



**STATE BANK OF INDIA OFFICERS' ASSOCIATION  
CHANDIGARH CIRCLE**

C/O State Bank of India, Local Head Office, Sector 17, Chandigarh  
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**Circular No. 2018/27**

**Date: 09.03.2018**

**TO ALL OUR AFFILIATES/MEMBERS:**

**CROSS SELLING**

We reproduce hereunder the Circular No. 19 dated 09.03.2018 issued by All India State Bank Officers' Federation on captioned subject, the contents of which are self-explicit.

Comradely yours,

(Deepak K Sharma)  
General Secretary

**QUOTE**

We have today sent a communication to the Management on the above subject. A copy is enclosed. We note to keep our members advised of further developments in due course.

With greetings,

(Y. SUDARSHAN)  
GENERAL SECRETARY



**ALL INDIA STATE BANK OFFICERS' FEDERATION**  
(Registered under the Trade Unions Act 1926, Registration No: 727/MDS)  
State Bank Buildings, St. Mark's Road, Bangalore – 560 001



**No. 6180/11/18**

**DATE: 09.03.2018**

To,  
The Chairman,  
State Bank of India,  
Corporate Centre,  
Madame Cama Road,  
MUMBAI - 400 021.

Dear Sir,

**CROSS SELLING**

We take this opportunity to thank you sincerely for expressing honestly your views about the role played by the Public Sector Banks as growth engines of our country. With a hope that our sentiments will appeal to you and will be

appreciated in a positive manner, we are writing this letter after lot of thought and with deep feelings – a reflection of sentiments of thousands of officers across the country. We have raised this issue at all levels and finding no success due to reluctance by the top executives even to touch this issue, now, as a last resort we are writing to you sir, with a fond hope that you will look into the deep-rooted infection that 'cross selling' has created in our system, the malaise and its ramifications and the effect on the long term health of our Bank.

**2.** State Bank of India has a long history of over 200 years, built with trust, business ethics, solid systems and procedures. Such immaculate business standards and dynamics has put our Bank on a high pedestal above most other Banks in the Industry. This is the reason why SBI has created a brand equity for itself and is the most loved, preferred Bank in the country with an aura of invincibility. Therefore our appeal to you seeking your interference.

**3.** The recent incidents and happenings in the Banking Industry, especially the PNB issue, the Rotomac issue, the Kingfisher issue etc., have thrown the banking system itself at risk apart from painting the Industry Black, and creating doubts in the minds of people. It is needless to mention that maintaining business ethics will be an uppermost principle that needs to be followed strictly.

**4.** Cross Selling was introduced to augment conventional business, and to convert Bank Branches into a 'one stop financial supermarket' catering to allround investment needs of customers. The intention was good. But over a period of time, like the proverbial story of a camel putting its nose into an Arab's tent and then its head and neck and body and finally driving the Arab away, the cross selling is driving away our 'bread and butter' – the core business of the Bank. Cross selling, which was once healthy, has now, over a passage of time drifted from its basic objectives and is slowly eating into the core business of the Bank.

**5.** It is with great pain that we have to tell you that in all the circles the main focus is now on cross selling – only. This is a ground level reality which may not have come to your notice. This has pulled down the performance of many circles in the main business of the Bank.

**6.** An analysis will show that Circles which once topped the country in terms of Deposits, advances, NPA reduction etc., and with high business, potential have slipped to the bottom? We have personally witnessed that 90% of the P review meetings nowadays cover review of cross selling business done and only 10 to 15% of the time is devoted to NPA recovery, advances etc. Many a times SBI Life Personnel attend P review meetings and direct, and threaten the Branch Managers, many of them very seniors, often insulting them with derogatory remarks and threats of transfers to faraway places. Our own controllers and administrators spend most of the time in ensuring cross selling targets only. It hurts when nobody talks about getting new and quality business, follow-up of NPA's etc. Most of the 'Maha Login' days and campaigns, Whatsapp follow-up, MDRT Campaigns etc., are for cross selling. When senior executives retire a

bouquet of cross selling is presented to appease them. All the follow-up from AO's nowadays are only to ensure cross selling targets.

**7.** Many a times, officers are indirectly coerced to do mis-selling which is very disturbing. In order to achieve targets, sometimes the STDR's are converted into cross selling products and customers often get confused. Advances, both retail and corporate, are invariably linked to such products in the name of security, and as a precondition. We have come across cases of 'trickle feeds' being run to debit the insurance premium to the customers' accounts. Many a times, poor illiterate customers, farmers and even army personnel are not spared due to the unreasonable pressure on operating staff.

**8.** Needless to mention that such a lure towards insurance and **cross selling is because of the huge multi layered incentives, foreign trips** felicitations and awards at lavish, glamorous gala parties.

**9.** It is very visible and evident that such incentivisation is killing the work culture, killing concentration on the thrust areas, plans and priorities of the Bank and acts like arsenic, or slow poison in the long run. When customers feel let down seeing their deposits drain away and melt into insurance or other products they feel cheated and it affects the image of the Bank. The 'Trust' that the Bank has developed over the years should not be dented.

**10.** And now – how much is this effort worth? From the balance sheet we observe that the income from cross selling during March 2017 was only 0.37% (777 crores) of the total income and 2.19% of the other income. During March 2016 it was only 0.25% (490 Cr) of the total income. An honest cost benefit analysis into the entire gamut of selling such products will show that the 'opportunity cost' or the cost of the alternatives foregone is higher than the benefits. The salaries of the staff involved, their time spent, travelling expenses, cost of lavish parties, the incentives foreign trips, opportunities lost amidst all this has dented Banks own business. NPA's are no longer pursued with the vigour it used to be followed up. Search for new customers and quality advances has come down. The core activity of the Bank has taken a back seat and is now replaced by the lucrative cross selling which is based on individual incentives. The contribution of income from cross selling in terms of percentage to total profits, percentage to other income vis-à-vis the efforts, both monetary and physical is all too obvious.

**11.** Apart from all of the above, whether such incentivisation stand the test off legal framework and the guidelines of the RBI, the IRDA, the CVC etc., is another issue altogether. We should not forget the case of the collapse of American Banking giant – Wells Fargo, due to the excessive incentivisation of employees.

**12.** In view of the above, we would like to suggest that a separate centralized vertical for cross selling products be created, who will monitor and take care of selling at retail outlets or Branches. Every large branch can have exclusive staff to deal with this. Let Cross Selling be a part of Banks Business and **the practice of incentivizing should be stopped.** We are not against cross selling, but only trying to highlight the ill-effects of incentivisation.

**13. Cross Selling should be given its right place, but not beyond that where it becomes a 'good servant but a bad master' and eats into the Banks health, like a parasite. Tomorrow cross selling suddenly should not turn out to be another grey area for the Bank and create negative publicity.**

**14.** Sir, we hope that this communication is not misinterpreted and is taken as a positive feedback for improvement, as we are only reflecting and echoing the sentiments of a majority of officers and senior executives of the Bank with all sincerity. We shall be happy if you can convene a meeting where we can discuss and contribute with suggestions to make the Bank stronger amidst growing uncertainty and vulnerable situation in the Banking Industry so as to build confidence amongst our officers who work in an area of business risk, uncertainty and under the hanging Damocles sword of accountability.

Thanking you,

A handwritten signature in black ink, appearing to read 'Y. Sudarshan', written in a cursive style. The signature is positioned above a horizontal line that extends to the right.

(Y. SUDARSHAN)  
GENERAL SECRETARY

UNQUOTE