



UNION BANK EMPLOYEES' UNION - TAMILNADU

(Affiliated to AIBEA & AIUBEA)

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Dear Comrade,

Sub: **Back to Back MOU**
Its Features and the Drama of Officers Federation

We vide our circular GS/3/112/17 dated 1st July have informed our members about the signing first MOU on 29th March 17 and its background, the details of discussions held with the Bank Management in framing the back to Back MOU, our suggestions in deciding the parameters to protect the employees' & the Bank's interest and the execution of 2nd MOU by us on 29th June 17. We also conveyed as to how the AIUOBF boycotted the meeting on 29th June to delay the execution of 2nd MOU to have quit pro-quo arrangements to derive some individual benefits and also their attempts to derive mileage by making false accusations against us.

Normally, we do not engage in acts to criticize other unions or questioning their wisdom as long as they remain confined to the code of discipline. But AIUBOF having failed in its agenda of deriving quit pro-quo adjustments with the management on 30th June was attempting to lower our image by leveling false and mischievous allegations against us on our signing the MOU. Hence we were left with no alternatives to expose them. We through our circular 112/17 not only countered them but also exposed them.

In the Bank, over last 10 days, the officers and employees had been witnessing the whatsapp war, in which, we, with our facts, figures, arguments and submissions not only over threw the false allegations made against us but silenced & exposed those who were misguiding the employees and officers. The employees supported and encouraged us to come out with the facts to make the people aware of the truth. We explained all the facts attached to the MOU, checks & balances inserted by us in the MOU to protect the employees' interest as well as Bank's and the drama of Officers Federation and the employees have overwhelmingly supported our action. We also conveyed that AIUBOF who was projecting as an organization that is resisting the

MOU is looking out for means to save its face to sign the same MOU and will eat its own words as there is no other alternative for it.

Finally our stand is vindicated now and the so called champion of officers – AIUBOF had signed the same MOU on dotted lines. Its attempt to have quit pro quo on some of its individual issues also failed. After all these, even now, AIUBOF is attempting to misguide the employees and officers with its innovative false arguments to justify their signing the MOU. In the process it is getting exposed further as people are laughing at them. Hence it is for the officer's community to question the AIUBOF for taking the membership for a ride and misguiding them.

However for the information of the workforce we furnish here under the salient features of MOU and its comparative position with other Banks:

- 1) For other Banks the MOU is for Turn Around programme where as our Union Banks MOU is for efficiency improvement. When the MOU for other Banks envisages achieving industry standards, Union Bank MOU envisages for improving its performance. Thus the Purpose and object of our MOU have been clearly and distinctly made different.
- 2) The MOU allows the Bank to adapt to all kinds of resource mobilization and lending as it was doing till now. No restriction is imposed on business making.
- 3) In the last year the cost to income ratio has come down by near 6%. However MOU projects to reduce the cost to income ratio by 3% in next three years at reduction of 1% every year and the same is negligible. Such reduction is not by curtailing expenses but through increase of income that is projected at reasonably achievable rate. This will enable the Bank to meet its operational expenses arising out of expansion etc.
- 4) There is no curtailment for recruitment and Bank is permitted to go for recruitment to meet its need that will include natural wastages and expansion. Accordingly the Bank will recruit in the future to ensure that total number of employees in next 3 years is increased from 36877 as at 31st March 2017 to 38688 in March 2020. Such projections have been made by factoring the increase in number of outlets, new activities, usage of alternate channels, technological innovations and other expansion.
- 5) The Employee expenses for next 3 years have been projected by taking in to account average increase on account of normal increments and other

benefits, inflation, and the wage revision rise. Thus we have ensured no compromise in staff benefits and staff welfares.

- 6) Bank will reserve its right to open branches but by taking in to account the digitalization and government's directions on cash less economy. It was decided that Bank will expand every year with number of branches at 0.5% of number of branches at the end of previous year. Besides it is also decided to relocate our existing branches to new locations to leverage its further growth.
- 7) Bank will not dispose of its non- core investment. This means that Bank will not sell its non-core investment to raise capital but confident of raising capital from the government and or from market.
- 8) Bank has 260 loss making branches out of which 22 are loss making loss for the last 5 years. Bank will ensure turn round of these branches or for rural and semi urban branches the Bank will relocate or close with the consent of the district authorities.
- 9) Bank has already board approved plan to raise capital through market issue or issue of shares to government.
- 10)The projections in 1) arresting slippages 2) recovery & gradation been made keeping in view the conditions of accounts, availability of assets, market conditions and other factors connected to it. Even sale of NPA to ARCs will be minimal but as per Bank's policy ensuring no loss to the Bank.
- 11)Over all projections of the Bank in all parameters and in all areas are in sync with the business plan figures decided.
- 12) There will be committee consisting of representatives of AIUBEA and Top Management to decide strategies and implement & monitor the same. This gives us an opportunity to keep watch & vigil to protect interest of all.

Thus we have protected Bank's interest to ensure that it continues to carry on its business without any restrictions to reach the set targets that are reasonable and in sync with our past performances.

We have not compromised with the employees' benefits, welfares, and promotions. We have also ensured the comfort level of employees since Bank will provide good working conditions as there are no restrictions on its operating expenses. But we should learn to curb wasteful expenses.

Our employees should function with professionalism to discharge their role and responsibilities leading to more efficiency.

Now it is for the people to judge as to who was conveying the truth and who emerged as the champions of employees' as well as officers' cause. The truth has prevailed more glaringly to show it is AIUBEA and AIUBEA alone can ensure the future of employees as well as Bank's.

With Greetings,

Yours Comradely,

(A.Chidambaram)
General Secretary