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DOLLAR DEPOSIT MOBILISATION

HIGHLIGHTS OF DOLLAR DEPOSIT AND DEALERS' MARKETING CONFERENCE

Held in London on 26th and 27th March 1984

BCC ON THE MARCH

The Major Purpose of BCC invites each member of the family to explore the limitless possibilities to fulfil this purpose truly.

We have now reached a stage for the actualisation of our purpose.

BCC IS ON THE MARCH

The March is on the road of change.

BCC has determined for itself to change according to its Major Purpose and BCC Identity.

The March is for the change in self-nature.

Those who are on the March, are one with the Major Purpose.

To mobilise \$ 3 billion is in the progress of the March.

PHENOMENA OF CHANGE

You must change and become one with the laws of Nature and the Will of God.

Begin the process of change:

- by practicing humility

- by loving and inter-relating yourself with your colleagues
- by sharing responsibility
- by sharing accountability
- by sharing your wisdom
- by contributing to the growth of others and thereby bringing about joint personality

The moment you GIVE you RECEIVE.

The scope of change is very vast.

You can change to the extent you want to change or to the extent you are open to change.

The real evolution is change in one's self. Aim for fundamental change, not superficial change.

We should:

- Change our instincts if they are in conflict with the Laws of Nature
- Change our self-nature to become the Will of God

Reluctance to change is the fear of the unknown. We would not fear the unknown if we:

- Feel humility
- Relate to totality
- Care for human relationships
- Inter-relate and interfuse with feelings

The desire to change originates when you begin to search for the Truth. Change comes from Humility. The real interfusion is possible when you:

- are ready to change
- desire to change
- welcome change
- enjoy change
- love change

Through change we improve our quality.

When we accept change, we are on the path towards becoming ONE with quality.

We must change our self-nature to become marketing persons.

QUALITY

Quality is abstract
Quality is intangible
Quality is invisible

BUT as soon as it becomes one with the object, that object acquires a certain quality which becomes its identity.

The quality remains a perception until we actualise it within ourselves.

For example, the quality of art, dance, music remains a perception until it becomes one with the artist, dancer, musician and gets its identity.

The BCC identity is in:

- The Quality of Humility
- The Quality of Interfusion
- The Quality of Evolution
- The Quality of Wisdom
- The Quality of Marketing

The process of becoming begins with Change and through the process of Change becomes one with Quality.

IMPERATIVE OF MARKETING

Every member of the BCC family is a top marketing person.

Every effort in the final analysis is part of the marketing process.

Heart of the matter is:

- The Spirit of Marketing
- The Quality of Marketing
- The Importance of Marketing
- The Imperative of Marketing

Marketing is the identity of every member of BCC.

Marketing is an important ingredient of the major purpose of BCC.

Marketing is the lifeguard of the soul of BCC.

Marketing is the quality of presenting what the customer wants in the manner in which he wants.

Marketing is a question of changing the feeling of burden into a feeling of pleasure, love and devotion.

Marketing is reaching out and relating to everybody.

You express your quality through marketing and you market through your quality.

If all 10,000 BCC family members perform the function of marketing with a psyche of a very special quality of humility and love, with ability to interfuse through 360 centres in 68 countries, the degree, variety, quality and quantity of energy released in the market place would create an impact unprecedented in the banking world and would make BCC unique.

The results it would produce would become a permanent feature of our organisation. This quality and quantity of our energy is our special psyche - 10,000 persons with one feeling.

Priority is in the Purpose and love for the Purpose.

Marketing is our Main Purpose.

Marketing has therefore priority over all other matters.

MARKETING DIMENSION OF
DEALERS AND DEALING
ROOMS

There is a common impression that the Dealers' community is arrogant, they consider themselves to be a special class, behave impulsively and lack respect and consideration for the other person. We have to make a conscious effort to change this impression as far as BCC Dealers are concerned, by dealing through the feelings of humility, love and respect.

We should not forget the faith which we have in the truth and reality of the marketing dimension of the Dealer just as we have faith that every member of the BCC family should be a Marketing Person.

Dealers are an integral arm of marketing.

Nowhere is interfusion more needed than in the dealing rooms, if they have to extend their marketing role then they have to interfuse with the rest of the BCC family members.

