

## Banks shifting focus from core business: AIBEA

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*Employees are being pressured to sell insurance products, says CH Venkatachalam*



CH Venkatachalam, General Secretary, AIBEA  
Coimbatore, August 15:

A policy and enforced regulation to restrict cross-selling of products in banks is the need of the hour, says CH Venkatachalam, General Secretary, All India Bank Employees Association (AIBEA).

Asserting that banks have shifted focus from their core business (of lending and accepting deposits), he said: “Lots of diversion of deposits is taking place in the name of cross-selling. Employees are being pressured to sell insurance products, of which they lack expertise.

“The bank’s infrastructure is utilised by insurance companies in return for a commission and targets are given to bank staff for achieving insurance business — not deposit targets,” he clarified, adding “the AIBEA is going to take up this issue with the government.”

On payment banks, Venkatachalam alleged that the same is strategically designed to divert the hitherto creamy business to private hands and choke the supply line of revenue to public sector banks.

“PSBs earn substantial revenue from small business. If taken out, it will spell the death-knell for PSBs. The government is encouraging such suicidal policies.”

“Interestingly, big players are interested in this business. On the one hand, the government is in favour of merger and acquisition and on the other, it is encouraging small payments banks. This shows the dichotomy against PSBs,” he said, emphasising the need for strengthening PSBs in such areas of banking services.

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“Banking is becoming highly professional, but there is no planning. Banks are tending to cut short on recruitment, while looking to reach out to the hitherto unbanked pockets. About two lakh manpower is needed in the industry,” he said, citing an AIBEA estimate, adding “this could double in the next four to five years as more people retire and with growth in the size of the institution itself.”

(This article was published in the Business Line print edition dated August 16, 2016)