PREMIUM STUDY EDITION

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Retail Banking & Wealth Management

Module A — Retail Banking

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Retail Banking & Wealth Management — Module A: Retail Banking (Notes)

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UNIT 1 ★★★ EXAM WEIGHTAGE — HIGH-YIELD UNIT

Retail Banking Introduction

1.1 What Is Retail Banking? (Introduction)

Let us begin a new subject — Retail Banking & Wealth Management. The very first unit is the most essential one: the introduction to Retail Banking. Before becoming a banker you must understand what retail banking actually is, where it came from, and why it has become so important today.

❖ DEFINITION — Retail Banking

Retail Banking is the banking in which a bank provides services to a large group of ordinary people (individual customers) — deposits, loans, cards, ATM, internet/mobile banking, etc. It is also called consumer banking or personal banking. In other words: it is a mass-market driven banking model in which the customer base is very large but the transaction size of each customer is small.

Some standard definitions that the textbook gives:

- Retail banking means providing banking products and services to individuals and small businesses — such as savings/current account, FD, personal loan, home loan, auto loan, debit/credit card.
- It is a banking model that runs on volume (number of customers), not on a few large transactions.
- Delivery channels: branches (physical) + ATM, internet banking, mobile banking (remote).

✦ REMEMBER (Memory Aid)

Retail = ordinary people (individuals + small businesses). Wholesale/Corporate = large firms and companies. In retail, customers are many and ticket size is small; in wholesale, customers are few and ticket size is large.

Structure of Banking (RBI Classification) As per the RBI, banking customers are classified as follows:

Category	Sub-category	Examples
Individuals	Retail Banking	Mass Retail Banking (ordinary customers); Class Retail Banking / Private Banking (HNI customers)
Individuals	Entrepreneurial	Agriculture, MSME (Individual)
Firms	Wholesale Banking	Large corporates / companies
Firms	MSME (Firms)	MSMEs that are in firm/company form

Source: RBI Website. That is, retail banking is mainly part of the Individuals side. Mass Retail Banking vs Class Retail Banking

Aspect	Mass Retail Banking	Class Retail Banking (Private Banking)
Target	Ordinary / general public	HNI (High Net-worth Individuals)
Volume	Very large customer base	Small, selective customer base
Service	Standard products	Customised, personalised, premium services
Relationship	Mass / impersonal	Dedicated relationship manager

⚠ NOTE (Important / Caution)

Class Retail Banking = Private Banking = for HNI customers. If the exam asks ‘whom is private banking for?’, the answer is HNI, not everyone.

✓ QUICK CHECK

By what other name is Retail Banking known?

(a) Investment Banking
(b) Corporate Banking
(c) Wholesale Banking
(d) Consumer / Personal Banking

Ans: (d) Consumer / Personal Banking — Retail Banking is also called Consumer Banking or Personal Banking, because it provides services to individual customers

1.2 Characteristics of Retail Banking

Retail banking has 6 main characteristics: 1 Large customer base — very many individual customers. 2 Small ticket size — each transaction/loan is small. 3 Wide dispersal of risk — risk is spread across a large customer base; it is not concentrated in one place. 4 Standardised products — products are mostly standard (not much customisation). 5 Technology driven — it depends heavily on ATM, internet and mobile banking. 6 Mass marketing — products are marketed at a large scale.

✓ QUICK CHECK

What is a credit scoring model?

(a) A statistical technique that predicts a borrower's behaviour
(b) An RBI penalty
(c) A deposit scheme
(d) A marketing technique

Ans: (a) A statistical technique that predicts a borrower's behaviour — A credit scoring model is a statistical technique that combines several financial characteristics to predict the behaviour of new applicants — it increases transparency and efficiency

1.3 Advantages of Retail Banking

For banks, retail banking (as a business segment) has 3 major advantages: 1 Lower risk — because of the large client base, the risk is spread out (diversified). 2 Higher income — spreads are higher (the interest margin on retail loans is good). 3 Strong customer loyalty — once a customer is acquired, they stay with the bank for a long time; it creates the opportunity for cross-selling.