SPECIFIC PLANS
AND POLICIES

In 1982 several specific areas were identified which called for specific 'action plans' such as direct relationships (instead of using brokers all the time as intermediaries), due to banks lines, clients and users, marketing mechanism, marketing capability, target areas, image, correspondent relationship, emphasis on certain currencies, exchange transactions, reciprocity in exchange and placement deals, market makers in

specific currencies, maximum profitability on exchange position, etc.

These areas still remain important. Relative extracts of the Specific Action Plans and Policy decisions taken at the 1982 and 1983 Dealers' Conferences is annexed hereto. The Dealing Rooms should revitalise their efforts to improve results in the areas which have not yet been fully developed.

Marketing opportunities for dealing rooms are enormous for mobilising:

- a) The Mighty Dollar
- b) Bulk deposits in convertible currencies
- c) Deposits of International Financial Institutions and Agencies, including Islamic Institutions, Central Banks, HNWIs
- d) Deposits of government and quasi-government bodies.

So far as the scope is concerned, as far as the market is concerned, as far as the opportunity is concerned, these are very substantial, but the exploration of the scope, market and opportunities depends on the vision of the dealer, and the marketing person.

It was observed that the current level of due to banks is satisfactory compared to international standards. Our internal policy is, however, to limit due to banks position to about 15% of the total funds of the Group. Dealers should

maintain the present level of due to banks position. The emphasis should be on Quality in everything we do, and this applies to due to banks position also.

Our advances portfolio would continue to be funded entirely from hard core deposits. Reliance must NOT be placed on the inter-bank money market to fund customer loans.

Dealers should endeavour to increase turnover in Money Market and in Foreign Exchange within approved limits.

It is important to diversify and build a large client base. Our main thrust and focus should be to have broader and diversified client base and if the volume emerges out of these relationships, we should be able to manage it and make it as economically viable as possible.

Dealing rooms should take a realistic view where large deposits of new customers are concerned, especially when it appears that a new breakthrough may be made.

To maintain our image in the market we should not be seen to be paying rates over the market. Good judgement and greater interfusion with the marketing person is required in such cases.

Dealers should devote more time to pursue bulk deposits and customers where there is potential for a long term relationship.

It was appreciated that by the nature of their function, Dealers have to remain totally occupied in the dealing room when they are transacting deals. This puts a limitation on their ability to go out to market for new business. It was recommended that the larger dealing rooms should be provided 2 to 4 marketing persons, who would make a joint team with the dealers and provide information and follow up contacts relating to the business and accounts relationships which can be developed through dealing rooms.

Much more could be done, much more can be done.

MOBILISING THE MIGHTY DOLLAR

Our overall target for mobilising customer deposits through dealing rooms and associated marketing staff in each location during 1984 would be \$ 3 billion:

- \$ 2 billion in US Dollars
- \$ 1 billion equivalent in other convertible currencies

Greater focus would be on low cost deposits.
Low cost deposit is profit - that is marketing for profit.

Customer deposits, that is, not including 'due to' banks, will be given the highest priority. Dealing rooms would become more active in this area and they would coordinate their efforts with the Regional Marketing Committees.

Dollar Deposit Mobilisation Desks would be set up at Regional Offices/Head Office and units or branches where there is potential for Dollar deposits and other convertible currency deposits, and individual officers would be identified to market for deposits.

A special Dollar Deposit Mobilisation Desk would be set up in International Division to provide cooperation and coordination with Central Marketing Division to support various units in regions and branches who are involved in mobilising Dollar deposits.

As soon as all the Dollar Deposit Mobilisation Desks have been set up, a special drive would be launched during the months of May and June 1984 to test our ability and the market place.

By June 1984 we should mobilise \$ 1 billion and \$ 300 million in equivalent convertible currencies excluding the home currencies. This should be over the base figure of March 1984.

Regions will be requested to estimate their target allocations for the July to December 1984 period at the end of the Special Drive.

EXTRACTS OF SPECIFIC ACTION PLANS & POLICY DECISIONS
TAKEN AT THE DEALERS' CONFERENCES IN 1982 & 1983

1. DIRECT RELATIONSHIPS:

Develop relationships with banks and financial institutions instead of using brokers all the time as intermediaries.

