

**PSU Banks as a Distribution Channel – The Way
Forward**

by

Rinku Goel



Management Development Institute

Gurgaon 122 001

May 2006

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under the guidance of

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Certificate of Approval

The following Summer Internship Report titled "PSU Banks as a Distribution Channel – The Way Forward” is hereby approved as a certified study in management carried out and presented in a manner satisfactory to warrant its acceptance as a prerequisite for the award of Post-Graduate Diploma in Business Management for which it has been submitted. It is understood that by this approval the undersigned do not necessarily endorse or approve any statement made, opinion expressed or conclusion drawn therein but approve the Summer Internship Report only for the purpose it is submitted.

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Acknowledgement

Perseverance, inspiration and motivation have always played a key role in the success of any venture.

Due to the fact that the knowledge required was not in the literature, it was imperative that the people who guide be very resourceful and knowledgeable. A deep sense of gratitude for the above reason is thus owed to Mr. Abhinav Mansinghka (Senior Manager, Sales and Distribution, HSBC AMC), Mr. Ashish Mathur (Manager, Sales and Distribution, HSBC AMC), and Mr. Anthony Heredia (Head of Sales and Distribution, HSBC AMC) for their continuous guidance and motivation and for helping in whatever capacity they could at various stages in the project.

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Executive Summary

PSU Banks as a Distribution Channel – The Way Forward

Rinku Goel

Private and foreign banks today dominate the distribution of mutual funds. The entities catered to are mostly HNI and Institutional investors. The retail investor uptill now was also hesitant to invest in mutual funds given the poor performance of earlier mutual fund products and scars of previous market scams. The situation is, however, changing since the past couple of years. The stock markets are booming, and unlike previous times, this boom has been driven by a fundamentally strong economy. The decline in interest rates on savings deposits has left the middle class clamouring for higher returns and given the savings rate in India, which is one of the highest in the world, Mutual Funds are looking at a "customer-oriented" rather than "distributor-oriented" strategy to grow its mutual fund business and to increase the Assets under management (AUM). They hope to route a larger proportion of their mutual fund sales through Public Sector Banks, who with their vast reach across India, provide a distribution channel that is just about to explode.

Fee Based income through hybrid product and service offerings has already emerged as a profitable business model in the retail bank-scape, and mutual fund (MF) distribution has become a fashion statement among all banks. With the projected growth rate of 30 per cent in the retail banking space, fee-based income is also expected to grow at a rapid pace.

MF distribution by banks is emerging a key element that is fuelling this growth. Alliances between banks and mutual funds have become a daily occurrence. Alliances are arranged (bank and MF belonging to the same group), between families (bank and MF are standalone entities), and also multiple (one bank ties up with more than one MF).

A new concept — mutual banking — has emerged offering new product and service innovations for the customers who avail of mutual fund products through banks.

The sales and Distribution structure at HSBC AMC so far has also been mainly driven through private and foreign banks, and national, regional and local distribution houses. Though it has empanelment with some Public Sector Banks, they are not utilized for selling mutual funds. Given the potential of the channel, HSBC AMC has decided to actively pursue this for distribution of mutual funds.

The scope of the project was to study issues that would aid HSBC AMC in making the decision about what is the way forward for it with regards to tie-up with different banks, which PSU banks to have tie-up with, and in deciding what should be the priority order for the tie-up.

The data collection procedure used was semi-structured interview method. A thorough search of the bank websites and telephonic calls to bank offices was also undertaken to gather information. The analysis of the data collected was done on a piece-by-piece basis with help from the guides.

The method used was cognitive task analysis as the knowledge to be gained is procedural. The experts who have the knowledge showed how things work and then a discussion about how they should work was done. This resulted in verification about the information given along with more inputs about any information that could have been missed.

After the data collection and analysis was done, the result for each shortlisted Bank was stored in a descriptive form. On the basis of analysis of these results, conclusion about each description was formed.

Findings indicate that HSBC AMC would be best served looking at 4 PSU banks for tie-ups, viz. The Saraswat Co-operative Bank Ltd., Union Bank of India, State Bank of India, and Dena Bank. It will require some more time for the other banks driven through Mumbai to sensitize themselves to this distribution strategy and they need to be looked from a horizon of 1-2 years.

Some other key recommendations for HSBC AMC from the project include setting up a dedicated sales team for PSU bank channel, adopting a 'Fully Integrated' sales model between the banks and itself, and adopting a region-specific approach for sales by geographically segmenting the market.

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Abbreviations

AB	Associate Bank
ABB	Any Branch Banking
AMC	Asset Management Company
AMFI	Association of Mutual Funds of India
AMIN	Asset Management India
ATM	Automated Teller Machine
AUM	Assets under Management
BSE	Bombay Stock Exchange
FuM	Funds under Management
GDP	Gross Domestic Product
 HDFC	Housing Development Finance Corporation
HNI	High Networth Individuals
HSBC	Hong Kong and Shanghai Banking Corporation
HSCI	HSBC Securities and Capital Markets (India) Private Limited
IFA	Independent Financial Advisor
IPO	Initial Public Offer
LIC	Life Insurance Corporation
MF	Mutual Fund
MIP	Monthly Income Plan
NFO	New Fund Offering
NSE	National Stock Exchange
PSB	Public Sector Banks
PSU	Public Sector Undertaking
SBBJ	State Bank of Bikaner and Jaipur
SBH	State Bank of Hyderabad
SBI	State Bank of India
SBIr	State Bank of Indore

SBM	State Bank of Mysore
SBP	State Bank of Patiala
SBS	State Bank of Saurashtra
SBT	State Bank of Travancore
SIP	Systematic Income Plan
UTI	Unit Trust of India

1.1 HSBC AMC – The Company

HSBC Investments draws upon a long history of serving clients of the HSBC Group, tracing its roots back to the foundation of the Hong Kong and Shanghai Banking Corporation in 1865. The HSBC Group has identified asset management as a key constituent of the HSBC Group's wealth management strategy.

HSBC Asset Management Company (India) Pvt. Ltd was incorporated on 12th December 2001. HSBC Securities and Capital Markets (India) Private Limited, the Parent Company, holds 75% Equity Share Capital of AMIN. As on 30th April 2006, HSBC AMC is the tenth largest AMC in India with total Assets under Management of over Rs. 10,078 Crores.

1.1.1 Sponsor

The sponsor of HSBC AMC is HSBC Securities and Capital Markets (India) Private Limited (HSCI). HSCI is a member of the HSBC Group, one of the largest banking and financial services organizations in the world. HSCI offers integrated investment banking services, securities and corporate finance & advisory. HSCI is a member of The Bombay Stock Exchange Limited and National Stock Exchange (capital and derivative market segments) and is also a category I merchant banker and underwriter registered with Securities and Exchange Board of India.

Given below is a brief summary of HSCI's financials:

	(Rs. '000)		
Description	2005#	2004*	2002^
Total Income	670,869	698,271	519,689
Profit Before Tax	288,961	171,523	126,675
Profit After Tax	156,433	100,799	50,265

Free Reserves / (Accumulated Losses)	133,994	47,217	(97,783)
Net Worth	1,165,066	1,078,289	940,525
Earnings per Share (Rs.)	16.76	7.72	3.55
Book Value per Share (Rs.) / (Net Worth / No. of Shares)	149.16	138.05	120.41
Dividend %	39,054	–	–
Paid Up Capital (Equity)	781,072	781,072	781,072
(Preference)	250,000	250,000	250,000

Year ending 31 March

* 15 months period from 1 January 2003 to 31 March 2004

^ Year ending 31 December

1.1.2 Fund Specifics

HSBC AMC currently offers 9 mutual fund schemes in India namely HSBC Equity Fund, HSBC India Opportunities Fund, HSBC Midcap Equity Fund, HSBC Advantage India Fund, HSBC MIP, HSBC Gilt Fund, HSBC Income Fund, HSBC Cash Fund, and HSBC Floating Rate Fund. These funds broadly cover the major asset classes and markets.

1.1.3 Scheme Specifics

- **Name of Scheme:** HSBC Equity Fund

Investment Objective: To generate long-term capital growth from an actively managed portfolio of equity and equity related securities. The Fund will predominantly invest in larger and mid sized companies.

- **Name of Scheme:** HSBC Midcap Equity Fund

Investment Objective: The Fund is an open-ended growth scheme seeking to generate long-term capital growth from an actively managed portfolio of equity and equity related securities primarily being Midcap stocks. However, it could move a portion of its assets towards fixed income securities if the fund manager becomes cautious or negative on the Indian equity markets.

- **Name of Scheme:** HSBC India Opportunities Fund

Investment Objective: The fund is an open-ended equity scheme seeking long-term capital growth through investments across all market capitalizations, including small, mid and large cap stocks. However, it will move a significant portion of its assets towards fixed income securities if the fund becomes negative on equity markets.

- **Name of Scheme:** HSBC Advantage India Fund

Investment Objective: The Fund is an Open-ended Equity Scheme seeking to generate long term capital growth from an actively managed portfolio of equity and equity related securities by investing primarily in sectors, areas and themes that play an important role in, and / or benefit from, India's progress, reform process and economic development. These could include consumption, infrastructure, outsourcing and global competitiveness.

- **Name of Scheme:** HSBC Income Fund

Investment Objective: The investment objective is to provide a reasonable income whilst maintaining a prudent policy of capital conservation. The AMC's view of interest rate trends and the nature of the plans will be reflected in the type and maturities of securities in which the Short Term and Investment Plans are invested.

- **Name of Scheme:** HSBC MIP

Investment Objective: HMIP is an open-ended income scheme with the primary objective to seek generation of reasonable income through investments in Debt and Money Market Instruments. The secondary objective of the Scheme is to invest in equity and equity related instruments to seek capital appreciation.

- **Name of Scheme:** HSBC Floating Rate Fund

Investment Objective: HSBC Floating Rate Fund is an open-ended income scheme seeking to generate reasonable returns with commensurate risk from a portfolio comprised of floating rate debt instruments and fixed rate debt instruments swapped for floating rate returns. The scheme may also invest in fixed rate money market and debt instruments.

- **Name of Scheme:** HSBC Cash Fund

Investment Objective: To provide reasonable returns, commensurate with low risk while providing a high level of liquidity, through a portfolio of money market and debt securities.

- **Name of Scheme:** HSBC Gilt Fund

Investment Objective: To generate reasonable returns through investments in Government securities. The AMC's view of interest rate trends and the nature of the plans will be reflected in the maturities of securities in which the plans are invested.

1.2 Mutual Fund Industry in India

The mutual funds industry in India has grown at a strong pace of 16.4 per cent for the last 8 years which is better compared to the growth rate of the mutual fund industry worldwide, which was about 13 per cent for the same period. The Indian mutual funds industry has Rs 204,519-crore worth of assets under management as on November 30, 2005, which is an impressive growth of 37 per cent from earlier year, thanks to the booming equity markets in majority of the countries across the globe. The year 2005 was also important year for Indian mutual fund investors as many schemes paid excellent dividends. Almost 99 mutual funds schemes paid dividends to their investors against 75 schemes in year 2004. As of April 30, 2006, there are 29 mutual funds in India having AUM of more than 257,500 crores.

As on June 30, 2005, the mutual funds globally manage assets worth \$16.41 trillion, while India has a small share of 0.22 percent.

The huge participation of investors in the NFOs recently demonstrates the increased acceptance levels of equity mutual funds in the country. As on November 30, 2005 the equity assets have increased to almost 36 per cent of the total Indian mutual fund assets bringing it close to the global levels.

