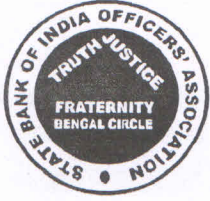


STATE BANK OF INDIA OFFICERS' ASSOCIATION



(BENGAL CIRCLE)

(Registered under Trade Unions Act 1921-Regd. No. 6908)

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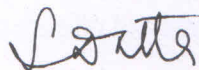
Circular No. 03/2016

Date : 04.01.2016

To All Members (Please Circulate)

We reproduce hereunder the Letter No. 6466/04/16 dated 02.01.2016 issued by General Secretary, All India State Bank Officers' Federation, the contents of which are self-explicit.

With revolutionary greetings,


Soumya Datta
(General Secretary)

TO ALL OUR AFFILIATES / MEMBERS :

No. 6466/04/16

Date: 02.01.2016

The Deputy Managing Director & CDO,
State Bank of India,
Corporate Centre,
Madame Cama Road,
MUMBAI - 400 021.

Dear Sir,

UNDUE PRESSURE FOR CROSS SELLING

❖ The Bank has been doing SBI Life business ever since inception of the subsidiary. It is an indisputable fact that our staff are behind the success of SBI Life, as the business it garners is without much cost on them and is dependent on the Human Resources and infrastructure that we provide.

❖ It is our duty to bring the fact to your notice that in an over anxiety to do SBI life business, Over the years, many branches have been steadily shifting their focus from the Core Banking Business to Insurance Business. This has resulted in the erosion of our deposits, as most of our deposits are slowly converted to SBI Life products. We are glad to know that the Corporate Centre has stressed on the need for increasing our CASA deposits. But of late, the target for many seems to be conversion of the Fixed Deposits of our Bank into SBI Life products for which the staff working at the Fixed Deposit counters and Branch Managers are pressurised. We understand that recently, clerical staff working in Fixed Deposit seats in a particular circle have been called to the SBLCs and asked to concentrate on Cross Selling. Most of the ignorant, illiterate and semi-literate customers of our rural and semi urban branches are easy prey to such misselling efforts, of promoting SBI Life products at our Fixed Deposit counters. There have been many instances in the recent past, when many of our customers had lost their hard earned money invested in alternate products and mutual funds on the wrong assurances about the investment returns. One of the reasons for the reduction of the CASA deposits is our MDRTs targeting it to earn their honours and incentives.

❖ Misselling is on the rise, basically due to the excessive pressure exerted by some of the executives, for reasons best known. The best part of the working hours of staff at all levels is spent on promoting and

Soumya Datta
General Secretary
Mobile : 9830044737

State Bank of India officers' Association

(BENGAL CIRCLE)

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selling SBI Life products. The video and audio conferences, review meetings and personal visits of the controllers completely focus only on SBI Life and Cross Selling business. There have also been instances of SBI Life staff calling our staff at branches and threatening them for poor performance. The presence of SBI life officials at various preview meetings adds to the pressure.

❖ On many instances, Loan sanctioning authorities are understood to have declined sanctioning of even quality loans, if the customers do not invest in SBI Life. Very often, the borrowers fail to repay because of the manner in which some are forcing SBI Life products on them and also due to the repayment liability shooting up on account of forced Insurance premiums recovered from their loan accounts. Moreover, the pressure mounted on the operating staff leave no time for them to monitor the quality of the loans and follow them up. The consequences of such forced misselling attempts are ultimately reflected in the quality of the loans, which turn into NPAs very quickly and expose the Bank to huge loss, and disciplinary action for the concerned officers down the line.

❖ We would also like to bring to your notice that many a times the SBI Life staff are getting into contact with the best performing CIF and lure them to make one of their relatives as insurance facilitator and transfer the Bank's business to insurance products offering higher commission.

❖ As we are aware, that non-interest income is a major source for the profit of the Bank. But the other income the Bank earns from SBI Life may not compensate the investment in resources of the Bank - HR, Infrastructure etc. Banking remains the core business and the subsidiary should not eat away our vitals. The acute shortage of staff prevailing in the Circle also puts enormous pressure on the operating staff that ultimately leads to loss of business and customer dissatisfaction over our services.

❖ We would also like to bring to your notice that almost every officer is being given Cross Selling target as KRA which they will not be able to achieve, and may lead to deterioration in customer service.

❖ We are also concerned that RBI & the IRDA should not catch us on the wrong foot. There is a need for safeguarding the interest and image of the Bank vis-à-vis the customers.

❖ We are of the opinion that one of the reasons for the poor performance of in many areas is the undue importance and focus thrust on Cross Selling. It also is bringing down the image of the Bank in the eyes of the public due to forced selling.

2. We request you to please take a serious look into the entire gamut of Cross Selling and ensure that undue pressure is not exerted on the officers down the line for various reasons. We may also consider creation of a separate vertical to handle Cross Selling products, delinking the same from commission / incentives which may lead to unhealthy practices. We are writing this letter based on the feedback received at various Circles at the grass-root levels and based on the reaction of many customers of the Bank who interact with our Branch Managers and operating staff and in the best interest of the Image of the Bank and Customer Service.

Thanking you,

Yours faithfully,

Sd/-

(Y. SUDARSHAN)

GENERAL SECRETARY