2. DUE TO BANKS:

Make concerted efforts to get the existing "Due to Banks" lines increased and obtain new lines. The Group's policy of "Due to Banks" as a percentage of Customer deposits must be maintained. The ratio is 15%.

3. CLIENTS AND USERS:

Diversify the composition of Dealing Room clients to comprise banks, financial institutions, large corporate clients, large merchant house, high net worth individuals, insurance companies, investment companies.

4. MARKETING MECHANISM:

Our marketing efforts in the Dealing Rooms should be made more systematic and scientific and we should examine the appropriateness of various methods in each market place and adopt those which promise best results such as:

personal contact
rate quotation telexes and follow up mail sheets
periodical market review and advice

investment advice to selected customers
any other new services or new products related to money market
operations
greater use of automation technology both for internal
efficiency as well as new services to the customers

5. MARKETING CAPABILITY:

Recognise that

- a) every individual in the Dealing Room is a marketing person of high quality and competence.
- b) Dealing Rooms are situated in the heart of money flows and are in the best position to harness these flows to our institution's best advantage.

and as such the Dealing Rooms should make the best use of their resources and situation and the rest of the organisation should follow the lead.

6. TARGETS:

Each Dealing Room should have a specific annual target to achieve:

- a) Dollar deposits from banks and financial institutions
- b) Dollar deposits from other customers

7. IMAGE:

Our efforts to expand our Dealing Room operations and mobilise deposits and business should be so carefully planned and conducted that our market image does not suffer.

In order to promote the image of the bank, senior dealers should be encouraged to become members of local and international associations and forums of Exchange Dealers.

8. CORRESPONDENT RELATIONSHIP:

Dealing Room should plan an active role in establishing, developing, servicing and managing correspondent banking relationships.

It was recognised that this does not come into conflict with the role of other units.

9. REGIONAL BANKS:

Special efforts should be made to develop close relationship with "Regional Banks", particularly in

USA
Middle East
Far East

10. FUND MANAGEMENT:

Dealing Rooms should assist in the management of funds and the Central Treasury function.

11. EMPHASIS ON CERTAIN CURRENCIES

Whereas local currency transactions will remain important in context of the local situation, more emphasis should be laid on international currency transactions, relating to exchange deals as well as placements.

Dollar deposits should remain the top priority.

The order of emphasis among international currencies was identified as under:

Dollar
Pound Sterling

12. EXCHANGE TRANSACTIONS:

Increase volume of exchange transactions:

- a) special studies to be made by each Dealing Room - existing clients, potential clients, measures to develop the activity further.
- b) special attention to be given to each Dealing Room to the business of Central Banks.
- c) each Dealing Room and the International Division should undertake review of the scope of management positions and trading positions for increasing profitability.
- d) encourage smaller bank relationships - credit lines within safety margins.
- e) optimisation of "captive business" - branch transactions, or exchange transactions related to commercial transactions.
- f) Rate Structure: to be developed to achieve competitive edge - particularly in the area of constructing and quoting exchange rates - coordination of rates among different dealing rooms essential.

13. RECIPROCITY:

In placement and exchange deals, we should seek reciprocity. International Division, Treasury Division and Dealing Rooms should review this aspect periodically.

14. MARKET MAKERS:

Carry out a study to determine the currencies in which we could become market makers and develop a coordinated mechanism to play this role efficiently and effectively.

15. EXCHANGE POSITIONS:

Study the present situation and develop a system which would take care of

- exposure limits
- time zone element
- possibility of optimising profit and hedging by passing up overnight positions to other dealing rooms
- adequacy or otherwise of the limits on the size of positions (economies of scale to be kept in mind)

16. CONTROLS AND SYSTEMS:

International Division to undertake study of the present situation and recommend improvements and changes where desirable.

17. CENTRAL AGENCY AND DEALING ROOMS INTER-RELATIONSHIP:

Until a Central Agency is created, the International Division at CSO shall be the central reference point for the coordination and monitoring of Dealing Room activities.

Apart from carrying out specific tasks such as creating uniform systems and procedures, monitoring their implementation, exercising necessary checks and controls on exposure, risks, limits and development of suitable human resources, etc. it will organise close cooperation and coordination among the various Dealing Rooms and the concerned Regional Offices to achieve a competitive edge globally through optimisation of profits, maximisation of efficiency and effectiveness and promotion of common vision.