However, it is still to be seen whether the mutual fund industry will hold the gains once the equity markets change trend. Mutual fund industry has to be matured enough to handle the downside in case the market does not favor mutual funds. For the mutual fund industry to emerge as the most preferred investment option for the investor in 2006, it has to overcome all the obstacles including launching of more innovative products as we witnessed in 2005 and the penetration and expanding the market reach.

1.3 Potential for sale of Mutual Funds in India

Mutual fund industry in India at the moment is like a dormant volcano that can explode anytime. If we see the mutual fund industry as a percentage of GDP and savings in vis-à-vis USA and some other countries as of 2004, we see that there is a huge scope for sale of mutual funds.

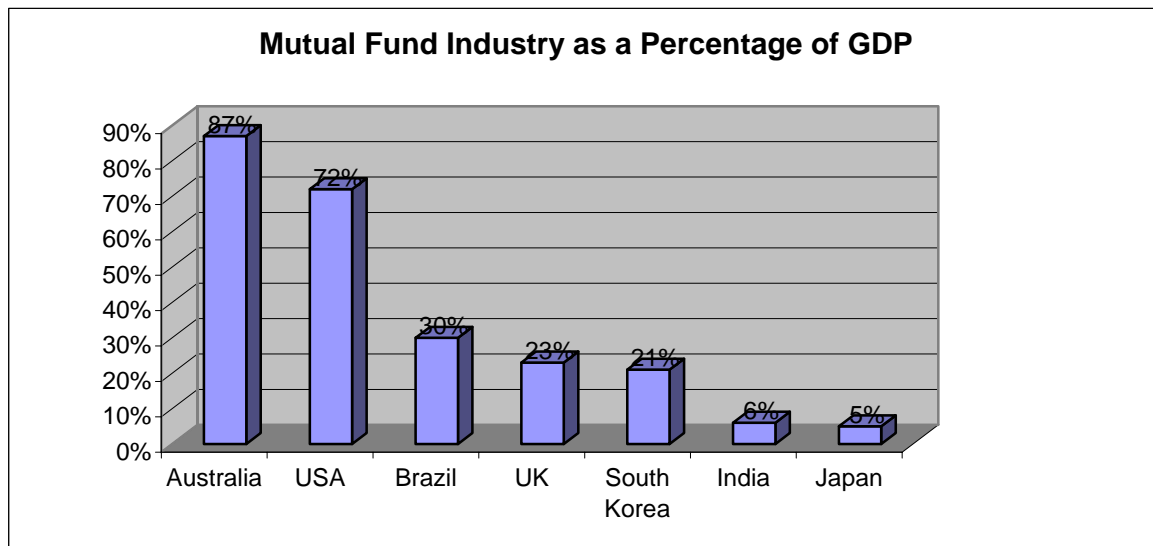


Figure 1

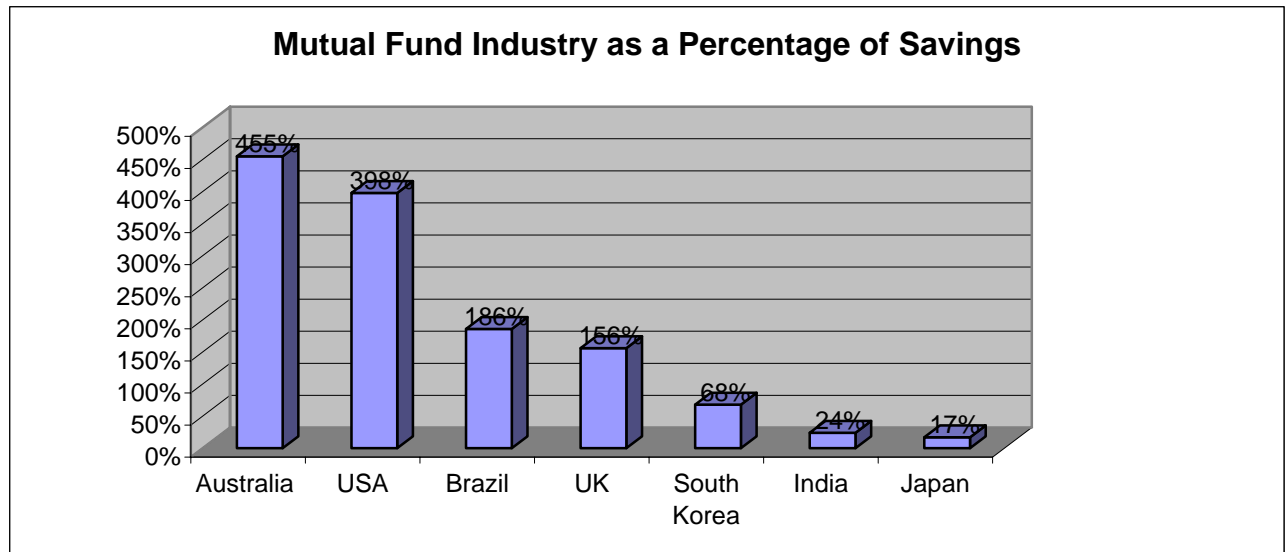


Figure 2

The above graphs clearly show the potential for mutual fund industry in India. Though the industry is coming of age in recent times on the back of a strong bull run, what remains a sore toe is the limited reach among retail investors and the inefficacy of distribution channels in penetrating the retail investor market.

1.4 Traditional Mutual Fund Distribution Channels

Mutual funds are traditionally sold through four principal distribution channels: (1) the direct channel, (2) the advice channel, (3) the retirement plan channel, and (4) the institutional channel.

The first three channels primarily serve individual investors. In the direct channel, investors carry out transactions directly with mutual funds. In the advice and retirement plan channels, individual investors use third parties or intermediaries that conduct transactions with mutual funds on their behalf. Third parties also provide services to fund investors on behalf of mutual funds. The most important feature of the advice channel is the provision of investment advice and ongoing assistance to fund investors by financial advisers at full-service securities firms, banks, insurance agencies, and financial planning

firms. Advisers are compensated through sales loads or from asset-based fees. The retirement plan channel primarily consists of employer-sponsored defined contribution plans in which employers provide mutual funds and other investments for purchase by plan participants through payroll deductions. Businesses, financial institutions, endowments, foundations, and other institutional investors use the institutional channel to conduct transactions either directly with mutual funds or through third parties.

<u>Channel</u>	<u>Principal Investors using the Channel</u>	<u>Organizations providing Transaction Services</u>	<u>Mutual Funds offered in the Channel</u>	<u>Investor Services</u>
<u>Direct</u>	Individual investors	Mutual fund companies	Mutual funds of the fund company offering direct transactions	Investment information
<u>Advice</u>	Individual investors	Full-service securities firms, registered investment advisor firms, and insurance agencies	Mutual funds from a large number of fund companies	Investment information, advice, access to funds from different companies within one account
<u>Institutional</u>	Trusts, businesses, financial institutions, endowments, and other institutional investors	Mutual fund companies	Mutual funds of the fund complexes offering direct transactions	Investment information
<u>Retirement Plan</u>	Participants in defined contribution plans	Plan sponsors or employers	Limited number of mutual funds selected by plan sponsor	Investment information

Table 1

1.5 Asset Management Companies and Banks - The Indian Case

Many nationalized banks got into the mutual fund business in the early nineties and got off to a good start due to the stock market boom prevailing then. These banks did not really understand the mutual fund business and they just viewed it as another kind of banking activity. Few hired specialized staff and generally chose to transfer staff from the parent organizations. The performance of most of the schemes floated by these funds was not good. Some schemes had offered guaranteed returns and their parent organizations had to bail out these Asset Management Companies (AMCs) by paying large amounts of money as the difference between the guaranteed and actual returns. The service levels were also very bad. Most of these AMCs were not been able to retain staff, float new schemes etc. and it is doubtful whether, barring a few exceptions, they have serious plans of continuing the activity in a major way.

The experience of some of the AMCs floated by private sector Indian companies was also very similar. They quickly realized that the AMC business is a business, which makes money in the long term and requires deep-pocketed support in the intermediate years. Some have sold out to foreign owned companies, some have merged with others and there is general restructuring going on.

The most important trend in the mutual fund industry, thus, is the aggressive expansion of the foreign owned mutual fund companies and the decline of the companies floated by nationalized banks and smaller private sector players.

The foreign owned companies have deep pockets and have come in here with the expectation of a long haul. They can be credited with introducing many new practices such as new product innovation, sharp improvement in service standards and disclosure, usage of technology, broker education and support etc. In fact they have forced the industry to upgrade itself, and service levels of organizations like UTI Mutual Fund have improved dramatically in the last few years in response to the competition provided by these.

The Indian mutual fund industry space is populated by a host of private players, a large majority of which are Indian arms of multi-national giants. Although selling mutual funds through banks as a concept is still in its initial stages of evolution in India, the new players bring with them the expertise and best practices drawn from years of successful ventures in other countries.

The Indian banking customer is getting more sophisticated in his financial needs, and lays greater emphasis on convenience and a single provider for all financial products. It is therefore imperative for Banks in India to include mutual fund in the product offering to ensure customer retention.

Banks in India, both domestic and foreign, have networks that span the whole country, reaching the most remote of areas, touching diverse cultures and cutting across all social classes. They have expertise on the financial needs, saving patterns and life stages of the customers they serve, something the asset management companies would find nearly impossible to achieve on their own. Tying up with Banks would therefore be the logical route for these companies to take for them to achieve extensive geographical spread and customer access across the country.

The challenge, however, would be managing the cultural diversity of the people who run these banks to achieve success in such a partnership. Issues such as staff unionism, resistance to change and lack of staff commitment to organizational objectives would need to be addressed to bring about a sales oriented, customer focussed and collaborative culture in Banks. The seamless transition of customer experience across banking and mutual fund products could be a real challenge since it requires a marriage of widely diverse cultures, standards and processes of the partners. This would be even more critical since the real leverage from the Bank's relationship with the customer is achieved when the Bank positions itself as the mutual fund product and service provider rather than a mere partner to the asset management company.

Clearly, as has been the experience globally, only those partnerships that are built on a long-term commitment of the people in the partnering companies aimed at creating value for customers will succeed in such ventures. The opportunities and challenges that the Indian market presents are immense, and only those businesses that effectively exploit the respective strengths of the partners will emerge as the real winners of the game.

1.6 Distribution of Mutual Funds through Banks

Sales and distribution of mutual funds through banks will create a win-win situation for all stakeholder viz. the banks, HSBC Asset Management Company, and the customers. These benefits may not be immediately visible but can be an important growth source going forward. Some of the ways in which the benefits will be generated are:

1.6.1 Advantage to Banks

- Increased income to the Bank in the form of fee revenue: With interest rates falling globally, banks are relying more on fee income rather than fund based revenue.
- Creating a universal banking platform: by offering a wider financial services package and positioning the Bank as a one-stop-shop for all financial and protection needs of customers. With customers getting more financially discerning in nature, a wider product offering is critical for creating customer loyalty. Mutual fund offering offers a good opportunity to increase the Bank's share of the customer's wallet. Banks may also be able to garner fresh banking business by using mutual fund as a selling hook.
- Infrastructure costs and Service synergies: Building an expensive distribution network is a major drain on the bottom line of a Bank. It is critical that these distribution points are optimized by selling a large range of products like mutual funds. Banks can leverage their existing customer service and operations infrastructure and expertise to effectively service mutual fund related processes as well.

