

ALL INDIA UNION BANK EMPLOYEES FEDERATION

C/o Union Bank of India
15 India Exchange Place
Kolkata - 700 001
Email : aiubefhome@gmail.com

14th November 2018

Circular No. 65/XVI/2018

To All Units and CC members &
Woman Sub-Committee Members

Dear Comrades,

Dilution of Government's holding in the Bank and weakening Trade Union Movement

We reproduce below full text of our letter sent to the Managing Director & CEO today on the above issue for your information and circulation among all sections of employees.

With Greetings,

Yours comradely



Jagannath Chakraborty
General Secretary

Full text of the letter :

“ We have learnt that the Board of Union Bank of India in its meeting held on 12.11.2018 has cleared a proposal to raise upto Rs.600 crore by issuing shares to the employees under the Employee Share Purchase Scheme. With this the Government's holding in the Bank will come down from 67.43%. Bank is now in comfortable position as it has admitted that the Capital Adequacy Ratio of the Bank under Basel III is 11.55 per cent as on September 30, 2018 as against 11.45 per cent as on June 30, 2018 compared to minimum regulatory requirement of 10.875 per cent . The Tier I ratio as of September 30, 2018 is 9.02 per cent , within which Common Equity Tier 1 ratio is 7.54 per cent compared to regulatory minimum of 7.375 per cent, which does not warrant raising capital of through sale of shares.

The route has been chosen under Employee Share Purchase Scheme, which, as understood, offers a very straightforward method of allowing employees to participate in the overall profitability of the Bank while the fact is that by dint of unstinted contribution of employees although the Bank could earn Operating Profit to the tune of Rs.7539.57 crores for the year ended 31st March 2018, it miserably suffered a net loss of

Rs.5247.37. Naturally, it appears that the route is an attempt of indirectly / psychologically making the employees accountable for the profitability of the Bank in which practically they have no decisive say. Hence, it cannot be overruled that besides diluting Government's holding this attempt also aims at even weakening trade union movement including taking care of strikes under the garb of motivating employees towards earning more and more profit.

We hereby lodge our protest against this move of the Management not only towards privatization of the Bank but also weakening trade union movement. ”