✦ REMEMBER (Memory Aid)

Advantages — 'R-I-C-S-C': Risk less, Income more (spreads), Customer loyalty, Stable model (less volatility), Cross-selling potential high. These are also given in 'Let Us Sum Up'.

✓ QUICK CHECK

Which is considered the fastest-growing and future-dominant channel of retail banking?

(a) Door-to-door collection
(b) Branch banking
(c) Direct Banking
(d) Telephone banking

Ans: (c) Direct Banking — Direct Banking (online, ATM, call/email centre, mobile, direct mail, web models) is the fastest-growing channel — online households are growing at a CAGR of 20%+

1.4 Constraints of Retail Banking (Disadvantages)

Everything has two sides. The 6 constraints of retail banking: 1 Monitoring & tracking is difficult — tracking so many customers is a lot of effort. 2 Higher cost of servicing — the per-customer service cost is relatively high. 3 Higher delinquencies — the default rate is higher in unsecured retail loans (Personal Loan, Credit Card). 4 Technology dependence — if the system fails, the entire service stops. 5 Customer attrition — amid competition, a customer may move to another bank. 6 Risk of a bank run — if customers' confidence is shaken, they may all rush to withdraw their money at once (a bank run).

⚠ NOTE (Important / Caution)

Delinquencies are highest in unsecured loans — Personal Loans and Credit Card Receivables. They are lower in secured loans (home/auto), because there is collateral.

✓ QUICK CHECK

In the RBI structure, retail banking falls on which side?

(a) Firms (b) Government

(c) Individuals (d) Foreign entities

Ans: (c) Individuals — In the RBI banking structure, retail banking is part of the 'Individuals' side (Mass + Class retail banking)

1.5 Evolution of Retail Banking

Retail banking was not built in a single day — it developed gradually. Let us understand the timeline:

Period	What Happened
Pre-1960s	The era of class banking — banking was only for the rich/elite; the ordinary person was kept at a distance.
Late 1970s / early 1980s	Foreign banks pushed retail banking. Standard Chartered & Grindlays were the pioneers. Citibank launched credit cards in the early 1980s.
1980s	Public sector banks — SBI, IOB, BOI, BOB, Andhra Bank — began offering retail products.
Early 1990s	After liberalisation, new-generation private banks (HDFC, ICICI, Axis, etc.) arrived — technology-driven retail banking gained pace.
2010s onwards	Digital revolution — ATM, internet, mobile, UPI, fintech.

✦ REMEMBER (Memory Aid)

In India, retail banking was started by foreign banks (Standard Chartered & Grindlays), nurtured by PSBs, and rapidly advanced by new-gen private banks. The first credit card in India was brought by Citibank (early 1980s).

Capgemini World Retail Banking Reports (EFMA) The textbook mentions two important reports:

- 2015 Report (Capgemini, EFMA) — highlighted the entry of fintech and its impact.
- 2016 Report key findings — 63% of customers were using fintech; 96% of executives believed the industry was moving towards digital but only 13% had ready systems; 36% of banks believed fintech was growing fast; 40% had a good experience with fintech; and 65% of banks saw fintech as a partner (not just a threat).

⚠ NOTE (Important / Caution)

Drift-prone figures — the Capgemini 2016 numbers are often asked in the exam: 63% use fintech, 96% executives agree on digital but only 13% are ready, 36% fast-growth, 40% good experience, 65% see fintech as a partner. Remember these numbers separately — they are often mixed up with one another.

The RBI's 'Report on Trend and Progress of Banking in India' also provides data on retail banking performance — the data tables are below. RBI Data: Retail Banking Performance (2019–2021) I. Growth Rate of Retail Assets (Amount in Rs. Billion) — Source: Trend & Progress of Banking in India 2020-21, RBI.

