters as many restructured loans of last year will get converted to NPAs," Jain said.

**Gross NPAs as on September 30, 2013, stood at Rs 2.29 lakh crore**, 27 per cent higher when compared to Rs 1.80 lakh crore as of March 31, 2013, for these 40 listed

banks. "It may be noted that the growth rate of net NPAs at 38 per cent was significantly higher than the 27 per cent growth rate for gross NPAs," Jain added.

According to NPAsource.com, the gross NPAs of listed banks has doubled since September 30, 2011, while the net NPAs have risen by 2.4 times or 140 per cent during the same period.

## **AIBEA decides: 5<sup>th</sup> December, 2013 ALL INDIA DAY AGAINST GROWING NPAs**



**AIBEA from its Central Committee meeting held at Allahabad on 12<sup>th</sup> and 13<sup>th</sup> November, 2013 has decided that bank employees will observe 5<sup>th</sup> December, 2013 as ALL INDIA DAY against the growing NPAs in Banks and demanding stringent measures to recover the bad loans especially from the corporate and willful defaulters.**

## **Staff to protest against new bank licensing policy**

L. N. REVATHY COIMBATORE, NOV. 11:

Bank employees are planning a march to Parliament on December 11 to voice their protest over the Government's new bank licensing policy.

"Banks can play a vital role at times of industrial recession/ slowdown, provided they are regulated with proper guidelines. The public sector banks have to be strengthened and regulated. This is not an appropriate time to allow new banks," said C. H. Venkatachalam, General-Secretary, **All India Bank Employees Association**

"Just like the Debt Waiver Scheme, the **Government should make a budgetary provision for impact of losses the banks face on account of bad loans,**" he suggested, adding, " the idea of giving bank licences to corporate houses can be highly risky as they are involved in scams." Around 30,000 bank employees are expected to take part in the Morcha on 11<sup>th</sup> and 12<sup>th</sup> Dec. 2013.

# Over 34,000 PSU bank branches set to lose Windows XP support: Study

PTI NEW DELHI, NOV 12:

Over 34,000 branches of Indian public sector banks would become vulnerable as the popular Windows XP operating system would no longer be supported by Microsoft in about 150 days, shows a study conducted by the software giant.

The study on the Indian banking sector, conducted by Ascentius Consulting on behalf of Microsoft, said penetration of Windows XP in the sector is as high 70 per cent.

"Some 34,115 Indian PSU bank branches are at risk, thanks to their reliance on Windows XP. Windows XP will no longer be supported by Microsoft, beginning April 8, 2014, but the study shows that the penetration of Windows XP in the banking sector is still high at 40-70 per cent," Microsoft said in a release.

Amongst the greatest risks facing banks that maintain their Windows XP installations, despite the end of support, are their ability to respond to customers and manage waiting times, it added.

"The fiscal impact of this could be as much as a loss of business opportunity worth Rs 1,100 crore in a day and a loss of income worth Rs 330 crore over a period of 3 days (assuming that a major incident may take 3 days for the systems to come up to normal functioning)," the study said.

A large number of branches that rely on XP, especially in the rural and semi-urban areas may go down and therefore completely "deny service" to customers, it said.

In metro and urban branches, the impact may be as great as 55 per cent of customers face an extended waiting time of up to 30 minutes for an average transaction.

According to a recent Microsoft security intelligence report, XP users are 6 times more likely to be infected than users of modern operating systems like Windows 8.1, despite encountering same amount of threats. XP users are also 21 times more vulnerable.

Microsoft further said that as per a study by research firm IDC in India, companies are prone to spend three times more if they do not put a planned migration strategy in place from the outset.



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