For this purpose, the International Division will hold frequent periodical meetings of the dealers with specific and general agenda and examine and implement suggestions to promote the objectives of the Dealing Rooms.

18. MONTHLY DEALERS LETTER:

Each Dealing Room would send a monthly letter to the International Division, with a copy to the respective Regional General Manager.

19. SELECTION AND TRAINING OF DEALERS:

Staff & Establishment Division, International Division, Regional Offices and Dealing Rooms will make concerted efforts to identify and complete the staff requirements, keeping in view the new dimensions of Dealing Room activities.

Staff for the Dealing Rooms could be identified internally or externally but greater emphasis will be given to develop dealers from within the organisation.

Suitable training programmes would be introduced at the Central and Regional levels for this purpose.

20. PERFORMANCE IDENTIFICATION PROGRAMMES:

With a view to establish and sustain the new dimensions of the Dealing Room and role of the Dealers, suitable programmes would be developed to identify the performance of individual dealers and Dealing Rooms.

Work of Dollar Mobilisation Desk at International Division

The Dollar Desk was set up on 31 March 1984 to co-ordinate the worldwide campaign within the BCC network to mobilise US\$ 3 billion by 31 December 1984.

The work of the Department is split into two broad outlines

- a) Statistical work, in gathering and consolidating figures from the Regions as outlined below
- b) Public Relations work in acting as co-ordinators between CSO and the locations.

Statistical Work

We receive reports from seven regions, officially, consisting of 123 locations, on a monthly basis.

We receive from the 123 locations telex reports on a set format giving details of the outstanding balances as at the report date. This is followed by completed report forms consisting of the following details

- 1) High Networth Individuals
- 2) Corporate Depositors
- 3) Institutional Depositors
- 4) Other Depositors
- 5) Total Deposits
- 6) Deposits placed at other BCCI Offices
- 7) Deposits received from other BCCI Offices
- 8) Due to Banks

The figures from the reports are then checked and analysed and cross checked where possible with the Statement of Affairs and Subsidiary Ledgers for these regions received by Central Accounts.

We consolidate the figures region wise and a final report is then produced.

Reports are not always received on time and being a new programme, figures reported are not always accurate. Considerable time is expended in sending telexes or making tactful telephone calls to those locations from whom figures are awaited.

Together with the report a review is also done region wise of the reporting period highlighting any pertinent factors.

Public Relations Work

The Department also acts as co-ordinator between CSO and the Regions.

We keep in touch with the reporting locations round the world and in particular good rapport has been established with the regional offices of all the regions. Telephone discussions take place with those regions regarding their marketing efforts and any problems they are facing and any pertinent points arising from these discussions are then passed on to the General Manager.

In order to keep up the impetus, letters of congratulations and encouragements signed by the General Manager are also sent where appropriate.

Previously the Department was run by one officer and his secretary. A clerk has now been taken on to assist in the work.

The volume of work in compiling and consolidating the figures are considerable and time consuming.

TELEX MESSAGE

To: Mr
BCCI

Subject: DOLLAR DEPOSIT MOBILISATION REPORTING BY TELEX

We wish to adopt a uniform procedure for reporting dollar deposits mobilisation figures by telex as this would facilitate recording and reporting the figures.

We shall appreciate very much if you will therefore use the following format when reporting the dollar deposit mobilisation figures for your area. Please report in millions to the nearest three figures, the following information from the dollar and convertible currencies deposit mobilisation report - Column 8.

Quote

To: International Division, BCC London

Attn: R Bindahnee

Dollar deposit mobilisation report as on 1984

1. Region

2. Location/Branch

3. Nominated Officer

4. US dollar deposits (from Column 8)	NO OF A/CS	DOLLAR
Base period deposit at 31 March 1984		DLRS
Total deposit as at 1984		DLRS
Increase/Decrease		DLRS
Target to June 84 for our location/branch		DLRS

5. Convertible currency deposits (from Column 8)

Base period deposit at 31 March 1984	DLRS
Total deposit as at 1984	DLRS
Increase/Decrease	DLRS
Target to June 84 for our location/branch	DLRS

Unquote

Regards

AKHTAR ANIS