- Satisfying risk needs: Mutual fund selling enables a Bank to satisfy the medium risk bearing needs of some its clients without assuming the technicalities.
- Staff loyalty: Selling of mutual fund products provides bank employees with new challenges and enhanced skills, thus improving their productivity and efficiency.

1.6.2 Advantage to Asset Management Companies

- Revenue diversification: The presence of a Bank partnership will bring about distribution diversification and place less reliance on traditional revenue streams generated from the institutional distribution channel.
- Quality of leads: PSU Banks have warm customer bases, which expect the bank to sell other financial products to them. Conversion rates of bank customers are expected to be higher than in alternate sales channels.
- Customer information: Banks possess financial and life stage information of customers, which may be used by AMC's effectively in identifying and filling financial need gaps and developing specially packaged products targeted at satisfying specific customer needs.
- Strong Brand Image: Asset Management companies like HSBC can greatly leverage from the brand awareness and equity of PSU Banks, thus enhancing customers' receptiveness for mutual fund products. Co-branding and joint marketing effort can greatly increase product recognition and awareness in the mind of the customer.

1.6.3 Advantage to customers

- Convenience: Mutual fund distribution by banks provides customers, the convenience of dealing with one financial institution for all financial needs. In an environment where most adult family members are working, and leisure time is at a premium,

customers are even willing to pay more for a one-stop shop. Customers also benefit from service convergence between the Bank and asset management company through a common service point.

- Credibility: Owing to the customer's affinity towards the Bank, provision of mutual fund products through the bank offers a more credible solution.

1.7 Opportunities and Challenges for PSU Bank Distribution Channel

Given the benefits that this channel provides both to Banks in terms of an enhanced fee based income, deeper customer relationships, and to AMCs – ready access to a large and loyal customer base, the trajectory of the mutual fund distribution through the bank channel could only be northwards. Some of the positives that will further the success of this initiative in India, is the lack of professional financial planners, which have led Bank Branch Managers to act as the informal investment advisors to their customers, especially in smaller towns and cities.

The other big positive is the “brick and mortar” model of banking followed in India, wherein most of the banking transactions (more than 80%) are conducted inside a Bank branch, resulting in face-to-face contact with the customer, which is very important in a mutual fund sale.

AMCs Companies are now expanding their reach through Co-operative Banks and Regional Rural Banks to reach non-urban towns. With the booming rural economy and rising non-urban income across the country, there is a growing need for mutual fund coverage in these areas. AMCs have just touched the tip of the iceberg in terms of penetration. Mutual fund distribution through banks can act as a catalyst for growth of mutual fund industry in the huge untapped non-metro markets on two accounts. Firstly, setting up of their own distribution channels in rural areas for AMCs could be very costly and secondly, bank staff-client relationships in smaller towns is very strong, which can be

leveraged. In the next 3-4 years this channel would contribute as much business for AMCs as their other channels.

While the opportunities are huge for this channel in India there are also some on-going challenges, which need to be tackled. One of them is training and motivating the Bank staff to facilitate/sell mutual funds and ensuring the same quality of service/advise on mutual fund products in different parts of the Bank. The other challenges are setting up the processes and integrating the IT systems in both, the AMC and banks, to deliver the same quality of services for mutual funds sales that a customer is used to while buying a banking product.

Chapter 2 - Research Problem

2.1 Sales and Distribution at HSBC AMC

The current situational analysis of Sales and Distribution at HSBC AMC is as follows:

- Mind share with distributors needs more work
- Performance and High end focus led market share and FuM growth
- Lack of sales promotion – training, merchandising, loyalty brokerages
- Sales is the only face to the market
- Lack of new products in an IPO centric market
- Institutional wallet remaining constant
- Higher equity % of FuM has kept its head above water

HSBC Asset Management Company current distribution channels mainly include foreign and private banks and distribution houses. The Present contribution of various channels to % of Funds under Management (FuM) contributed is as follows:

Foreign Banks (35%)

Private Banks (10%)

National and Regional Distribution Houses (38%)

Local Distribution Houses and IFAs (17%)

Public Sector and Co-operative Banks (0%)

<u>Key strengths</u>	<u>Areas of Improvement</u>
<ul style="list-style-type: none">• Image of Fund House	<ul style="list-style-type: none">• Lack of new products
<ul style="list-style-type: none">• Positive Perception of Track record	<ul style="list-style-type: none">• Lack of adequacy of retail channel
<ul style="list-style-type: none">• Investment Philosophy and Process	<ul style="list-style-type: none">• Last one year performance

With regards to distribution of mutual funds, HSBC's corporate and institutional business strategy has traditionally been its strong point. However, its strategy to attract individual customers has been found wanting.

With PSU Bank distribution channel expected to be the next big thing in mutual fund industry; HSBC Asset Management Company is therefore setting out on an expansion drive. Its average ticket size has been decreasing every month and hence instead of chasing only corporate money, the sales focus of the AMC would be retail led. The AMC currently has over one lakh investors. It has tie-ups with Private and Foreign Banks like ICICI Bank and HDFC bank but not with any PSU or Co-operative Banks, which ironically have the largest reach in India. HSBC AMC, therefore, plans to use PSU Banks as a distribution channel to ensure optimal retail coverage.

2.2 Problem Statement

To study the issues that would aid HSBC AMC in making the decision about what is the way forward for it with regards to tie-up with different PSU Banks, which PSU Banks to have tie-up with, and in deciding what should be the priority order for the tie-up.

Chapter 3 - Research Design

3.1 General Methodology

The methodology followed is case study based where first the Company's present system with respect to the purpose of the study is analyzed and a critical analysis of the same is done. Secondly, the risks and mitigants associated with different types of sales model and the benefits of the proposed system are listed.

The issues that were studied during the course of the project are those that would aid HSBC AMC in making the decision about what is the way forward for it with regards to tie-up with different banks, which PSU banks to have tie-up with, and in deciding what should be the priority order for the tie-up. Some important criteria that were studied are:

1. Network and size of the bank in terms of number of branches
2. The place from where the decision regarding tie-up will be driven
3. What and how many other Mutual Fund products do these banks sell
4. The commission structure that the bank wants
5. Training capabilities within the bank
6. Proposed set-up for the bank
7. Number of branches of the bank that will sell Mutual Fund products of HSBC in case of a tie-up
8. Number of relationship managers that will handle the distribution of HSBC mutual fund products and the reporting lines within the bank

Once the bank management in principal accepts the proposal, further follow-up in order to finalize the deal will be done.

3.2 Data Source

The data sources for the project are as follows:

- 1) Managers in the Sales and Distribution Department at HSBC AMC.
- 2) Heads of Third Party Products, Marketing Division and Retail Banking Division of various Public Sector and Co-operative Banks.
- 3) Internal Company data, presentations and fact sheets.

3.3 Data collection procedure

The data collection procedure used was semi-structured interview method. A thorough search of the bank websites and telephonic calls to bank offices was also undertaken to gather information. The analysis of the data collected was done on a piece-by-piece basis with help from the guides.

3.4 Data analysis method and interpretation

The method used was cognitive task analysis as the knowledge to be gained is procedural. The experts who have the knowledge showed how things work and then a discussion about how they should work was done. This resulted in verification about the information given along with more inputs about any information that could have been missed.

Chapter 4 - Results and Conclusion

4.1 Analysis of PSU and Co-operative Banks

The first phase of the project involved preparing a list of all Public Sector Banks and Co-operative Banks operating in India and then finding out which all banks had their Head Offices or corporate treasuries at Mumbai. This was done by a thorough search of the bank websites and through telephonic calls to bank offices.

After getting the required information, a shortlist of banks was formed satisfying the above criteria. There were 6 such Public Sector Banks and 1 Co-operative Banks for which empanelment was to be driven out of Mumbai, and all of them had their Head Office in Mumbai. These were:

1. The Saraswat Co-operative Bank Ltd.
2. Union Bank of India
3. Dena Bank
4. Bank of Baroda
5. Central Bank of India
6. State Bank of India
7. Bank of India

The second phase of the project involved approaching the shortlisted Public Sector and Co-operative Banks, with the tie-up proposal and setting up meeting with them to find out their preparedness, interest and specific requirements.

For this, a proposal to be given to banks was prepared which consisted of a letter signed by the Head of Sales and Distribution, facts about HSBC as a company and about HSBC AMC, a fact sheet containing the performance of the 9 schemes of HSBC AMC, and the credentials of HSBC AMC.

The results of the analysis done after collecting information about the preparedness of the above mentioned Banks for the tie-ups is as follows:

4.1.1 The Saraswat Co-operative Bank Ltd

Head Office: Mumbai

Address: Mittal Court, A-Wing, 1st Floor, Vidhan Sabha Marg, Nariman Point, Mumbai - 400021, Maharashtra

Website: <http://www.saraswatbank.in/>

Chairman: Shri R. K. Patkar

Managing Director: Shri S. K. Banerji

About the Bank: Saraswat Co-operative Bank Ltd. is the largest urban co-operative bank in Asia. It is the first co-operative bank in India to provide Merchant Banking services. The bank got a permanent license to deal in foreign exchange in 1978.

The bank has witnessed a steady growth in the business in the last few years. Saraswat bank has now 86 fully computerized branches, 12 Extension Counters, 7 Zonal Offices and 20 Departments located across 5 States viz. Maharashtra, Goa, Gujarat, Madhya Pradesh and Karnataka. The Bank is providing 24-hour service through ATM at 30 locations.

Organizational Structure: Saraswat Co-operative Bank Ltd. has a typical 3-tier structure for a bank. Tier 1 consists of the corporate office at Mumbai. Tier 2 consists of the 7 zonal offices under which there are specific branches. These branches fall in Tier 3.

Readiness of the Bank for Tie-up with HSBC AMC: The Saraswat Co-operative Bank Ltd. already has tie-up with 7 Asset Management Companies (AMCs) including Kotak Mutual Fund, Reliance Mutual Fund, Franklin Templeton Mutual Fund, and ING Mutual

Fund. As such the staff is already well trained to handle mutual fund products and hence there won't be any major training requirements.

The Bank currently sells mutual funds through 75 branches in 5 zones. A lot of its branches are in Mumbai, which will provide for synergy between the Mumbai sales team of HSBC AMC and the Bank. The retail banking division of the bank at Mumbai has relationship officers specifically dedicated to handling mutual funds. Currently, its distribution strategy is to sell all mutual funds through 75 odd branches. The bank has so far been mainly concentrating on New Fund Offerings (NFOs) only but is very keen to move into full-fledged distribution of mutual funds.

The way forward for HSBC AMC is to empanel the Bank and enter into a legal tie-up with it. The small size of the Bank will also be convenient as a start and the experience gained will provide HSBC with a first hand experience of testing the potential of selling its mutual funds through co-operative banks.

Saraswat Bank has already accepted HSBC's proposal for the tie-up and the legal document from HSBC is currently under review with Saraswat Bank. The formal tie-up is expected to happen once Saraswat Bank accepts the legal document.