Retail Asset	2019	2020	2021
Housing Loans	12044	13965	15619
Consumer Durable Loans	92	111	216
Credit Card Receivables	1113	1321	1386
Vehicle / Auto Loans	2697	2894	3295
Other Retail / Personal Loans	6335	7510	8560
Educational Loans	762	791	788
Total Retail Loans	23043	26592	29864

II. Retail Assets as % of Total Assets

Details of Advances	2019	2020	2021
Total Advances of Banking System	95269	100984	106408
% growth over previous year	13.4	6.00	5.4
% share of Retail to Total Advances	24.18	26.33	28.06

✦ REMEMBER (Memory Aid)

Housing loans are 52%+ of the retail portfolio (the largest). Retail's share of total advances rose to 28.06% (2021). Mobile banking grew more than 4x during 2019–2021 and became the most preferred channel.

III. ATMs of Scheduled Commercial Banks — Total ATMs in 2021 were 2.13 lakh (213575); ATMs as % of branches 173%; CBS (Core Banking) coverage 100%. IV. New Payment Infra (2021) — White Label ATMs showed ~100% growth; Micro ATMs grew 49%; UPI QR codes reached 925.22 lakh in 2021. Key Points on Performance (2019–2021)

- The retail loan portfolio showed double-digit growth; housing loan (52%+ of portfolio) grew 29.68%; average retail growth ~29.60%.
- Auto loan average growth 22.19%; credit card receivables grew 24%+.
- Total bank credit grew only 5.4% in 2021 (corporate demand was weak) — Rs.106408 billion.
- QR code became the most popular payment system — 96 million+ static QR codes (March 2021); cost-effective.
- Debit card outstanding grew 8.40%; Credit card grew 31.77% (vs March 2019).
- Mobile banking grew 4x+ — it became the most preferred banking channel. According to a BCG (Boston Consulting Group) study, retail banking generates ~60% of worldwide banking revenue — so it is the dominant revenue source for banks.

✓ QUICK CHECK

What does BaaS (Banking as a Service) enable?

(a) Cash transactions only
(b) Fintech/NBFCs integrating with the bank system through APIs (open banking)
(c) Only branch expansion
(d) RBI penalties

Ans: (b) Fintech/NBFCs integrating with the bank system through APIs (open banking) — BaaS lets fintech companies and third-party organisations (such as NBFCs) integrate with the bank's regulated system through APIs — this enables open banking

1.6 Prerequisites for Success of Retail Banking

For retail banking to succeed, the following factors are essential: 1 Efficient delivery mechanism — the most important. Quality service, fair & affordable pricing, promptness. A bank should deliver products in a safe, secure, prompt and cost-effective manner through technology. Channel innovation should keep advancing. 2 Direct Banking — the fastest-growing and the future's dominant channel. Direct banking is not only online banking; it includes ATM, call/email centres, mobile devices, direct mail and web-based models. Online households are growing at a CAGR of 20%+. 3 Product appropriateness — the right product for the right customer group. Banks should invest in data analytics to understand customer needs. 4 Pricing — pricing should be fair; at present it is weighted against retail customers (on both the liability and asset sides). 5 Scoring models — use credit scoring (a statistical technique) to assess creditworthiness — it increases transparency and efficiency. Credit information reports are also used. 6 Consumer protection environment — regulators are becoming strict against unfair practices. Banks should treat customers fairly and protect their rights.

✦ REMEMBER (Memory Aid)

The most important prerequisite = an efficient delivery mechanism. The fastest-growing channel = Direct Banking (online households CAGR 20%+).

✓ QUICK CHECK

As per a BCG study, what share of worldwide banking revenue does retail banking generate?

(a) ~80% (b) ~45%
(c) ~60% (d) ~30%

Ans: (c) ~60% — As per a Boston Consulting Group (BCG) study, retail banking generates ~60% of worldwide banking revenue — so it is the dominant revenue source

