



# ALL INDIA STATE BANK OF INDIA EMPLOYEES' ASSOCIATION

(Affiliated to All India Bank Employees' Association)

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Circular No: 13

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To All Members/Units.

Dear Comrades and Colleagues,

## SBI'S PLATINUM JOURNEY

### 70 Years of Service, Strength, Success...

*On this 1st July 2025, we proudly commemorate the 70th Anniversary of the State Bank of India. Our Bank SBI, serving the national interest, as a financial institution has stood as a pillar of strength in India's economic journey. This Bank shines as a symbol of public trust, and a successful catalyst for inclusive national development. This milestone is not merely a celebration of institutional longevity but a reflection on the extraordinary character of service being rendered by the Bank to the People, strength and stability it imparts to the banking and financial sector and successful transformation that it has brought in the lives from commoners to corporates.*



### The Past...

At the time of India's independence, Banks were largely pro-business-class, pro-profit and purely urban-centric, thus subserving a narrow segment of the society. Progressive thinkers in the Constituent Assembly realized the need for a banking structure that cared for the common People and the regions where they lived, a banking system catering to nation's socio-economic development-goals. Such thoughts led to the formation of the Rural Banking Enquiry Committee in 1950 and later All-India Rural Credit Survey Committee, in 1954, that broadly recommended for banking structures and systems under state-control and ownership for reaching out to the rural masses and for forming of a development-oriented, government-partnered banking institution. The Committees advocated for state-control and ownership of the then Imperial Bank of India, owned and managed by private and foreign investors. Infuriated Imperial Bank bosses termed the report of the Committees as 'irresponsible and uninformed.' Some foreign media observed that it was "Government's lurch to the left." "If Government nationalised Imperial Bank of India (IMB), it will accomplish almost its immediate ruin," stated the then foreigner MD of IMB.

Braving all these derisive and dismissive comments and counter-arguments, ignoring the severe critics of the recommendations, brushing aside the propaganda that such steps would be a failed experiment as 'Indians or Government lacked experience and expertise in properly running a Bank of the size and stature of the Imperial Bank' etc., Government of India went ahead, the first elected Government of independent India with statesman Prime Minister Pandit Jawaharlal Nehru on the helm took a very bold decision to take over the Imperial Bank of India. The genesis of SBI was thus deeply rooted in independent India's broader vision of building a self-reliant economy after

winning freedom from the colonialists. Parliament enacted a legislation for the purpose, by passing of the State Bank of India Act 1955, under which the Reserve Bank of India acquired a controlling stake in the Imperial Bank of India, paving the way for the creation of SBI. Thus, was born State Bank of India on 01<sup>st</sup> July, 1955.

## SBI served the country

SBI's formation thus marked a significant turning point in India's financial system. SBI's services were aligned with the nation's goal of creating a socialistic pattern of society, supported the planning-model and aimed at redirecting banking resources toward priority sectors. This focus and policies and programmes thereof gradually empowered millions of People by bringing formal banking services to previously neglected regions and communities, helping to accelerate socio-economic development of households. In the various phases of India's progress, Bank has played a productive role. During and after the recent pandemic period, the Bank served the People and Nation, focusing on farmers and MSMEs.



SBI was further strengthened in this regard by the annexed princely state banks, those state-associated Banks that functioned in the erstwhile princely-states. These Banks were made subsidiaries of the SBI through a legislation in 1959 and later turned SBI's Associate Banks. These Banks functioning in the SBI Group befittingly served the masses in their domain regions and states with their sound base, customer and financial. It is now history that these well-functioning Associate Banks were merged with SBI for making a 'bigger, better, stronger new SBI'. Whether this merger has served the intended purpose, only time will tell.

On this occasion, our greetings and salutes the Management-Leaders of the Bank from time to time, who commendably steered the institution in accordance with the policy vision of the State and the Act.

## Salutes to the Workforce...

In this journey, the role of the Workforce is commendable. Cutting across cadres, the workforce served the Bank, served the People, in every nook and corner of the country, through the branches of the Bank, braving all difficulties and hurdles. Employees and Officers carried and conveyed the message of the Bank; they transmitted hope in the lives of crores of People who became Customers of the Bank. Greetings and Salutes to the Workforce, past and present.

## The Present

Over the past seven decades, SBI has grown to become India's largest and most trusted banking institution, with a network of more than 22,900 branches in the country in rural, semi-urban, urban and metros, its Workforce of more 2 lacs serving more than 50 crores of Customers, with the Bank having a deposit base of Rs.53 lac crores and loans amounting to Rs.42 lac crores. Operating and net profits are always on the rise. SBI has been at the forefront in implementing successive Five-Year Plans, and government-sponsored financial-funding schemes for the farmers, small industrialists, and small traders, catering to the needs of the productive sectors of the economy, agriculture, industry, and service sectors, for the development of infrastructure and rural economy, consistently endeavoring to embody the spirit of "The Banker to Every

Indian.” All these achievements have been possible thanks to state-ownership, control, management, and policy-setting role.

As one reflects on the remarkable journey of SBI over the past 70 years, policy-makers will be reminded of the original purpose of Bank Nationalization—to ensure that banking reaches the rural household, the doorstep of every Indian, those living in the 6.4 lakh villages that house nearly 69% of our population. Reaffirming this goal is not only necessary but urgent. In doing so, the Policy-makers can empower SBI further and other Public Sector Banks, to rise to the occasion once again and help realize the vision of a society of equality with justice and a truly developed India.



The recent mergers of Banks have resulted in branch closures and in that space, new generation Banks have opened branches thrice the number of PSB-branches closed. The market-share of PSBs have come down and that of new generation private Banks have risen.

SBI and other Public Sector Banks are facing severe shortage of manpower. Bank Managements and Government must go beyond cost analysis and move towards adequate recruitment of staff in all cadres for strengthening services to the People. Thousands of unemployed youth's lives will be transformed if provided with jobs in Banks to fill the requirements.

## The Future

Public Sector-socio-economic-development-mass banking model in India with SBI in the lead with its pro-people commitment, sterling performance and profits has contributed much to nation-building. Public Sector Banking system must further expand. State has a positive and productive role to play, in sustaining and strengthening the system. Unfortunately, the policy-direction in the recent years, since the new economic policy reforms of the 1990s and its continuing new forms are not in tune with the aims and objects of the 1955-legislation and vision.

**Mass Banking must be strengthened:** Structural reforms by way of privatisation of banks, mergers, branch-closures, business-models with emphasis on outsourcing through business-correspondents, subsidiaries, apprentices etc.; all in the name of cost-cutting; co-lendings with private Non-Banking Financial Companies, Micro Finance Institutions etc. abdicating the direct lending role of the Banks, ignoring of depositors' interests leading to movement of savings to speculative markets; unbridled unsecured retail lendings, reckless corporate loan write-offs etc. being pushed by the Central Governments are not in the interests of the People or Public Sector Banks. Such reforms should not become the order of the day or state-policy. It is high time that the policy-makers review their retrograde theories and practices, keeping open their eyes to the empirical evidences and experiences relating to successful public sector banking model.

Despite substantial outreach, still vast sections of India's rural and informal population remain outside the formal banking fold. It is estimated that 185 million bankable individuals in rural India continue to rely on informal sources due to limited accessibility or awareness. This situation is even more concerning given that rural India contributes nearly half of the nation's GDP, even though 86% of its population earns less than ₹100 a day. Bridging this gap must be a top priority for SBI and other PSBs through

deeper rural penetration, simplified products, and delivery of services, and increased financial literacy.

**Towards financial empowerment:** Moving forward, the Banks' vision must evolve beyond basic inclusion to genuine financial empowerment. This requires affordable savings and credit facilities, investment in digital banking infrastructure, promotion of small-ticket investments, and stronger public outreach in underserved geographies. It also calls for SBI and other PSBs to play a proactive role in economic upliftment through trust-building and customer education.

India's unorganized workforce, particularly in agriculture and allied sectors, continues to suffer from limited access to formal credit. SBI must take the lead in designing and delivering microfinance and tailored credit solutions that cater to this segment.

**On this occasion, AISBIEA's Best Wishes to the Bank. May our Bank's vision, Mission and Values translate into action in full. Greetings to All the Stake-holders of the Bank, to All our Customers, Bank-beneficiaries.**

**AISBIEA's Greetings to all our Comrades and Co-workers.**

Yours Comradely,



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