Key Contacts for HSBC AMC:

- Mrs. A. A. Lonkar, Chief Manager, Retail Banking, Lata Kunj, New Nagardas Road Andheri (E), Mumbai – 400069
Phone: 022 - 28347702
- Ms. Rashmi P. Potade, Officer (Mutual Fund), Retail Banking, Lata Kunj, New Nagardas Road Andheri (E), Mumbai – 400069
Phone: 022 - 28347702
- Mr. P. G. Kamath, Deputy General Manager, Retail Banking, Lata Kunj, New Nagardas Road Andheri (E), Mumbai – 400069
Phone: 022 – 28347702 / 9820636151

4.1.2 Union Bank of India

Head Office: Mumbai

Address: Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400021, Maharashtra

Website: <http://www.unionbankofindia.com/>

Chairman and Managing Director: Shri M. V. Nair

Executive Director: Shri K. Rathnakar Hegde

About the Bank: The Bank has over the years earned the reputation of being a techno-savvy Bank and is one of the front-runners amongst public sector bank in the field of technology. It is one of the pioneer public sector banks, which launched Core Banking Solution in 2002.

As of September 2005, it has more than 2000 branches across India. More than 670 branches/extension counters of Bank are networked under Core Banking Solution, powered with the centralized technology platform, the Bank has launched multiple Electronic Delivery Channels and has installed nearly 423 networked ATMs. Online Tele banking facility is available to all its Core Banking customers. The multi facility versatile Internet Banking Solution provides extensive information in addition to the online transaction facility to both individuals and corporates banking with the Core Banking branches of the Bank. In addition to regular banking facilities, today customer can also avail variety of value added services like Cash management service, Insurance, Mutual funds, and Demat from the Bank. Union Bank has a dedicated family of about 26,000 qualified / skilled employees.

The Bank is a Public Sector Unit with 60.85% Share Capital held by the Government of India. The Bank came out with its Initial Public Offer (IPO) in August 20, 2002 and Institutions, Individuals and others presently hold 39.15 % of its Share Capital.

Organizational Structure: Union Bank of India has a lean three-tier structure. The delegated powers have been enhanced. The decentralized power structure has accelerated decision-making process and thereby Bank quickly responds to changing needs of the customers and has also been able to adjust with the changing environment.

Tier 1 of the Bank consists of the Corporate Office at Mumbai. Tier 2 has 5 General Manager Offices at Ahmedabad, Lucknow, Delhi, Mumbai, Calcutta and Chennai which function as an extended arm of corporate office. It also has 2 Zonal Offices at Bhopal and Pune. Tier 3 comprises of 43 Regional Offices at various geographical centers of the country.

Readiness of the Bank for Tie-up with HSBC AMC: Union Bank of India has over 2000 branches across India and over 85 branches in Mumbai, the financial centre of India, and thus has huge reach and potential for sale of mutual funds. The Head Office at Mumbai has a New Initiatives Department, which handles new activities and is the starting point for tie-ups. The bank already has tie-up with several Asset Management Companies (AMCs) including UTI Mutual Fund, HDFC Mutual Fund, Franklin Templeton Mutual Fund, Prudential ICICI Mutual Fund, DSP Mutual Fund, and Reliance Mutual Fund. Currently, its distribution strategy is to allocate responsibility of selling mutual fund products of specific AMCs (which have tie-ups with the bank) to specific branches so that there are fewer hassles with regards to training of staff.

The revenue generated for the bank through these tie-ups is however not big given the huge size of the bank and so the bank has put a temporary pause to tie-ups with new AMCs. However, it already has empanelment with HSBC and is open to HSBC AMC selling its mutual fund products through their branches without a formal tie up.

The way forward for HSBC AMC currently is to obtain a list of all branches of Union Bank of India and then narrow it down to branches that have potential to sell its products and generate decent assets. It should then contact each branch individually, try to establish relationship with the branch managers, and arrange to provide them with all the

necessary support required to sell its mutual funds. The next step (over a period of 1 to 2 years) would be to approach the bank again and enter into a tie-up with it once enough sales of HSBC mutual funds start happening through its branches.

For the above-mentioned purpose, 166 branches of the Bank having potential to generate sales have been shortlisted for marketing and distribution of mutual funds. Out of these, 36 are in Mumbai, 25 in Kolkata, 19 in Chennai, 13 in Ernakulam, 10 in New Delhi, 10 in Hyderabad, 10 in Ahmedabad, 9 in Baroda, 9 in Lucknow, 7 in Jaipur, 7 in Chandigarh, 6 in Bangalore, and 5 in Jalandhar. *[For a full list of selected branches along with their addresses and Principal Marketing Officers, see Annexure 1]*

Key Contacts for HSBC AMC:

- Mr. Pravin Bansal, Assistant General Manager, New initiatives, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400021
Phone: 022 - 22023799
- Mr. Maju Nair, Senior Manager (Mutual Fund), Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400021
Phone: 022 - 22896652
- Mr. S. V. Kamath, General Manager, Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400021

4.1.3 Dena Bank

Head Office: Mumbai

Address: Dena Corporate Centre, C-10, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra

Website: <http://www.denabank.com/>

Chairman and Managing Director: Shri

Executive Director: Shri U. S. Kohli

About the Bank: Dena Bank has over 920 branches and 200 ATMs spread across 34 centers in India. All its branches are fully computerized. It offers Any Branch Banking (ABB) through more than 130 branches enabling cash deposits and cash withdrawals, transfer funds, Cash Management Services, and Multi City Check from one account to another account.

The Bank is a Public Sector Unit and came out with its Public Issue of Rs.180 Crores in November 1996.

Organizational Structure: In addition to the Corporate Office at Mumbai, Dena Bank has 18 regional offices across the country. The 900 odd branches fall under these regional offices.

Readiness of the Bank for Tie-up with HSBC AMC: Dena bank already has tie-up with several Asset Management Companies (AMCs) including Prudential ICICI Mutual Fund, Franklin Templeton Mutual Fund, UTI Mutual Fund, and LIC Mutual Fund. Around 80 branches (around 25 in Mumbai) of the Bank distribute Mutual Funds currently.

Dena Bank is sensitive to this huge opportunity of distribution of mutual funds and the Head Office at Mumbai has a dedicated Chief Manager, Mutual Fund Marketing, who is the focal point for handles all tie-ups and operational issues. Currently, its distribution strategy is to allocate responsibility of selling mutual fund products through 80 odd branches across India. However, there are issues relating to training of staff and the bank would like to have relationship officers of HSBC AMC across India to handle branches of the Bank within their zonal purview.

The way forward for HSBC AMC currently is to convince Dena Bank about the strengths and utility of HSBC's products and enter into a legal tie-up with them. Once the deal is signed, the allocation of different sales teams of HSBC AMC should be done to handle the requirements and to provide support to specific branches of the Bank.

Important Contacts for HSBC AMC:

- Mr. Purshotam Kumar, Chief Manager, Mutual Fund Marketing, C-10, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
Phone: 022 - 26545313

4.1.4 Bank of Baroda

Corporate Office: Mumbai

Address: 9th Floor, Baroda Corporate Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra

Website: <http://www.bankofbaroda.com/>

Chairman and Managing Director: Shri Dr. A. K. Khandelwal

Executive Director: Shri A. C. Mahajan

About the Bank: Bank of Baroda has more than 2700 branches spread across India. Out of this, the Bank has 1918 computerized branches, covering 70% of its network and 91.64% of its business. Alive to the growing complexities of an intensely competitive marketplace and the mounting expectations of customers fuelled by this competition, the Bank reworked its distribution strategy. It ventured beyond the brick and mortar delivery channel into ATMs and the OmniBOB range of anytime, anywhere electronic channels of PC banking, telephone banking. The e-banking products used state of the art technologies like digital certificates, smart card authentication and secure networking. Bank of Baroda has a dedicated family of about 32,000 qualified / skilled employees.

The bank is a Public Sector Undertaking. In 1996 it tapped the capital market with an IPO of Rs 850 crores.

Organizational Structure: Bank of Baroda has a 3-Tier structure. Tier 1 of the Bank consists of the Corporate Office at Mumbai and the Head Office at Baroda. Tier 2 has 13

Zonal Offices with Tier 3 comprising of 43 Regional Offices at various geographical centers of the country.

Readiness of the Bank for Tie-up with HSBC AMC: Bank of Baroda already has tie-up with a couple of Asset Management Companies (AMCs) including UTI Mutual Fund, and HDFC Mutual Fund. The Bank is sensitive to this huge opportunity of distribution of mutual funds and the Head Office at Mumbai has a dedicated Chief Manager and Assistant General Manager handling third party products.

The way forward for HSBC AMC currently is to keep in touch with Bank of India top management and convince the Bank about the strengths and utility of HSBC's products. Once the relationship builds up, a tie-up can be entered into.

Key Contacts for HSBC AMC:

- Mr. S. B. Palkar, Chief manager, Retail Banking, C-26, G Block, Baroda Corporate Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
Phone: 022 - 56985307
- Mr. Jayant Zaveri, Assistant General Manager, Retail and Third Party, C-26, G Block, Baroda Corporate Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
Phone: 022 – 56985344

4.1.5 Central Bank of India

Head Office: Mumbai

Address: Central Office, Chander Mukhi, Nariman Point, Mumbai - 400021, Maharashtra

Website: <http://www.centralbankofindia.co.in/>

Chairman and Managing Director: Ms. H. A. Daruwalla

Executive Director: Shri Subbaraman Krishnan

About the Bank: Among the Public Sector Banks, Central Bank of India can be truly described as an All India Bank, due to distribution of its large network in 27 out of 28 States as also in 4 out of 7 Union Territories in India. Central Bank of India holds a very prominent place among the Public Sector Banks on account of its network of 3161 branches and 270 extension counters at various centres throughout the length and breadth of the country. In view of its large network of branches as also number of savings and other innovative services offered, the total customer base of the Bank at over 25 million account holders is one of the largest in the banking industry.

Organizational Structure: In addition to the Head Office at Mumbai, Central Bank of India has 17 regional offices across the country. These regional offices govern the huge number of branches that the bank has.

Readiness of the Bank for Tie-up with HSBC AMC: Central Bank of India does not distribute mutual fund products of any Asset Management Company (AMC) as of now. However, realizing the importance of fee-based revenue and the huge opportunity which mutual fund distribution has, the Bank has decided to venture into distribution of mutual funds through its branches. Being a Public Sector Undertaking, the Bank has decided to start with distribution of UTI Mutual Fund, which is also a Public Sector Undertaking. Based on the ensuing experience with UTI Mutual Fund, the bank will take further decision regarding distribution of other mutual funds in the near future.

The way forward for HSBC AMC is to proactively convince Central Bank of India about the strengths and utility of HSBC's mutual fund products while it waits for the Bank to evaluate its tie-up with UTI Mutual Fund. It should try and build up a good relationship with the concerned officials and then jump in at the first available opportunity.

Key Contacts for HSBC AMC:

- Mr. B. K. De, Chief Manager,
Phone: 022 – 22625141, 09321044230

4.1.6 State Bank of India

Head Office: Mumbai

Address: State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai – 400021, Maharashtra

Website: <http://www.statebankofindia.com/>

Chairman: Shri A. K. Purwar

Managing Director: Shri T. S. Bhattacharya

About the Bank: State bank of India is the largest Public Sector bank in India. With 7785 fully computerized branches, it has an unparalleled reach and access across India. It has 5290 ATMs, which are located in 1721 centres. 2225 branches, covering 555 centres extend Internet Banking service to the customers. A separate Internet Banking Module for Corporate customers has been launched and available at 1305 branches. The Core Banking Solution, available at 1012 branches, provides the state-of-the-art anywhere anytime banking for our customers. State Bank of India also has 52 foreign offices in 34 countries across the globe.