1.7 Challenges for Retail Banking

1 Consumer Protection & Pricing — pricing is often arbitrary/illogical (non-maintenance of minimum balance charge, cheque return charge, charges without a service). The 'poor subsidising the rich' problem. Pricing should be non-discriminatory, risk-based, competitive and value-added. 2 Inadequacy of MIS — granular segment-wise revenue/profit data is not available, so risk-based pricing is difficult. Building a good MIS is essential. 3 Understanding of KYC/AML issues — for failing due diligence, the RBI (and foreign regulators) have imposed penalties on banks. KYC applies to assets, liabilities and third-party products alike. 4 Managing Risk — many customers + varied channels = vulnerabilities. Operational, technology, fraud, mis-selling, market, liquidity and interest-rate risks. Even low-value frauds can bring reputational risk and litigation. 5 Effects of disruptive new technologies — new frauds such as impersonation, identity theft, SIM swap, device-control apps. Banks should deploy technology-based solutions quickly. 6 Continuing growth (financial inclusion) — even after 7–8 years of effort, more than half the target population is uncovered; credit penetration is only ~10%. The challenge is not finding new customers but the mind-set — banks should treat financial inclusion as a profitable business and pursue it with 'missionary zeal'.

⚠ NOTE (Important / Caution)

Credit penetration in India is only ~10%. And '95% of security breaches are due to human error' — so humans = the weakest link (a cyber-security challenge).

Reasons for Growth of the Retail Banking Segment The textbook gives many reasons from (a) to (q). The main ones:

- Rise of young Indian professionals — the middle class is growing; the young population is comfortable with personal debt.
- India as an economic superpower — A.T. Kearney called India the 'second most attractive retail destination' among 30 emerging markets.
- Increasing purchasing power of the middle class; financial market reforms; an engine of economic growth.
- A mass-market & volume-driven business; automation of the banking process (ATMs as a low-cost channel).
- Easy & affordable access (banks even finance registration/stamp duty); financial liquidity; economic prosperity (post-1992 ~6.8% average growth).
- Changing demographics — 70% of India's population is under 35 (young); the Goldman-Sachs BRIC report highlighted this demographic advantage.
- Technological innovations; an increase in banks' liquid cash; a decline in interest rates (retail loan rates fell from 16–18% in 1995-96 to 7.5–9%); a declining cost of incremental deposits; a change in loan terms (tenure rose from 5–7 years to 15/30 years).

✦ REMEMBER (Memory Aid)

A.T. Kearney: India = the 2nd most attractive retail destination (of 30). 70% of India's population is under 35. Retail loan rates 16–18% (1995-96) → 7.5–9% (now).

✓ QUICK CHECK

As per the Autonomous Research forecast, by 2030 by what % will AI cut banks' operating cost?

(a) 50% (b) 35%
(c) 10% (d) 22%

Ans: (d) 22% — As per the Autonomous Research forecast, by 2030 AI technologies will cut banks' operating cost by 22%

1.8 Future of Retail Banking

The two years of the pandemic (COVID-19) pushed banking towards digital. Lockdowns and social distancing made digital ways the 'new norm'. Some important concepts:

❖ DEFINITION — APIs (Application Programming Interface)

APIs help banks with multiple data-aggregation platforms, operational efficiency and a niche digital experience. Through API integration, 'experiential banking' is becoming the new norm. DEFINITION — BaaS (Banking as a Service) An end-to-end approach in which fintech companies and third-party organisations (such as NBFCs) integrate with the bank's system through APIs. Innovative financial services are built on the bank's regulated infrastructure — this enables open banking.

Based on research, 6 pandemic-sparked trends worth watching for 2022+: 1 Growth in Digital Banking — FIS observed a 200% jump in new mobile registrations and 85% traffic growth in April 2020. Benefits: 24x7 convenience, cash-free payments (UPI/wallets/net-banking), feature-rich products, multi-factor authentication security, lower fees, remote financial inclusion. 2 Rapid Adaptation of Blockchain — blockchain solves the slow/costly problems of B2B and P2P money transfer: faster, transparent, lower cost. Forbes: blockchain records/validates every transaction, needs no third-party authorization, and is decentralized. Trade/bond settlement in minutes. 3 AI & Data Science — Autonomous Research forecasts that by 2030 AI will cut banks' operating cost by 22%. Uses: Fraud Prevention, Anomaly Detection (insider trading), Customer Analytics, Risk Management, Algorithmic Trading. 4 Cyber Security as a top priority — banks are a top target for hackers. 95% of security breaches are due to human error ('humans are the weakest link'). A well-defined security policy + continuous monitoring + staff/customer training are essential. 5 Payment Innovations — 'Instant Payment' (settlement in seconds). Mobile wallet transactions ~4 billion (FY2021). NPCI reduced timings; the EU has SEPA Instant (10 sec); the US Fed announced FedNow (transfers up to $25000 in seconds); ISO 20022 standardisation enables cross-border interoperability. 6 Rise of Big Tech — Apple, Google, Samsung are offering payment services. Apple Card, Google/Stripe/PayPal are expanding banking offerings. PSD2 (open banking) can make them 'bank-like without banks'. Conclusion: banks should adopt partnership/collaboration, not treat them as a threat.

