



Diploma in Retail Banking Rules & Syllabus 2019

EXAMINATION OBJECTIVE:

To provide an in depth knowledge of different retail banking products being offered by the Banks.

ELIGIBILITY:

1. Members and Non-Members of the Institute
2. Graduate in any discipline

SUBJECT OF EXAMINATION:

- 1) Retail Asset Products and other related services.
- 2) Retail Liability Products and other related services.

PASSING CRITERIA:

1. Minimum marks for pass in the subject is 50 out of 100.
2. Candidates securing at least 45 marks in each subject with an aggregate of 50% marks in all subjects of examination in a single attempt will also be declared as Pass.
3. Candidates will be allowed to retain credits for the subject they have passed in a attempt till the expiry of the time limit for passing the examination as mentioned below:

TIME LIMIT FOR PASSING THE EXAMINATION:

1. Candidates will be required to pass the examination within a time limit of 2 years (i.e. 4 consecutive attempts).
2. Candidates not able to pass examination within stipulated time period of two years are required to re-enroll themselves afresh. Such candidates will not be granted credit/s for subject/s passed, if any, earlier.
3. Time limit of 2 years will start from the date of application for first attempt. Attempts will be counted irrespective of whether a candidate appears at any examination or otherwise.

EXAMINATION FEES*:

Particulars	For Members	For Non-Members
First attempt fee	Rs.4,000/- *	Rs.6,500/- *
Second attempt fee	Rs.2,000/- *	Rs.2,000/- *
Third attempt fee	Rs.2,000/- *	Rs.2,000/- *
Fourth attempt fee	Rs.2,000/- *	Rs.2,000/- *

* Plus Convenience charges and Taxes as applicable.

Please Note: Candidates are required to Register for every attempt separately.

As a measure to streamline the traffic for registration, Institute will charge regular examination fee to candidates who registers for the examination during the regular open period of registration. **For the extended days of registration, late fee of Rs.200 plus taxes, will be charged in addition to regular examination fee.** This extended days of registration, also gives candidates addition opportunity to register for the examination, having missed the regular open period of registration.

The fee once paid will **NOT** be refunded or adjusted on any account.

MEDIUM OF EXAMINATION:

Examination will be conducted in English only.

PATTERN OF EXAMINATION:

- (i) Question Paper will contain 100 objective type multiple choice questions for 100 marks including questions based on case studies/ case lets. The Institute may however vary the number of questions to be asked for a subject

- (ii) The examination will be held in Online Mode only
- (iii) There will NOT be negative marking for wrong answers.

DURATION OF EXAMINATION:

The duration of the examination will be of 2 hours.

PERIODICITY AND EXAMINATION CENTRES:

- a) Examination will be conducted on pre-announced dates published on IIBF Web Site. Institute conducts examination on half yearly basis, however periodicity of the examination may be changed depending upon the requirement of banking industry.
- b) List of Examination centers will be available on the website. (Institute will conduct examination in those centers where there are 20 or more candidates.)

“CLASS OF PASS” CRITERIA:

1. The Institute will consider the FIRST PHYSICAL ATTEMPT of the candidate at the examination as first attempt for awarding class. In other words, the candidate should not have attempted any of the subject/s pertaining to the concerned examination any time in the past and has to pass all the subject as per the passing criteria and secure prescribed marks for awarding class. Candidates re-enrolling for the examination after exhausting all permissible attempts as per the time limit rule will not be considered for awarding class.
2. First Class: 60% or more marks in aggregate and pass in all the subjects in the FIRST PHYSICAL ATTEMPT
3. First Class with Distinction: 70% or more marks in aggregate and 60 or more marks in each subject in the FIRST PHYSICAL ATTEMPT.

PROCEDURE FOR APPLYING FOR EXAMINATION

Application for examination should be registered online from the Institute's website www.iibf.org.in. The schedule of examination and dates for registration will be published on IIBF website.

PROOF OF IDENTITY

Non-members applying for Institute's examinations/ courses are required to attach/ submit a copy of any one of the following documents containing Name, Photo and Signature at the time of registration of Examination Application. Application without the same shall be liable to be rejected.

- 1) Photo ID Card issued by Employer or 2) PAN Card or 3) Driving License or 4) Election Voter's ID Card or 5) Passport 6) Aadhaar Card

STUDY MATERIAL/ COURSEWARE

The Institute has developed a courseware to cover the syllabus. The courseware (book) for the subject/s will be available at outlets of publisher/s. Please visit IIBF website www.iibf.org.in under the menu “Exam Related” for details of book/s and address of publisher/s outlets. Candidates are advised to make full use of the courseware. However, as banking and finance fields are dynamic, rules and regulations witness rapid changes. Therefore, the courseware should not be considered as the only source of information while preparing for the examinations. Candidates are advised to go through the updates put on the IIBF website from time to time and go through Master Circulars/ Master Directions issued by RBI and publications of IIBF like IIBF Vision, Bank Quest, etc. All these sources are important from the examination point of view. Candidates are also to visit the websites of organizations like RBI, SEBI, BIS, IRDAI, FEDAI etc. besides going through other books & publications covering the subject/ exam concerned etc. Questions based on current developments relating to the subject/ exam may also be asked.

CUT-OFF DATE OF GUIDELINES/ IMPORTANT DEVELOPMENTS FOR EXAMINATIONS

The Institute has a practice of asking questions in each exam about the recent developments/ guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments/ guidelines from the date the question papers are prepared and the dates of the actual

examinations.

In order to address these issues effectively, it has been decided that:

- (i) In respect of the examinations to be conducted by the Institute for the period February to July of a calendar year, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December will only be considered for the purpose of inclusion in the question papers".
- (ii) In respect of the examinations to be conducted by the Institute for the period August to January of a calendar year, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June will only be considered for the purpose of inclusion in the question papers.

The table given below further clarifies the situation.

Particulars Developments for Examination/s	Cut-off Date of Guidelines/ Important Developments for Examination/s
For the examinations to be conducted by the Institute for the period February 2019 to July 2019	31st December 2018
For the examinations to be conducted by the Institute for the period August 2019 to January 2020	30th June 2019

TUTORIAL/ CONTACT PROGRAMMES

Tutorial/ Contact programmes may be organized by the Institute at various centres. For details in this regard candidates may visit Institute's website www.iibf.org.in.

SYLLABUS:

The details of the prescribed syllabus which is indicative are furnished in the booklet. However, keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates appearing for the examination should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subject/s of the said examination although those topics may not have been specifically included in the syllabus. The Institute also reserves to itself the right to vary the syllabus/ rules/ fee structure from time to time. Any alterations made will be notified from time to time. Further, questions based on current developments in banking and finance may be asked.

Candidates are advised to refer to financial newspapers/ periodicals more particularly "IIBF VISION" and "BANK QUEST" published by the Institute.

DETAILS OF PRESCRIBED SYLLABUS

PAPER 1: RETAIL ASSET PRODUCTS AND OTHER RELATED SERVICES

MODULE A: INTRODUCTION

History and Definition, Role within the Bank operations, Applicability of Retailing Concepts- Distinction between Retail and Corporate/Wholesale Banking.

MODULE B: RETAIL PRODUCTS

Retail Products Overview – Customer requirements, Products development process, Liabilities and Assets Products – Description of Retail Liability products, Description of Asset Products, Approval process for retail Loans, Credit Scoring.

Auto/ Vehicle Loans – Eligibility, Purpose, Amounts, Margin, Security, Insurance, Disbursement, Filing of Charge with Registering Authorities, Moratorium, Prepayment issues, Repayments/ Collection. Marketing through Tie Up arrangement with Dealers, Recovery-Taking Possession and Auction of Vehicle in case of default.

Personal Loans – Eligibility, Purpose, Amounts, Security, Disbursement, Moratorium, Prepayment issues, Repayments/ Collection. Tie up arrangement with Employers for recovery.

Educational Loans – Eligibility, Purpose, Amounts, Security, Disbursement, Moratorium, Prepayment issues, Repayments. Financing Students for Studies abroad- Procedure-

Precautions.

Marketing/ Selling of Retail Products, MIS and Accounting

Retail Strategies; Tie-up with Institutions for Personal Loans/ Credit Cards/ Educational loans, with OEMs/ Authorized Dealers for auto/ vehicle loans, and with builders/ developers for home loans

Delivery Channels – Specialized Branches, ATMs, POS, Internet Banking, M-Banking. Selling Process in Retail Products-Direct Selling Agents, E- Commerce.

Customer Relationship Management – Meaning of CRM, Role and impact of Customer Relationship Management, Stages in Customer Relationship Management Process. Regulations and Compliances.

Technology for Retail Banking – Static information, Account opening, basic loan origination data etc. Updated information like income details at different frequencies. Transaction information from disbursement till final settlement of the loan amount. Analytics/ Alerts.

Accounting entries – Loan process and the relevant accounting including EMI Computation.

Other issues related to Retail Banking: Securitization, Mortgage Based Securities.**Trends in Retailing** – New products like Insurance, Demat Services, Online/ Phone Banking, Property services, Investment Advisory/ Wealth Management, Reverse Mortgage. Growth of e-banking, Cross selling opportunities.

Recovery of Retail Loans – Defaults, Rescheduling, Recovery Process. SARFAESI Act, DRT Act, Use of Lok Adalat forum. Direct Recovery Agents-RBI Guidelines.

Other Products – Remittances/ Funds Transfer- RTGS, NEFT, ECS

MODULE C: HOUSING FINANCE

Overview of Housing finance - Housing and Economic Development - Evolution of Housing Finance in India and leading financiers in the field. Regulatory Guidelines on Housing Finance., Housing for all by 2022

Basics of Housing Finance

Essentials of a Home Loan Proposal - Eligibility, Purpose, Quantum of finance - Interest – Tenor, Margin, Insurance, Security – Loan to Value Ratio, EMI Concept, Disbursement, Repayment Period, Moratorium, Pre-payment Issues, Recovery, Other Terms & Conditions.

Lenders Appraisal Procedure - Pre-Sanction stage - Sanction - Documentation – Title Verification, Defects in Title, Scrutiny of Title Verification Report, Special Provisions of Housing Societies/ Apartment Act. Monitoring-Post Sanction Inspection - Credit Rating,

Other Lending Schemes - Finance to Private Builders – Take-over of Account/ Loans from other Institutions - Home Loans to NRIs

Housing Finance in Metro Cities - Local laws and requirements. Income Tax implications in case of Resident and Non Resident Housing Loan borrowers.

Financial Counseling-

National Housing Bank, - Project Finance Policy - Fair Practices code for HFCs, Affordable Housing (Scope/ Issues).

Real Estate Investment Trusts (REIT)

Recovery- Legal aspects/ Provisions/ Modalities of CERSAI, SARFAESI Act.

MODULE D: CREDIT/ DEBIT CARDS

Introduction to Bank Cards - Types of Cards- Charge Cards, Debit Cards, Credit Cards, Co-branded Cards, Smart cards, Contactless Cards.

- **Card Operations** - Appraisal and Sanction of Limits - Credit Card Billing Cycle - Profitability - Marketing –Administrative Support Functions
- **Credit process** - General Credit Policies - Credit application - Credit decision process - Determining Credit Worthiness - Credit Scoring Method - Automated processing of applications - credit review - monitoring warning signals - risk analysis.
- **Production Function** - Production Characteristics- Account Set up- Card Production- Card Production Scheduling- Statement Production- Payment Processing etc.
- **Customer Service** – Collection – Merchant Establishments – Turnover Commission- Outsourcing- Call Centres/ DSAs/ DRAs Care and Cautions with reference to Credit Cards. Dos and Don'ts for DSA/ DRAs

- **Credit Card Frauds**- Preventive measures- recovery process- Legal regulatory issues
- **Global framework for Smart card payments** -VISA- MASTER CARD RUPAY Cards

PAPER 2: RETAIL LIABILITY PRODUCTS AND OTHER RELATED SERVICES

MODULE A: INTRODUCTION

- Concept of Retail Banking
- Definition of 'Customer'
- Relationship between banker and customer:
- Duties and Rights of a banker
- Classification of retail banking products with emphasis on liability products.
- Various types of customers.
- Delivery channels,
- Various remittance facilities.
- Customer relationship Management.
- Para- banking facilities

MODULE B: KNOW YOUR CUSTOMER (KYC) GUIDELINES

- KYC-AML-CFT Guidelines of RBI
- Obtaining of Introduction at time of opening deposit accounts
- Identification/ KYC Documents for different types of Individuals
- Customer Identification Procedures (CIP) for Non- Individuals
- Freezing and closure of KYC Non-Compliant Accounts
- Indicative List of KYC Documents
- Verification of Address for Genuineness & KYC Documents
- Monitoring of Transactions in Accounts
- Combating Financing of Terrorism (CFT)

MODULE C – DIFFERENT TYPES OF CUSTOMERS AND ACCOUNTS

1. Different Types of Customers & Operational Issues

- Not Competent to Contract - Minors, Insolvents, Lunatics, Drunkards
- Special Types of Customers - Illiterates, Blind, Incapacitated, Pardhanashin,
- Executors & Administrators, Liquidators
- Entity as Customers – HUF, Trust, Clubs, Associations, Societies, Govt. Bodies
- Legal Persons/ Others – Sole Proprietorship, Partnership, Public & Pvt. Ltd. Cos
- Special Legal Persons – Limited Liability Partnership, One Person Company
- Joint Accounts, Operational Instructions, Settlement of Deceased A/c Claims