State Bank of India has the seven Associate Banks (ABs) with controlling interest ranging from 75% to 100%. These are:

1. State Bank of Bikaner and Jaipur (SBBJ)
2. State Bank of Hyderabad (SBH)
3. State Bank of Indore (SBIR)
4. State Bank of Mysore (SBM)
5. State Bank of Patiala (SBP)
6. State Bank of Saurashtra (SBS)
7. State Bank of Travancore (SBT)

The seven ABs have a combined network of 4596 branches in India which are fully computerized and 1070 ATMs networked with SBI ATMs, providing value added services to clientele.

State Bank of India has foreign subsidiaries in Mauritius, California, Canada, and Lagos. It also has its own life insurance company and Asset Management Company (AMC).

Organizational Structure: State Bank of India has an extensive administrative structure to oversee the large network of branches in India and abroad. The 3 Tier structure consists of the Corporate Centre is in Mumbai and 14 Local Head Offices and 57 Zonal Offices are located at important cities spread throughout the country.

Readiness of the Bank for Tie-up with HSBC AMC: SBI has recognized the importance of fee based income through mutual fund distribution and recently ventured into distribution of mutual fund products starting with UTI Mutual Fund. The Bank is looking forward to tying up with 4-5 more AMCs before the end of this year. However, being a new entrant in this field, it wants to test its systems and distribution channels for at least 3 months before it enters into any new tie-up. The bank wants to establish relationship with only trusted brands and HSBC thus has an advantage in this respect.

The way forward for HSBC AMC is to build a relationship with SBI during this interim period of a few months in terms of understanding its huge network of branches and its systems. Being a behemoth that SBI is, it will require HSBC AMC to put systems in place in its set up before it can handle such a tie-up.

SBI is also open to HSBC AMC having a tie-up with its seven ABs also along with it in case HSBC wants to do so. The importance of the tie-up with State Bank of India is thus huge since all its seven Associate Banks, with more than 4500 branches, will also agree for the tie-up once the parent bank comes under the fold.

Key Contacts for HSBC AMC:

- Mr. Paul Ingti, Deputy General Manager, Marketing and Cross-Selling, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai - 400021
Phone: 022 – 22881256
Email: paul.ingty@sbi.co.in

4.1.7 Bank of India

Head Office: Mumbai

Address: Star House, C-5, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051, Maharashtra

Website: <http://www.bankofindia.com/>

Chairman: Shri M. Balachandran

Managing Director: Shri P. L. Gairola

About the Bank: Bank of India has 2613 branches in India spread over all states/union territories including 93 specialized branches. These branches are controlled through 48 Zonal Offices. 23 branches/offices (including three representative offices) are also located abroad.

Bank of India came out with its maiden public issue in 1997. The total number of shareholders as on 31st March 2006 is 238,708.

Organizational Structure: In addition to the Corporate Office at Mumbai, Bank of India has 45 controlling or zonal offices across the country. These zonal offices govern the 2600 odd branches of the bank.

Readiness of the Bank for Tie-up with HSBC AMC: Bank of India has tie-up with a few Asset Management Companies (AMCs) though it is not sure whether they are actively

pursuing it. The Bank is, however, sensitive to this huge opportunity of distribution of mutual funds and is studying HSBC's proposal.

The way forward for HSBC AMC currently is to keep in touch with Bank of India top management and convince the Bank about the strengths and utility of HSBC's products. Once the relationship builds up, a tie-up can be entered into.

Key Contacts for HSBC AMC:

- Mr. D. Krishnamurthy, Deputy General Manager
Phone: 022 – 66684900
Email: dkrishnamurthy@bankofindia.co.in

Chapter 5 – Recommendations

5.1 PSU and Co-operative Banks – Way Forward for HSBC AMC

Analysis of the readiness of the above 8 PSU and Co-operative Banks for tie-up with HSBC AMC demonstrate the following salient results:

- The Saraswat Co-operative Bank Ltd. has agreed to the tie-up and sale of mutual fund will start once both the parties sign the agreement. The smaller size of the bank will provide HSBC hands on experience of the issues involved in such a tie-up and will be beneficial once tie-ups with big PSU banks are done.
- State Bank of India is looking forward to have tie-up by the end of 2006-07 and given HSBC's strong brand name, the tie-up should happen towards the end of this financial year. HSBC, however, should undertake due diligence to make sure manpower and systems within the company are in place to handle such a behemoth distribution channel. HSBC AMC should, for present, delay tying up with the 7 ABs of SBI because it may not be in a position to handle all of these together to start with. Once the tie-up with SBI gets going, tie-up with the 7 ABs won't be much of a problem in future.
- Union Bank of India is another PSU Bank with which HSBC AMC should start working immediately. The bank is ready to sell HSBC's products actively and systems within the bank are already in place. However, the reluctance of the bank to have a formal tie-up till sufficient sales are of HSBC mutual funds are generated through its branches is a big obstacle and HSBC needs to employ support staff to undertake this exercise. Going forward, tie-up with Union Bank of India can be very beneficial for HSBC AMC.
- Dena Bank has recognized the importance of fee based income through distribution of mutual funds and is already active into distribution of mutual funds through tie-up with some AMCs. It has a formal structure in place to handle these tie-ups. Given the fact that the systems in the bank are already in place, it makes good sense for HSBC to actively pursue this tie-up.

- Bank of Baroda, Bank of India and Central Bank of India are banks for which HSBC AMC needs to have a medium term view. The way forward for HSBC AMC is to proactively convince these banks about the strengths and utility of HSBC's mutual fund products while it waits for these banks to enhance their staff capabilities, put in place organizational set-up to handle MFs and evaluate their relationship with a couple of MFs with which they already have tie-up. HSBC AMC should try and build up a good relationship with the top management and then jump in at the first available opportunity.

	Saraswat Co- operative Bank Ltd.	Union Bank of India	Dena Bank	Bank of Baroda	Central Bank of India	State Bank of India	Bank of India
Number of bank branches	1	3	2	3	4	5	3
Number of AMCs already empanelled with bank	5	5	4	2	0	1	2
Organizational set up devoted to third party products	5	5	5	3	2	4	2
Capability of staff in handling MFs	4	4	4	3	2	4	3
Importance of HSBC Brand to the bank	4	4	4	4	4	5	4
	19	21	19	15	12	19	14

Table 2

The above table (parameters are rated on a scale of 1-5 with 5 denoting most favorable) clearly shows that in terms of tie-up, HSBC AMC needs to look at Union Bank of India, The Saraswat Co-operative Bank Ltd., State Bank of India, and Dena Bank immediately. For tie-up with Bank of Baroda, Bank of India and Central Bank of India, it needs to have a medium term view.

5.2 Preparedness requirement of Sales and Distribution Team at HSBC AMC

The sales team at HSBC AMC currently is small with most employees handling either institutional distributors or IFAs. However, before entering into tie-up with behemoths like PSU Banks, HSBC AMC should make sure that it puts its house in order. It should, ideally, have a separate set up of sales people who solely handle the PSU Bank distribution channel as there will be issues involving training requirements of bank staff, ensuring availability of marketing material at all branches, handling of investor issues and maintaining relationships with branch managers and branch marketing officers.

HSBC AMC also needs to decide whether such a PSU Bank dedicated sales team will have people dedicated solely to individual banks or they will handle branches of all banks falling within a dedicated region. In view of the fact that investment through PSU Banks will mostly be small ticket investment, it is best that their queries are solved within the region itself rather than being dragged to the Mumbai office everytime. Such a set-up will also aid in the HSBC relationship manager having a thorough understanding of the marketing nuances and investor psychology of that region.

5.3 Develop a 'PROPAGATE' Matrix

The art and craft of MF distribution should be clearly understood. The art (strategy) should be clearly drawn on the canvas and the craft (implementation) precisely delivered. Developing a PROPAGATE (Product, Risk, Opportunities (Returns), People, Appetite, Geography (Place), Attributes, Training & Education) matrix for MF distribution is the key for the success of the distribution strategy. Right structuring of the matrix will

synergize the efforts of the banks and the MFs. Since banks are selling the MF products to and through their customer base, any deficiencies in the matrix directly creates an imbalance in their desired objectives and customer satisfaction levels. Following are important ingredients of the matrix:

Product: AMCs with multiple tie-ups should decide on products based on the customer segment that the bank caters to and their time preferences. New Fund Offers are there for all but in the case of existing schemes, a careful selection of MF products is a precursor for customer-oriented selling.

Risk: Unlike fixed deposits of banks, MF schemes carry capital risk and return risk. MFs should not normally guarantee returns for their investments and investments are subject to market vagaries. AMCs should have in-house research to identify schemes based on the risk profile of their customers. They should sell only those products through banks whose performance is above the level of their benchmark indices to build investor confidence.

Opportunities: Investments in MFs are opportunities for customers to create wealth. In case of growth schemes, buoyant capital market creates better opportunities for capital appreciation and returns, and the expertise of professional fund managers enhance the opportunities and deliver better returns. Products, which offer better returns over a period over the benchmark indices will increase the return expectations and should be factored in while structuring the matrix.

People: People are the driving force. People relate to both line staff that actually market the schemes in the banks and also the target customers to whom the schemes are marketed to by the internal customer. Selecting a marketing staff with the right aptitude and attitude will make sure that schemes reach the external customer and trigger the purchase intentions that are translated into sales. HSBC AMC over a period of times, as and when it builds a strong relationship with the bank, should aim to have a say in the selection of sales staff (who is going to sell) and right targeting of the external customers (to whom it is going to be sold) to make the distribution model more effective.

Appetite: The penchant for risk taking varies with customers across segments. The risk appetite for a rural affluent customer will be comparatively less than his urban counterpart. HSBC should make sure that the branches of the partner bank in different areas sell product offering across segments that match the risk appetite of the respective segments.

Geography: Geography of the bank is the foremost advantage for the banks and MFs in the distribution model. In a single tie-up model, the idea is to simply sell across geography. With multi tie-ups, borders have to be clear. MFs should draw the distribution design based on the brand equity of the Bank in specific region or across geographic boundaries for better distribution efficacy and decide on branches through which they are going to distribute MF products. The awareness level about MF in general and schemes, in particular, varies across geographies (rural, semi-urban, urban and metro) and also customer segments. A properly graded geography strategy will propel a smooth, seamless customer penetration and sales volumes.

Attributes: Attributes of products are borne out of product structuring and investment objectives. Growth Schemes, Income Schemes, Balanced Schemes, Index Schemes etc., are some of the product attributes and Monthly Income Plan (MIP) and Systematic Investment Plan (SIP) are return and investment attributes. Attributes and their impact should be effectively communicated to the investing customers. Otherwise, it will result in customer dissatisfaction at a later stage.

Training: Training is the axle on which the entire mutual fund distribution revolves. Teaching the nuances of mutual funds to the sales staff of the bank is the starting point of implementation. Training and Certification Programme by the Association of Mutual Funds in India (AMFI) for distributing mutual fund products is essential for successful implementation of the distribution strategy. The content and communication of the trained staff will translate to better counselling to the target investors and better satisfaction levels. HSBC AMC should make sure to achieve the training objectives for distribution objectives.

Education: Educating the external customer about the mutual funds first and the nuances of mutual fund investments next will be the ultimate decider for distribution success. Customers will always look for the direct assistance by the AMC sales staff in addition to the bank staff whose responsibility it is to educate and guide them into investing based on their risk return appetite, life cycle and wealth cycle. The education exercise is to be on a continuous basis. HSBC AMC should plan to employ resources for this purpose.

Developing and implementing a robust PROPAGATE matrix will definitely give direction to MF distribution.

The staff involved in the banks should be convinced about the distribution as a potential profit generation model for the bank. There may be apprehensions among staff in selling an alien product and about its impact on the liability base of banks. But history has it that any investment is recycled over a period of time and outflows are almost always matched by inflows and there is benefit in the form of income from outflows also. Moreover, if banks give customers other financial products also, customer satisfaction increases and brand loyalty improves. Ultimately that is what matters.

So, HSBC AMC should act quickly to develop a PROPAGATE matrix for itself and reap the benefits of this distribution channel.

5.4 Sales Model between PSU Banks and HSBC AMC

Ultimately, a successful sales model is one that adds value to the overall customer experience and exploits the respective skills of the partners, thereby ensuring the longevity of the partnership. The choice of an appropriate model depends on key drivers, such as the level of integration desired in the sales process, the existing organization structure of the Bank, cultural differences between the two entities and the extent of involvement of the top management.

Broadly, HSBC Asset Management Company can look at 3 type of Sales Model:

1. Separate sales force: In its most simple form, this model requires minimum integration between the staff of the partners and merely utilizes the customer database for mutual product prospecting. While this model has minimal issues on the cultural front, it is unable to leverage the customer knowledge and client relationships of the Bank staff.

2. Hand In Glove: This model entails the sales force of the Asset Management Company utilizing the resources of the Bank, such as the customer base, branch infrastructure and bank staff expertise in the selling process. The bank staff sells simple packaged products, but acts as introducers in the case of more complex products. The AMC's representatives undertake the consultative selling process and final lead closure. This model exploits the client relationships and customer information present with the bank's employees and also leverages the selling skills inherent in the sales staff of the AMC. Since it requires higher interaction between the bank and AMC's staff, cultural issues become critical for the success of this structure.

3. Fully Integrated: The sales process is wholly owned by the Bank staff, while the AMC acts only as a product and service provider. This model maximizes the exploitation of the Bank's strengths, but does not utilize the skills of the AMC. Therefore, bank staff buy-in to sales objectives. Effective training and strong information flow between the Bank and the AMC become key drivers to the success of this model. With little direct contact with the end customer, the AMC relies largely on the Bank for market information towards identifying financial need gaps and developing suitable products.

Description of the above 3 models clearly shows that given the newness of the concept and small sales force of the Asset Management Companies (AMCs), the 'Separate Sales Force' and the 'Hand in Glove' model won't be a practical possibility. The only possible model is the 'Fully Integrated' model, which can work very well once the bank staff is trained and motivated to sell mutual funds.

With the same end, proper training and Association of Mutual Funds of India (AMFI) certification is a must for the bank staff responsible for interacting and selling mutual funds to the customers.

5.5 Region-Specific Approach

In order to sell established funds to new investors, HSBC Mutual Fund should segment the market regionally, with different distribution strategies for each market. There can no longer be one single strategy for all regions and investors. Segmentation has to happen.

In the South, where the market is under-penetrated, HSBC AMC should forge new alliances with public sector banks such as Indian Overseas Bank to reach out to investors in the interior towns. In the East, where the presence of PSU Banks is weak, the fund should work through franchisee arrangements. It can appoint franchisees, who in turn can enroll individual agents to market its products. In the North and the West, where awareness about mutual fund products is higher, HSBC AMC can piggyback on PSU and Co-operative Banks along with well-established mutual fund distribution chains such as Bajaj Capital.

HSBC can also enter into strategic alliance with foreign banks, especially in places like Dubai and Singapore, where there is a huge expat population, to explore new cross border opportunities. The alliance will help the fund house raise money from investors in emerging markets, to be channelled into India. The alliance, once formalized, will also expected to help the fund house in structuring new products.

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- <http://www.saraswatbank.in/>
- <http://www.unionbankofindia.com/>
- <http://www.denabank.com/>
- <http://www.bankofbaroda.com/>
- <http://www.centralbankofindia.co.in/>
- <http://www.statebankofindia.com/>
- <http://www.bankofindia.com/>
- <http://www.svcbank.com/>

Annexure 1

Branches of Union Bank of India selected for Mutual Fund Distribution

Branches in Mumbai

Principal Marketing officers:

Mr. Arun Nirodi Phone: 25376547

Mr. L.A. Rege Phone: 22723006

Marketing Officers:

RAJENDRA TONSE	9819047788
R.E.ENGINEER	9820387125
VINAY HALDIVE	9819299088
S.M.MOMIN	9820191599
O.P.ISWALKAR	9892354750
V. S. IYER	9892008108
A.R.VARGHESE	9820262402
D.G.KAPSE	9819151315
HEMANT CHANDRKANT	9322338960
K.N.MAKHIJANI	9820492114
D.J.KADAM	9820093494
P.D.SUBRAMANIAM PILLAI	9820573976
C.B.MEHTA	9819361088
NAVINCHANDRA ANCHAN	9820250145
M. C. D. MELLO	9892540814
D.P.PAWAR	9869561939
M.B.VARPE	9869303159
ASHISH KRISHNAN	9869449891

1. Andheri (East) Branch - Phone: 26843420/23839258
“Mayani Manor”, Sir M. V. Road, Andheri (East), Mumbai – 400069

2. Bandra Hill Road Branch - Phone: 26422756/26425217/26402241
28-A, Hill Road, P.B.No.6661, Bandra (West), Mumbai – 400050

3. Bazargate Street Branch - Phone: 22612979/22651054/22612037
266, Prin Nariman Street, Fort, Mumbai – 400001

4. Bhuleshwar Branch - Phone: 23018904/22055237/23860280
Mahavir Building, 6-A, Kumbhar Tukda, Krishnalal M. Zaveri Road, Mumbai

5. Borivli (West) Branch - Phone: 28051787/28060006
“Ved Bunglow”, 258, Swami Vivekanand Road, Borivli (West), Mumbai – 400092

6. Chembur (West) Branch - Phone: 22524640/25244940
My Moher Co-operative Housing Society Ltd., R. C. Marg, Chembur, Mumbai – 400092

7. Cumballa Hill Branch - Phone: 26777744 /23693862
Apporva Apartment, 5, Nepean Sea Road, Mumbai – 400036

8. Dadar (West) Branch - Phone: 24301156 /24304408 /24316617
Durga Bhavan, Ranade Road, Dadar, Mumbai – 400028

9. Ghatkopar (East) Branch - Phone: 25113255/ 25106567
Nyal Smruti, Anjuriawadi, M.G. Road, Ghatkopar (East), Mumbai – 400077

10. Goregaon (West) Branch - Phone: 28724249 / 28738594
Dave’s Building, Junction of S. V. Road & Aarey Road, Goregaon(W), Mumbai– 400062

11. Gowalia Tank Branch - Phone: 23875965 /23880574
68/70, Jer Mansion, August Kranti Marg, Mumbai – 400036

12. Grant Road Branch - Phone: 23867907 /23865871

Farzandi Building, 355-A, Maulana Shaukat Ali Road, Grant Road, Mumbai – 400007

13. Kalbadevi Branch - Phone: 22408850 /22409050 /22408921

319, “Cotton Exchange Bldg.”, Kalbadevi Road, Mumbai – 400002

14. Kalyan Branch - Phone: 208796 /205196

Mustafa Manzil, Shankar Rao Chowk, Kalyan, Mumbai

15. Ruparel Marg Branch - Phone: 23695414 /23691830

19, L.D. Ruparel Marg, Mumbai – 400006

16. Mahalaxmi Branch - Phone: 24926948 /24922895

Mahalaxmi Chambers, 22, Bhulabai Desai Road, Mumbai – 400026

17. Mandvi Branch - Phone: 23424164 /23437033 /23422440

“Mulratna Building”, 332-34, Natha Street, Mandvi, Mumbai – 400009

18. Mazagaon Branch - Phone: 23715712 /23753646 /23771891

“Prem Sagar”, Nesbit Road, Mazagaon, Mumbai – 400010

19. Mohamedali Road Branch - Phone: 23445325 /23446691 /23429892

“Karim Building”, 56, Mohamedali Road, Mumbai – 400003

20. Malad (West) Branch - Phone: 28811959 /28821774

Zackaria Bungalow, 17/1a, Swami Vivekananda Road, Malad (West), Mumbai – 400064

21. Mulund Branch - Phone: 25610247 /25604646

528, “Bodke Bhavan”, N.S. Road, Mulund (West), Mumbai – 400080

22. Mumbai Samachar Marg Branch - Phone: 22674938 /22672131 /22674115
66/80, Mumbai Samachar Marg, Post Bag No. 253 & 518, Fort, Mumbai – 400023
23. Nariman Point Branch - Phone: 22024033 /22024647
239, Union Bank Bhavan, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400021
24. Nepean Sea Road Branch – Phone: 23698522 /23688234
“Maneesha”, Opposite Petit Hall, Nepean Sea Road, Mumbai – 400006
25. Navy Nagar Branch – Phone: 22152297
Next to Naval Petrol Pump, Dr. Homi Bhabha Road, Colaba, Mumbai – 400005
26. Peddar Road Branch – Phone: 23861013 /23875664
India House No.3, Oomer Park Estate, Kemp’s Corner, Mumbai – 400036
27. Princess Street Branch – Phone: 22060461/22088843/22001902
Devkaran Mansion, Shamaldas Gandhi Road, Princess Street, Mumbai – 400002
28. Sant Tukaram Road Branch – Phone: 23710358/23716624
Apeejay, Surendra Bldg, S. T. Road, 24, Baroda Street, Carnac Bunder, Mumbai -400009
29. Santacruz (West) Branch – Phone: 23495640/26486169
La-Avanti, Junction of S. V. Road, Santacruz (W), Mumbai – 400054
30. Sion (East) Branch – Phone: 24072746/24074348/24091832
169/B, New Sunita Apartment, Sion Main Road, Sion (East), Mumbai – 400022
31. Tardeo Branch – Phone: 23802210/23802209
251-B, Sethna House, Tardeo Road, Mumbai – 400007
32. Thane (East) Branch – Phone: 25422167/25408683/25432220
Kishore Nagar, Dr. Chintamani Gidwani Rd., Kopri Colony, Thane(E), Mumbai - 400603

33. Thane (West) Branch – Phone: 25340548/25346057

Maheshwari Bhavan, Jambhli Naka, Near Talao Pali, Thane (W), Mumbai – 400601

34. Veer Nariman Road Branch – Phone: 22045200/22048268/22049727

84, Raj Mahal, Veer Nariman Road, Churchgate, Mumbai – 400020

35. Vile Parle (E) Branch – Phone: 26148664/26108545

“Sahajeevan”, 19, Shradhanand Road, Vile Parle (E), Mumbai – 400057

36. Vikhroli (W) Branch – Phone: 25781813/25783310

Mahajan Mills Compound, L.B.S.Marg, Vikhroli (W), Mumbai - 400079

Branches in Kolkata

Principal Marketing officer:

Mr. G. B. Mishra

Phone: 033 - 22892271

Marketing Officers:

BASAB SEN	9330068734
SAMBIT MUKHEERJI	9830602092
SABYASACHI KANJILAL	9831108598
CHANCHAL K MONDAL	9339106748
SUBAL CHANDRA DATTA	9831440358
P K MITRA MUSTAFFI	9830439345
AJAYAKUMAR SAHA	9339106753
UTPAL KUMAR SAHA	9339106754
RAJIV KUMAR JHA	9831476180

1. Indian Exchange Place Branch – Ph: 033 - 2206587/220270/2202702/

15, India Exchange Place, Kolkata – 700001

2. Dharamtolla Branch – Phone: 033 - 2287115/2285067/2285068

5, Chowringhee Place, PO Box 8924, Kolkata – 700013

3. Ezra Street Branch – Phone: 033 - 2353900/2353116

55/58, Ezra Street, PO Box 2479, Kolkata - 700001

4. Bagh Bazar Branch – Phone: 033 - 5556451/5439343

72/1/1, Bagh Bazar Street, Kolkata – 700003

5. Ballyganj Branch – Phone: 033 - 4643934/4635103

26/6, Hindustan park, Gariahat Road, Kolkata – 700029

6. Burra Bazar Branch – Phone: 033 - 2384193/2383408

51-A-B, Sir Hariram Goenka Street, Kolkata – 700007

7. Chowringhee Road Branch – Phone: 033 - 2295778/2165810

1/1, Camac Street, Ground Floor, Kolkata – 700016

8. Canning Street Branch – Phone: 033 - 243887/2421518

6-D, Ground Floor, R. N. Mukharjee Road, Kolkata – 700001

9. Jorasanko Road – Phone: 033 - 2410459/2197080

232, Chittaranjan Avenue, Moti Sadan, Jorasanko, Kolkata – 700006

10. Kidderpore Branch – Phone: 033 – 4491908

24-D, Ekbalpur Lane, Kolkata – 700023

11. Mahatma Gandhi Road Branch – Phone: 033 - 2396721/2391043

134/4, M. G. Road, Kolkata – 700007

12. Maniktolla Branch – Phone: 033 - 2396721/2391043
77-C, Rajaram Mohanrai Sarani, Kolkata – 700009
13. New Alipore Branch – Phone: 033 - 4003347/4005132
P-539, New Alipore, Block N, 1st Floor, Kolkata – 700053
14. Sundari Mohan Avenue Branch – Phone: 033 - 2440265/2845606
33/1, Dr. Sundari Mohan Avenue, Kolkata – 700014
15. Shyam Bazar Branch – Phone: 033 - 5551543/5555725
138/2, Bidhan sarani, PO Box 16603, Kolkata – 700004
16. Strand Road Branch – Phone: 033 - 2433522/2431643/2432444/2105946
38, Strand Road, Binani Building, PO Box 550, Kolkata – 700001
17. Sealdah Branch – Phone: 033 - 2270100/2176211
127/1/A, Bipin Behari Ganguly Street, Kolkata – 700012
18. Taltolla Branch – Phone: 033 - 2443858/2443845
10, Puran Chand Nahar Avenue, Taltolla, Kolkata – 700013
19. Topsia Road (South) Branch – Phone: 033 - 3449430/3434564
86, Topsia Road, Kolkata – 700013
20. Ashokgarh Branch – Phone: 033 - 5930386/2265388
Ashok Plaza, 145, Ashokgarh, Barauipara, Kolkata – 700035
21. R. N. Mukherjee Road Branch – Phone: 033 - 2214652/2214654
1, R. N. Mukherjee Road, Dalhousie Square, GPO, Kolkata – 700001
22. Sarat Bose Road Branch – Phone: 033 - 4649791/4654356

57, Rash Behari Avenue, Deshpriya Lake Market, Kolkata – 700026

23. Howrah Branch – Phone: 033 - 6505255/6505359

49/1, G. T. Road, (Howrah South), P. B. District, Howrah – 713407

24. Salt Lake City Branch – Phone: 033 - 3372681/3586241

CG-234, Sector 2, Kolkata – 700091

25. Lake Town Branch – Phone: 033 - 5344612/5210716

P-720, Lake Town, Block A, Kolkata - 700089

Branches in Chennai

Principal Marketing officers:

Mr. V.R. Sampathkumar Phone: 044-25386591

Marketing Officers:

S.GANAPATY MAGRAJAN	9444135257
R VANACHINTHAN	9381200988

1. Annanagar Branch – Phone: 044 - 6207912

AG-3, Shanthi Colony, Annanagar, Chennai – 600040

2. Mylapore Branch – Phone: 044 - 4990752/4992108

61, Sullivan Garden Road, Mylapore, Chennai – 600004

3. Mount Road Branch – Phone: 044 - 8461430/8460114/8460845

152, Mount Road, Chennai – 600002

4. Chennai Main Branch – Phone: 044 - 5380723/5380441

139, Broadway, PO Box 1931, Chennai – 600108

5. Ashoknagar Branch – Phone: 044 - 4895625/4891625

Plot No. 1209, 1A Avenue, Near Police Training College, Chennai – 600083

6. T. S. Krishnanagar Branch – Phone: 044 - 6245208/6255327

1166, Anna Nagar, West End Colony, Anna Nagar Western Extension, Chennai – 600050

7. Washermanpet Branch – Phone: 044 - 6245208/6255327

17, G. A. Road, Washermanpet, Chennai – 600021

8. Chromepet Branch – Phone: 044 - 2381566

92, Station Road, Chromepet, Chennai – 600044

9. Tambaram Branch – Phone: 044 - 2392703/2398500

10-A, Karpaga Vinayagar Koli Street, East Tambaram, Chennai – 600059

10. Triplicane Branch – Phone: 044 - 8483304/8484692/8516721

204, Triplicane High Road, Triplicane, Chennai – 600005

11. Madhavaram Branch – Phone: 044 - 5379806/5384535

1, G. N. T. Road, Moolakadai, Chennai – 600110

12. Sowcarpet Branch – Phone: 044 - 5353966/5355271/5350642

194, Mint Street, PO Box 2845, Chennai - 600003

13. Audiyappan Naicken Street Branch – Phone: 044 – 5361591/5366199/5388609

178, Govindappa, Naicken Street, Chennai – 600001

14. Besant Nagar Branch – Phone: 044 – 4462117

58, A. V. Church Road, Besant Nagar, Chennai - 600090

15. Purasawalkam Branch – Phone: 044 – 6426838/6400408

141-A, Purasawalkam High Road, Kellys, Chennai - 600010

16. Nungambakkam Branch – Phone: 044 – 8235011/8272868
37, College Road, Nungambakkam, Chennai – 600006

17. Chamiers Road Branch – Phone: 044 – 4337684/4322993
67, Chamiers Road, Chennai - 600018

18. Egmore Branch – Phone: 044 – 8193683/8266996/8213043
Elconso Building No. 9, Casa major Road, Egmore, Chennai - 600008

19. Adayar Branch – Phone: 044 – 4414588
29, Sardar Patel Road, 1st Floor, Adayar, Chennai - 600020

Branches in Ernakulam

Principal Marketing officers:

Mr. K.P. Sasidharan Phone: 0848-2365201

Marketing Officers:

K SURESH KUMAR	9847200042
K.G.RAMESH	9447169496
B.SAJEEV	9447307192
P V SANKAR	9847274928

1. Cochin Main Branch – Phone: 0484 - 225723/224232/224233
PO Box 185, VI/345, Bazar Road, Mattancherry, Cochin – 682002

2. Eda Cochin Branch – Phone: 0484 – 232382
Door No. XXII/342, Chakkanat Building, Cochin – 682006

3. Edapally Branch – Phone: 0484 - 344535/335654

34/2409B, M. M. Building, High School, Edapally, Cochin – 682024

4. Manjummel Branch – Phone: 0484 – 555613

Arackal Building, Post Manjummel, Via Udyogamandal, District Ernakulam – 683501

5. Marine Drive Branch – Phone: 0484 - 391599/395392

High Court Junction, Cochin – 682031

6. Panampally Nagar Branch – Phone: 0484 - 322432/319494

PO Box 1829, Panampally Nagar, Cochin – 682016

7. Ponnurunni Branch – Phone: 0484 – 344958

C/32/2743(2), Palarivattom Vytila Road, Thammanam Junction, Post Thammanam,
Cochin – 682032

8. Thevara (Perumanoor) Branch – Phone: 0484 - 314828

Lourdes Church Building, Post Perumanoor, Cochin – 682015

9. Thrikkakkara Branch – Phone: 0484 - 422356

Near Civil station, Post Kakkanad, Cochin – 682030

10. Ernakulam Branch – Phone: 0484 - 355115/353970

PO Box 1176, M. G. Road, District Ernakulam – 682001

11. Willingdon island Branch – Phone: 0484 – 666430/666538

PO Box 597, Saraf House, 2nd Cross, Willingdon Island, Cochin – 682003

12. Ernakulam Overseas Branch – Phone: 0484 - 366033/366023/367797

Union Bank Bhavan, 1st Floor, M. G. Road, PO Box 3683, Cochin – 682035

13. Girinagar Branch – Phone: 0484 – 311116

28/630, Mudiyill Building, K. P. Vallon Road, Girinagar, Kadavanthr, Ernakulam -
682020

Branches in New Delhi

Principal Marketing officers:

Mr. Nearaj Rastogi Phone: 011-23367101

Marketing Officers:

PRAVIN NAYAR	9312068118
SUNIL JAIRATH	9312068119
L.S.PURI	9312068117
VINOD KUMAR SHARMA	9868324640
R.K.ARORA	9312026078
NIRAJ VERMA	9810778881
ASHEESH PANDEY	9899750225
BALBIR SINGH CHADHA	9312068127
AJIT MINAZ	9312026077
P K SHARMA	9868324640
S. S. RAGHAV	9312068123
C M GUPTA	9312239958

1. Connaught Place Branch – Phone: 011 - 3310119/3314777

14-15-F, Connaught Place, New Delhi – 110001

2. Asaf Ali Road Branch – Phone: 011 - 3267867/3268551

4/14-A, Asaf Ali Road, New Delhi – 110001

3. Nehru Place Branch – Phone: 011 - 6412541/6424013

73-74, Sheetal House, Nehru Place, New Delhi – 110019

4. Kailash Colony Branch – Phone: 011 - 6432780/6438334/6474373

H-532, Kailash Colony Market, New Delhi – 110048

5. Karol Bagh Branch – Phone: 011 - 5767660/5841709

10184, Arya Samaj Road, Karol Bagh, new Delhi – 110005

6. Chandni Chowk Branch – Phone: 011 - 3955276/3926024/3975359/3985787

625, Chandni Chowk, PO Box 1522, New Delhi – 110006

7. Khari Baoli Branch – Phone: 011 - 3975891/3977954/3960558/3932013

111/112, Fatehpuri, Khari Baoli, New Delhi – 110006

8. Safdarjang Enclave Branch – Phone: 011 - 6510427/6567263

C-4, Community Centre, Safdarjang Development Area, New Delhi – 110016

9. Yusuf Sarai Branch – Phone: 011 - 6195040/6163780/6198504

21/3-4, Arvind Marg, Yusuf Sarai, New Delhi, 110016

10. Shalimar Bagh Branch – Phone: 011 - 7478315/7474718

BQ, Commercial Complex, Shalimar Bagh, New Delhi - 110052

Branches in Hyderabad

Principal Marketing officers:

Mr. T. Jagan Rao

Marketing Officers:

M.KRISHNA SHALALI	9346660555
SATISH B.VADDI	9346698272
K.SREEDHAR RAO	9393222217
J.SHAYAM PRASAD	9399344443

1. Hyderabad Main Branch – Phone: 040 - 4741589/4740257/4740256
Siddiamber Bazar, PO Box 1108, Hyderabad – 500002

2. Saifabad Branch – Phone: 040 - 3230467/3235632
6-1-67/14, 1st Floor, Public Garden Road, Saifabad, PO Box 25, Hyderabad – 500004