⚠ NOTE (Important / Caution)

The real core of the future: after COVID, Digital Banking is the future (the answer to CYP Q4). Remember the keywords: APIs, BaaS, Blockchain, AI (22% cost cut by 2030), FedNow, PSD2, ISO 20022.

Scope of Retail Banking in India

- Economic activity is rising; purchasing power in rural India has grown — a market opportunity.
- India has 300 million households and 400 million middle class; 90%+ of savings come from the household sector. 'Now people want to save less and spend more.'
- The nuclear-family concept is growing — the demand for banking services rises every day.
- Tax benefits (on housing/education loans, both on repayment and on interest).

✓ QUICK CHECK

As per the Capgemini 2016 report, what % of banks saw fintech as a 'partner'?

(a) 65% (b) 96%
(c) 40% (d) 13%

Ans: (a) 65% — 65% of banks saw fintech as a partner (not just a threat); 40% had a good experience with fintech

★ KEY TAKEAWAYS

- Retail Banking = banking services provided to a large group of individual customers.
- The delivery model is both — physical (branches) and remote (ATM, Internet, Mobile Banking).
- Advantages: risk less (large client base), income more (spreads), strong customer loyalty, stable model (less volatility), high cross-selling potential.
- Disadvantages: monitoring a huge clientele is difficult, higher servicing cost, higher delinquencies in unsecured loans (Personal Loan, Credit Card).
- In India, retail banking was started by foreign/new-gen banks and nurtured by PSBs; penetration is still lower than China, Malaysia and Thailand.
- After COVID, the 6 future trends: Digital Banking, Blockchain, AI/ML/Data Science, Cyber Security, Payment Innovations, the Rise of Big Tech.

Key terms: Retail Banking, customer base, risk diversification, spread, customer loyalty, database, delivery model, KYC/AML issues, Protection environment, Digital Banking

✓ QUICK CHECK

The proportion of Housing Loan in Retail Loan segment is more than ________

(a) 50% (b) 45%
(c) 60% (d) 75%

Ans: (a) 50% — Housing loans make up more than 50% (52%+) of the retail loan segment — the largest component. [CYP Q5 — Answer (a)]

Practice Questions

Q1. Advantages of retail banking include ________ [Easy]

(a) Risk is less as client base is large
(b) Income is relatively more as spread is more
(c) All the above
(d) Stable model with less volatility

Q2. What is included in the advantages of retail banking? [Easy]

(a) Lower risk (large client base)
(b) Strong customer loyalty
(c) All of the above
(d) Higher income (spreads)

Q3. For which customers is private banking designed? [Easy]

(a) High Net-worth Individuals (HNI)
(b) Only corporates
(c) Only government departments
(d) All general customers

Q4. In retail banking, delinquencies (defaults) are highest in which kind of loans? [Moderate]

(a) Home loans
(b) Gold loans
(c) Unsecured loans (Personal Loan, Credit Card)
(d) Auto loans

Q5. Through API integration, which concept is becoming the 'new norm'? [Moderate]

(a) Manual ledger banking
(b) Cash banking
(c) Branch banking
(d) Experiential banking

Q6. What is the most important prerequisite for the success of retail banking? [Moderate]
(a) Efficient delivery mechanism
(b) Government subsidy
(c) More branches only
(d) High pricing

Q7. Which is the largest component in the retail loan portfolio? [Moderate]
(a) Housing Loans (52%+)
(b) Educational Loans
(c) Credit Card Receivables
(d) Auto Loans

