



NATIONAL CONFEDERATION OF BANK EMPLOYEES

(Registered Under the Trade Unions Act 1926 - Registration No. B-2334)

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All letters to be addressed to the General Secretary

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TO ALL AFFILIATES & MEMBERS

Dear Comrades,

**UFBU STRONGLY REJECTS THE IMPLIED ENDORSEMENT OF BANK
PRIVATIZATION IN THE FINANCE MINISTER'S ADDRESS AT DELHI SCHOOL
OF ECONOMICS**

We reproduce hereunder the full text of UFBU Press Release dated 06.11.2025 issued by all Nine Constituents of United Forum of Bank Unions on the captioned subject, for information of all affiliates and members.

With revolutionary greetings,

Yours Comradely,

**(L CHANDRASEKHAR)
GENERAL SECRETARY**

“The United Forum of Bank Unions (UFBU), representing nine trade unions of officers and workmen across all our banks, registers our deep concern and strong protest against the remarks made by the Hon’ble Union Finance Minister during the Diamond Jubilee Valedictory Lecture held on 04th November 2025 at the Delhi School of Economics, University of Delhi.

While responding to a student’s apprehension that privatization may restrict banking services to a privileged segment of customers, the Finance Minister appeared to dismiss this fear and instead projected privatization in a positive light. UFBU categorically rejects this narrative and reiterates that public sector banking has been the backbone of India’s financial inclusion, social justice lending, rural penetration, and national economic stability.

PUBLIC SECTOR BANKS TRANSFORMED INDIA

Bank nationalization in 1969 was not symbolic, it fundamentally reshaped the socio-economic foundation of the country. Public sector banks became the instrument for inclusive and equitable national development.

Achievements made possible only because banks were public institutions:

- Before nationalization, banking served only industrial houses and elite business groups. Public ownership opened the doors of credit to farmers, workers, small businesses, women, weaker sections, and rural citizens.
- From a few thousand urban branches, public sector banks expanded to lakhs of villages. Private banks neither attempted nor intend to serve these regions because rural banking is “low profit.”
- Priority sector lending, agriculture loans, SC/ST credit schemes, SHGs, rural self-employment, student loans, MSME support, and welfare-linked banking became viable only under public control.
- During recessions, economic shocks, and the COVID-19 pandemic, public sector banks stood firmly with the nation, without fear of collapse or customer exploitation.

THE ILL EFFECTS AND RISKS OF PRIVATIZATION

Attempts to glorify privatization overlook ground realities and the lessons of history:

- Private banks lend only where profits are high. They close unprofitable branches, increase charges, outsource work, and ignore weaker sections.
- Rural and semi-urban India will suffer financial exclusion. Critical national obligations such as Jan Dhan, DBT transfers, pensions, and MGNREGA payments are overwhelmingly executed by PSBs, not private banks.
- Privatization leads to downsizing, contractual jobs, erosion of job security, reduction of reservation benefits, and attacks on trade union rights.
- India has repeatedly witnessed private bank collapses: YES Bank, Global Trust Bank, Lakshmi Vilas Bank, and major governance failures in other private entities. In every instance, public sector banks and the Government support rescued depositors. In a fully privatized system, who will protect the people?
- National assets created with public money will ultimately be handed over to private corporate interests, transferring public wealth into private profit.

ADDITIONAL FACTS THAT CANNOT BE IGNORED

- Public Sector Banks are accountable to Parliament, the CAG, and the people of India. Private banks are accountable only to shareholders.
- Financial inclusion did NOT fail because of public ownership, it failed because corporates defaulted, creating the NPA crisis. Massive NPAs arose due to corporate defaulters, not farmers, small borrowers, or individuals.

- The “twin balance sheet problem” emerged from liberalized corporate lending culture, not from public banking ideology. To blame nationalization is historically and economically incorrect.
- Even internationally, after the 2008 financial crisis, several countries restored stronger public control over banking. India must learn from global experience, not repeat their mistakes.
- Public sector banks are not just commercial banks; they are public utility institutions handling welfare payments, pensions, subsidies, savings and financial safety of ordinary citizens.

REALITY OF TODAY’S BANKING SUCCESS

If Indian banking today stands strong, it is because of resilience built under public ownership:

- Jan Dhan Yojana success: Over 90% executed by PSBs
- DBT transfers during COVID-19: Public sector bank infrastructure
- Priority lending & social banking: Almost entirely driven by PSBs
- Rural penetration & financial literacy: Powered by PSBs

No country in the world has achieved universal banking through privatized banks. To say privatization will still ensure inclusion is not supported by any evidence.

PRIVATIZATION IS NOT "PROFESSIONALIZATION"

Professionalization can be achieved through:

- Capital infusion
- Better governance
- Technology
- Accountability
- Human resource development

But none of these require privatization. Privatization only shifts control of public money into private hands.

UFBU STATES FIRMLY

- Privatization undermines national and social interest
- Privatization endangers financial inclusion
- Privatization threatens job security and public funds
- Privatization benefits corporates, not citizens
- Banking is a social and constitutional responsibility, not a business for profiteering

UFBU DEMANDS

1. A categorical assurance from the Government of India that no Public Sector Bank will be privatized.
2. Strengthening of Public Sector Banks through capital support, technological modernization, and transparent governance, without privatization.
3. Public consultation and parliamentary debate before any decision impacting the rights of depositors, employees, and common citizens.

UFBU'S COMMITMENT

We stand with citizens, employees, farmers, workers, pensioners, and all stakeholders who believe that banks belong to the people of India, not private profiteers.

Public Sector Banks are a national asset.

We will not allow them to be sold.

With revolutionary greetings,”

NATIONAL CONFEDERATION OF BANK EMPLOYEES.....ZINDABAD
UNITED FORUM OF BANK UNIONS.....ZINDABAD
OUR SOLIDARITY.....ZINDABAD
OUR UNITYZINDABAD
INQUILAB.....ZINDABAD