3. Ramkote Branch – Phone: 040 - 4752091/4752419
PO Box 252, 4-1-10, 1st Floor, Ramkote Tilak Road, Hyderabad – 500001

4. Somajiguda Branch – Phone: 040 - 3328821/3322437
6-6-347/9/4, Dwarakapuri Colony, Somajiguda, Hyderabad – 500482

5. Secunderabad Branch – Phone: 040 - 7812241/7812747
Rashtrapathi Road, PO Box 1523, Secunderabad – 500003

6. Bowenpally Branch – Phone: 040 – 7750725
Plot No. 8, Krishnareddy Nagar, Secunderabad, District Ranga Reddy – 500011

7. Chikkadpally Branch – Phone: 040 - 7668774
Door No. 1-8-563/2, Opposite Sandhya Theatre, R. T. C. Cross Road, Chikkadpally,
Hyderabad – 500020

8. Khairatabad Branch – Phone: 011 - 3300872/3300874
Pavani Plaza, Commercial Complex, 6-2-984, Raj Bhavan Road, Khairatabad, Hyderabad
– 500004

9. Dilsukhnagar Branch – Phone: 011 - 40469117/4050972
Rajadhani Theatre Complex, Dilsukhnagar, Hyderabad – 500660

10. Secunderabad Station Road Branch – Phone: 011 – 7703669

9-4-140 to 143, Regimental bazaar, Secunderabad - 500003

Branches in Ahmedabad

Principal Marketing officers:

Mr. Tushar Trivedi Phone: 079-26582502

Marketing Officers:

R D BHAVASAR	9227237923
A.B.CHAVDA	9898233255
SUNIL BHAT	9227237926

1. Ashram Road Branch – Phone: 079 - 7542613/7540617

C. U. Shah Chambers, Near Gujarat Vidyapith, Ashram Road, PO Box 17, Ahmedabad - 380014

2. C. G. Road Branch – Phone: 079 - 6460142/6469378

424/11, behind Law College, Ellisbridge, C. G. Road, Ahmedabad – 380006

3. Vadej Branch – Phone: 079 - 7556094/7557851

Prithvi Complex, Vadej Road, Vadej, Ahmedabad – 380013

4. Ellis Bridge Branch – Phone: 079 - 6585314/6589974/6589855

Karaka Building No. 1, Ellis Bridge, Ahmedabad – 380009

5. I. F. B. Branch – Phone: 079 - 7541984/1542123

C. U. Shah Chambers, Post Navjeevan, Ashram Road, Ahmedabad – 380014

6. Relief Road Branch – Phone: 079 - 5357567/5357924

Narottam Lalbhai Trust Building, Relief Road, PO Box 305, Ahmedabad – 380001

7. Gandhinagar Branch – Phone: 079 - 3220890/3222841
Plot No. 314, Shopping Centre, Sector 17, Gandhinagar – 382017

8. Gandhi Road Branch – Phone: 079 - 2123263
Near Khadia Char Rasta, PO Box 270, Ahmedabad – 380001

9. Vasna Branch – Phone: 079 - 6602374/6608198
Hawaldar House, Opposite Vasna Bus Terminus, Ahmedabad – 380007

10. Asarwa Branch – Phone: 079 - 2685659/2683043
Chandra Mehal Building, Asarwa, Ahmedabad - 380016

Branches in Baroda

Principal Marketing officers:

Mr. R.R. Karnik Phone: 0265-2225286/2225338

1. Sayajiganj Road Branch – Phone: 0265 - 361930/362630/361516/361521
Station Road, PO Box 171, Sayajiganj, Baroda – 390005

2. Raopura Branch – Phone: 0265 – 426550
Wakaskar Chambers, Prof. Manekrao Road, Raopura, Baroda – 390001

3. Sultanpura Branch – Phone: 0265 – 410275
C/2, 510, Govind Chambers, 1st Floor, Sant Kabir Road, Sultanpura, Baroda – 410275

4. Nizampura Branch – Phone: 0265 – 7927871
16, Navdurga Co-operative Housing Society, National Highway No. 8, Nizampura,
Baroda – 390002

5. Race Course Road Branch – Phone: 0265 - 352431/350147
5 race Course Road, Rokadnath Co-operative, Baroda – 390007

6. Textile market Branch – Phone: 0261 - 8321312/8336872
Textile Market, Ring Road, Surat, Gujarat – 395002

7. Haripura Branch – Phone: 0261 - 7429744
Swastik Chambers, 5/369, Bhajiwali pole, Bhagol, Surat – 395003

8. Station Road Branch – Phone: 0261 - 7423279/7425849
Satkar Hotel Building, Una Pani Road, Surat - 395003

9. Vallabh Vidyanagar Branch – Phone: 02692 - 30091/37546
Rajendra Marg, K/103, Dass Chambers, PO Box 17, Vallabh Vidyanagar, District Kaira,
Gujarat - 388120

Branches in Lucknow

Marketing Officers:

SANJAY KUMAR NIGAM	9415171981
AVADESH KUMAR AGNIHOTRI	5223268087
V.P.MATHEW	9415029703

1. Lucknow Main Branch – Phone: 0522 - 227850/272417/224415
29, Hazratganj, PO Box 101, Lucknow – 226001

2. Clarks Avadh Branch – Phone: 0522 - 229754/217655
Hotel Clarks Avadh, 8 M. G. Road, Lucknow – 226001

3. Aminabad Branch – Phone: 0522 - 227026/217689
Dr. V. N. A. Verma Road, Aminabad, Lucknow – 226018

4. Sachivalaya Branch – Phone: 0522 - 238396/239640
89, M. G. Marg, Near Christ Church College, Lucknow – 226001

5. Indira Nagar Branch – Phone: 0522 – 348542
House No. A-1034, Indira Nagar, Near Shalimar Crossing, Lucknow – 226016

6. Chandganj Branch – Phone: 0522 – 281253/281252
B 1/6, Kursi Road, Kapurthala, Chandganj, Lucknow – 226020

7. STB Latoche Road Branch – Phone: 0522 – 281253/281252
92 Ved Raj Complex, G. B. Marg, Lucknow

8. Gomtinagar Branch – Phone: 0522 - 392796
3/81, Patrakarpuram, Vinay Khand, Gomtinagar, Lucknow – 226010

Branches in Jaipur

Principal Marketing officers:

Mr. H.P. Singhal Phone: 0141-2705925

Marketing Officers:

D.S.NAROOKA	9314629672
ANIL PATINGA	2943123012
R.L.MEENA	9314533434
LAL SINGH	941224568

1. Jaipur Overseas Branch – Phone: 0141 - 2375125/2372107
Allah Baksha Building, 2nd Floor, M. I. Road, Jaipur – 302001

2. Jaipur PBS Branch – Phone: 0141 - 2510356/2222741

28/29, Janata Store, Bapu Nagar, Jaipur – 302015

3. Jaipur SSI Finance Branch – Phone: 0141 - 2553160/2549395/2784207

Premises of Avas Vikas Sansthan, Jawaharlal Nehru Marg, Malviya Nagar, Jaipur – 302017

4. Jaipur Main Branch – Phone: 0141 - 2560760/2560009/2567706

Johari Bazar, PO Box 182, Jaipur – 302003

5. M. I. Road Branch – Phone: 0141 - 2376435/2362549

Allah Baksha Building, 1st Floor, M. I. Road, Jaipur – 302001

6. Malviya Nagar Branch – Phone: 0141 - 2520703/2523191

A/272, Malviya Nagar, Near Satkar Shopping Centre, Jaipur – 302017

7. S. D. M. Hospital Branch – Phone: 0141 - 2562930/2560994

S. D. M. Hospital, Bapu Nagar, Bhawani, Dist. Jaipur - 302015

Branches in Chandigarh

Principal Marketing officers:

Phone: 0172-2784564

Marketing Officers:

S.K.SOOD	1722576258
R.S.SANGWAN	9350068001
Vinod Aggarwal	9872212615
Sher Singh	9350068001

1. Chandigarh Main Branch – Phone: 0172 - 779226/702069/712230/709612

SCO 64/65, Bank Square, Sector 17B, Chandigarh – 160017

2. Chandigarh PBS Branch – Phone: 0172 – 781972/781927
SCO 58-61, Sector 8C, Madhya Marg, Chandigarh – 160022

3. Mani Majara Branch – Phone: 0172 – 734900
SCO 802, Chandigarh Kalka Highway, Mani Majara, Chandigarh – 160101

4. Panchkula Branch – Phone: 0172 – 566407
SCO 89, Sector 5, opposite Nirhar Vatika, Panchkula – 134109

5. Sector 21C Branch – Phone: 0172 – 705588/703654/720474
SCF No. 3, Sector 21C, Chandigarh – 160022

6. Sector 35 Branch – Phone: 0172 – 607467/664803
SCO 463/464, Sector 35, Chandigarh – 160036

7. Sector 40C Branch – Phone: 0172 - 690746
SCO 68-69, Sector 40C, Chandigarh - 160036

Branches in Bangalore

Principal Marketing officers:

Mr. H.P. Dayanand Phone: 080-22211481/22212675

Marketing Officers:

M.R.V.PRASAD	9880197497
T.GUNASEGAR	9342531110
P.S.VARGHESE	9342531115
JUDE CHRISTOPHER	9243477900

1. Bangalore IFB Branch – Phone: 080 - 2271779/2224156/2233198/2270998

111/74, Hafeeza Chambers, 1st Floor, K. H. Road, Bangalore – 560027

2. Gandhi Nagar Branch – Phone: 080 – 2263293/2258345/2269873

14, 1st Main Road, Gandhi Nagar – 560009

3. B. V. K. Iyengar Road Branch – Phone: 080 – 2877054/2871357/6509002

No. 27, Manohar Mansion, B. V. K. Iyengar Road, Chcikpet, Bangalore – 560053

4. Chowdeshwari Temple Street Branch – Phone: 080 – 2212904/2217201/2210086

86/91, Malkala Market, Chowdeshwari, Bangalore – 560002

5. Jayanagar Branch – Phone: 080 – 6548271/6548470

429/31, Ramakrishna Building, 30th Cross Road, 4th Block, Jayanagar West, Bangalore – 560011

6. Bangalore City Branch – Phone: 080 - 2262439/2260913/2204268/642775

583/584, Pooja Complex, Avenue Road, Bangalore - 560002

Branches in Jalandhar

Principal Marketing officers:

Mr. J. P. S. Pahuja

Phone: 0181-2226469/2224602

Marketing Officers:

HARDEEPSINGH SAINI	9357317581
P.K.JOSHI	9317811346
Harinder Singh	9356134653

1. Jalandhar Main Branch – Phone: 0181 - 222501/222502/222503

12, Param Market, Circuit House Road, Civil Lines, Jalandhar City – 144001

2. Chandan Nagar Branch – Phone: 0181 – 281120

Chandan Nagar, District Jalandhar – 144008

3. Ludhiana Main Branch – Phone: 0161 – 721306/721949

Cinema Road, Kesarganj Chowk, District Ludhiana – 141008

4. G. T. Road Ludhiana Branch – Phone: 0161 – 530600/538962

G. T. Road, Miller Ganj, District Ludhiana – 1410013

5. SDP Higher Secondary School Branch – Phone: 0161 – 703111

SDP Higher Secondary School, Hazuri Road, Ludhiana – 141008