Q8. What kind of relationship should banks keep with Big Tech companies (textbook conclusion)? [Moderate]
(a) Ignore them
(b) Treat them as a threat and keep them away
(c) Adopt partnership and collaboration
(d) Get them banned by the RBI

Q9. What change in loan tenure became a reason for retail growth? [Moderate]
(a) No change
(b) Fell from 5–7 years to 2 years
(c) Rose from 5–7 years to 15/30 years
(d) Fell from 30 years to 10 years

Q10. Which one of the following is not part of retail banking? [Moderate]
(a) Credit card facility
(b) Providing term loans for projects
(c) Mobile Banking
(d) Internet banking

Q11. Which of the following is NOT an advantage of retail banking? [Moderate]
(a) High default rates
(b) High cross-selling potential
(c) High customer loyalty
(d) Less volatility in business

Q12. As per the FIS report, by how much did new mobile banking registrations grow in April 2020? [Hard]
(a) 85%
(b) 200%
(c) 100%
(d) 22%

Q13. What rank did A.T. Kearney give India among 30 emergent markets? [Hard]
(a) Second most attractive retail destination
(b) The very last
(c) Fifth most attractive
(d) The very first

Q14. Which bank first launched credit cards in India? [Hard]
(a) HDFC Bank
(b) Bank of Baroda
(c) Citibank (early 1980s)
(d) SBI

Q15. From which guidelines do Big Tech (Apple, Google, PayPal) get the ability to offer bank-like services? [Hard]
(a) Basel III
(b) FATCA
(c) GDPR
(d) PSD2 (Open Banking)

Answer Key

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	C	2	C	3	A	4	C	5	D	6	A	7	A	8	C
9	C	10	B	11	A	12	B	13	A	14	C	15	D		

Answers & Explanations

Q1. Ans: (c) All the above
Why: All three are advantages of retail banking — risk less, income more (spread), stable model. So 'All the above' is correct. [CYP Q1 — Answer (d)]
(a) — Correct but incomplete
(b) — Correct but incomplete
(d) — Correct but incomplete — all are correct

Q2. Ans: (c) All of the above
Why: All three are advantages of retail banking — lower risk, higher income (spreads), and strong customer loyalty. This is also the answer to CYP Q1
(a) — Correct but incomplete
(b) — Correct but incomplete — all are correct
(d) — Correct but incomplete

Q3. Ans: (a) High Net-worth Individuals (HNI)
Why: Private Banking (Class Retail Banking) is for HNI customers — with a dedicated relationship manager and customised services
(b) — Corporates come under wholesale banking
(c) — Government banking is separate
(d) — General customers come under Mass Retail Banking

Q4. Ans: (c) Unsecured loans (Personal Loan, Credit Card)
Why: Delinquencies are highest in unsecured retail loans — Personal Loans and Credit Card Receivables — because they have no collateral
(a) — A home loan is secured, so defaults are lower
(b) — A gold loan is secured (gold collateral)
(d) — An auto loan is secured (the vehicle is hypothecated)

Q5. Ans: (d) Experiential banking
Why: Through API integration, 'experiential banking' is becoming the new norm — with multiple data aggregation and a niche digital experience
(a) — Manual ledger banking is an old method
(b) — Cash banking is declining
(c) — Branch banking is traditional

Q6. Ans: (a) Efficient delivery mechanism
Why: The most important prerequisite is an efficient delivery mechanism — quality service, fair pricing and promptness through technology
(b) — A government subsidy is not the basis of retail banking
(c) — Only adding branches is an incomplete solution
(d) — High pricing drives customers away

Q7. Ans: (a) Housing Loans (52%+)
Why: Housing loans make up 52%+ of the retail portfolio — the largest component. They showed 29.68% growth in 2019-2021
(b) — Educational loans are among the smallest components
(c) — Credit card receivables are a small portion
(d) — Auto loans are the second-largest portion but below housing

Q8. Ans: (c) Adopt partnership and collaboration
Why: The textbook conclusion: instead of treating Big Tech as a threat, banks should adopt partnership and collaboration
(a) — Ignoring them is not a solution
(b) — Treating them as a threat and keeping away is not recommended
(d) — Getting them banned is not suggested

Q9. Ans: (c) