



Branch Banking

The sample questions are related to the JAIBP Stage 1 course “Branch Banking”. The students are advised to thoroughly read the exam guidelines and the syllabus guide for this course before start studying for the paper. The questions are shared to give an idea to the student about the paper format and types of questions. For further information visit the IBP website www.ibp.org.pk

Multiple Choice Questions

Each MCQ carry one and half mark.

- Q1.** What is the rate of penalty levied to the bank by SBP, In the event of outstanding entries in head office account for more than 30 Days?
- A. Rs. 5,000/- Per Instant
 - B. Rs. 10,000/- Per Instant
 - C. Rs. 15,000/- Per Instant
 - D. Rs. 20,000/- Per Instant (Answer)
- Q2.** Which one of the following is a type of loan product offered under consumer/retail banking?
- A. Financing Against Trust Receipt Facility (FATR)
 - B. Housing Loan (Answer)
 - C. LC-Sight
 - D. Export Re-finance
- Q3.** Which one of the following cannot be termed as a banker-customer relationship?
- A. Debtor & Creditor
 - B. Principal & Agent
 - C. Insurer & Insuree (Answer)
 - D. Pawnor & Pawnee



Constructed Response Question

Each CRQ question carry five marks.

Question:

A. List any four types of Inland Remittances?

2 Marks

B. What due diligence measures will you take while making large online cash transfer payment for walk-in customers?

3 Marks

Answer:

Part-A

Four types of Inland Remittances are given below:

- Pay order
- Demand draft
- Telegraphic transfer
- Cashier's Cheques / Banker's Cheques
- Rupees Travellers Cheques (RTCs)
- Online Transfers

Answer:

Part-B

We will take following due diligence measures while making large online cash Transfer payment for walk-in customers:

- Collection of CNIC copy of the bearer along with its verification from original. NADRA Verisys may also be extracted.
- Purpose of the online cash transfer must be taken from the customer.
- Source of income should be ascertained from the customer.
- Information may be sought from the remote branch regarding the customer profile in which account cash transfer is made.



Extended Response Question

Each ERQ question carry ten marks.

Question:

In Banking industry establishing relationship with new customers is now considered to be a critical task. It requires due care and diligence with respect to documents required. In ABC Bank Ltd, two persons, a solicited customer X and a walk-in customer Y, visit it and wish to open new accounts with the bank. You, as a banker, need to take care of CDD/KYC and AML as well.

Question:

- A. Differentiate between a walk-in customer and a solicited customer.
- B. What level of diligence would be required to fulfil the CDD/KYC and AML processes for such customers; and how would you advise them with regard to any missing documents?

Answer:

Part A

Walk-In Customer

Walk-in customers are those who just walk into a branch premises to open an account or make use of banking services. The priority of walk-in customers may be that:

- The branch is convenient for them
- The customer service of the branch is better than other branches. The branch premises is better than the other branches
- The size and reputation of the bank is good. The service charges are less

Solicited Customer

Solicited customers are those who are contacted by the bank staff with the purpose of establishing a business relationship. Generally, these are the customers whose credentials are well established and who enjoy a good reputation in the market.

Part B

Purpose of CDD/KYC and AML

The purpose of CDD/KYC and Anti-money laundering procedure is to check the authenticity of the customer and their business account.

For this purpose, the following steps should be taken.

- A. Obtain all necessary identification documents from any of the following-
 - a. CNIC
 - b. Passport
 - c. Pakistan Origin Card (POC)



d. National Identity Card for Overseas Pakistani (NICOP)

- B. The CDD/KYC exercise helps to document their knowledge of the customer and update the bank record of regularity authorities.
- C. CDD/KYC should not be merely a form-filling exercise but should be instrumental in building future relationship.
- D. CDD/KYC is an ongoing process and does not end at the account opening stage. Fresh information about customer like new source of fund, business etc need to be updated.
- E. No customer is exempted from CDD/KYC.

Advice:

- Request the customer to provide current and accurate information while filling the KYC form
- Ask the customer to provide the mandatory documents to establish new relationship

The advice(s) could vary from candidate to candidate. The marker can award marks on plausible and polite advices that seem appropriate to him/her.