2. Current Deposits

- Salient Features and Utility of Current Deposits
- Eligibility for Opening Current Accounts, Minimum Balance etc.
- Who cannot open a Current Account
- Some Different Types of Current Accounts
- Benefits and Facilities under Current Accounts
- Service Charges levied in Current Accounts

3. Savings Deposits

- Main Features and Need for Savings Deposits
- Who can open a Savings Bank Account, Maintenance of Minimum Balance
- Who cannot open a Savings Bank Account
- Basic Savings Bank Deposit Account (BSBDA)
- Some Different Types of Savings Accounts
- Benefits and Facilities available to Savings Bank Account holders
- Interest on Savings deposits and service charges payable
- Importance of Savings Bank deposits and impact on profitability
- **Term Deposits**
- Features of different types of Term Deposits – Short Deposits, Monthly Income Plan, Quarterly/ Regular Income Plan, Cumulative Time Deposits
- Recurring Deposits and their special features
- Concept of Flexi Deposits and their features

- Pre-payment of Term Deposits and operational procedure
- Settlement of Deceased Account Claims
- Loans and Overdrafts against Bank's own deposits
- Interest Rates on Term deposits and High Value/ Bulk deposits

4. Marketing Strategies for Retail deposits

- Choosing the target customer, existing customer or high net worth customer, Corporates/ Associations/ Bodies, etc., for cross selling the bank's products
- New customers, individual/ HNI as well as non-individuals like Corporates/ Educational Institutions/ Professional Bodies, etc.,
- Sources to identify a potential customer- referrals, official directories, internet,
- Mapping of location, potential customers and the product/ service category that is proposed to be sold.
- Building a sales team, allocating areas of business to individual/ sales teams.
- Direct selling for customer acquisition and new business
- Developing marketing approach and skills with full product knowledge
- Providing customer service delights at the customer's place of convenience.
- Conducting events like road shows/ exhibitions, etc. to generate leads
- Customer Relationship Management: (CRM) - management, capturing, storing, processing and archiving of information and data and using the information in a way that improves the customer's total "experience".

MODULE D – OTHER ISSUES RELATING TO RETAIL DEPOSITS

- Nomination Facility
- Tax Deducted at Source
- Deposit Insurance
- Banking Codes and Standards Board of India (BCSBI)
- IT Enablers for building up of Retail deposit base
- MIS & Data Management

IMPORTANT RULES/ INFORMATION FOR CANDIDATES

1. ADMIT LETTER OF EXAMINATIONS:

- Admit letter to all eligible candidates will be emailed to the candidates in their email id registered with the Institute, 10 days before the examination date.
- Admit letter of all eligible candidates will be hosted on Institute's website www.iibf.org.in under the menu 'Exam Related', 1 week before the examination date.
- For downloading and printing of admit letter from the above mentioned website, candidates will have to enter the following:
 - Membership or registration number as **login id**
 - Edit profile password.**
 - If candidates do not remember their Edit profile password, they have to click on the 'Forgot password/ Get Password' button after entering the Membership or Registration number. On clicking fresh edit profile password will be sent to their registered email id.
- Candidates are required to **produce printed copy of admit letter** along with Membership identity card or any other valid photo ID card in original (Aadhaar card/ e-Aadhaar/ Employer's card/ PAN Card/ Driving License/ Election voter's card/ Passport etc.) at the examination venue.
- In the absence of printed copy of Admit Letter and Photo Identity Card, candidates will be denied permission to write Examination.**

2. MOBILE PHONES

- Mobile phones and other electronic/ smart gadgets (except calculator as permissible) are not allowed in the examination hall. It is clarified that mere possession of mobile phone and other electronic/ smart gadgets in the examination hall whether in switch off mode or silent mode shall also be deemed to be resorting to adoption of unfair means in the examination.

3. USE OF CALCULATOR

- a. Candidates will be allowed to use battery operated portable calculator in the examination. The calculator can be of any type up to 8 functions i.e. (Addition, Subtraction, Multiplication, Division, Percentage, Sq.-root, Tax+ and Tax -), 12 digits.
- b. Attempt to use any other type of calculator not complying with the specifications indicated above or having more features than mentioned above shall tantamount to use of unfair means. Scientific calculator is not allowed.

4. Other Rules/ Information

- a. Candidates should ensure that they sign the Attendance Sheet.
- b. Candidates are advised to reach the Examination Venue before the reporting time mentioned in the admit letter. **No candidate/s will be permitted to enter the Examination Venue after the gate closing time mentioned in the admit letter.**
- c. **No candidate will be permitted to leave the examination venue in the first 60 minutes from the scheduled start time of the examination.**
- d. **Candidates should occupy the seat mentioned against each subject in the Admit letter.**
- e. Candidates would be able to login to the system only with the password mentioned in this Admit Letter. This password should not be disclosed to others. Keep it safe to avoid the possible misuse.
- f. If the examination could not commence on scheduled time or there is delay due to Failure of power, Technical snag of whatsoever nature or for any such reason having bearing upon the conduct of examination; candidates have to: -
 - i. Wait till resumption of power supply/ solving of technical snag.
 - ii. Take-up the examination at other venue arranged by the examination conducting authority.
 - iii. Follow instructions given by the examination conducting authority.
- g. Candidates are required to strictly follow all the instructions given by the examination conducting authority during the examination and adhere to Rules of the examination.
- h. Violation of any of the Rules/Instructions, misuse of the Admit Letter will be considered to be an act of serious misconduct and the Institute will take action as per the Rules of the examination, which will also be reported to the employer of the candidate.

5. RULES, PENALTIES FOR MISCONDUCT/ UNFAIR PRACTICES:

- a. Communication of any sort between candidates or with outsiders is not permitted and complete silence should be maintained during the examination.
- b. Copying answers from other candidates/ other printed/ Electronic material or permitting others to copy or consultation of any kind will attract the rules relating to unfair practices in the examination.
- c. No candidate shall impersonate others or allow others to impersonate himself/ herself at the examination.
- d. No candidate shall misbehave/ argue with the Examination Conducting Authorities at the centre.
- e. Candidates have to compulsory return any papers given including that given for rough work to invigilator.
- f. Candidates should not possess and/ or use books, notes, periodicals, etc. in the examination hall at the time of examination/ or use mathematical tables, slide rules, stencils etc. during the examination.

If any candidate violates any of the above rules, it will be considered to be an act of misconduct and he/she will be liable for punishment.

PLEASE REFER INSTITUTE'S WEBSITE UNDER THE MENU "EXAM RELATED" FOR DETAILS OF DEBARMENT PERIOD FOR UNFAIR PRACTICES ADOPTED BY CANDIDATES DURING CONDUCT OF INSTITUTE'S EXAMINATIONS.

6. RESULT ADVICE/ CONSOLIDATED MARKSHEET/ FINAL CERTIFICATE

- Result Advice of candidates will be hosted on Institute's website on declaration of result, which can be downloaded by the candidates.
- Consolidated mark sheet for candidates completing examination having more than one subject, will be available on the Institute's website after the declaration of results. Candidates can download the same after entering login credentials using their membership number and edit profile password.
- Final certificates will be sent by speed post within 2 months after the declaration of result.

MULTIPLE CHOICE QUESTIONS (MCQS) AND ANSWERS

"The Institute conducts its examinations through Multiple Choice Questions (MCQs). These MCQs are part of the Question Bank of the Institute and its Intellectual Property. As a matter of policy, these MCQs and their answers will not be shared by the Institute with the candidates or others and no correspondence in this regard will be entertained."

CONTACT DETAILS:

Register your queries through website www.iibf.org.in > Members/ Candidates Support Services (Help) or email all your queries to care@iibf.org.in

MEMBER SUPPORT SERVICE OFFICE:

Indian Institute of Banking & Finance
191-F, Maker Towers, 19th Floor,
Cuffe Parade, Mumbai - 400 005
Tel.: 022-2218 3302/ 2218 5134

FOR TRAINING/ CONTACT CLASSES RELATED QUERIES CONTACT:

Leadership Centre
Indian Institute of Banking & Finance
Kohinoor City, Commercial-II, Tower-I, 3rd Floor,
Kiroli Road, Off L. B. S. Marg, Kurla West, Mumbai 400 070.
Tel.: 022 25039746/ 9604/ 9907
E-mail: training@iibf.org.in

PROFESSIONAL DEVELOPMENT CENTRES:

South Zone	North Zone	East Zone
Indian Institute of Banking & Finance No. 94, Jawaharlal Nehru Road, (100 Feet Road), Opp. Hotel Ambica Empire, Vadapalani, Chennai – 600 026. Tel.: 044-2472 2990/ 2472 8587 E-mail: iibfsz@iibf.org.in	Indian Institute of Banking & Finance 102-113, Vikrant Towers, 1st Floor, 4 Rajendra Place, New Delhi – 110 008. Tel.: 011-2575 2191/ 92 E-mail: iibfnz@iibf.org.in	Indian Institute of Banking & Finance Hindusthan Building (Annexe), 7th Floor, 4, C. R. Avenue, Kolkatta – 700 072. Tel.: 033-2212 4992 E-mail: iibfez@iibf.org.in

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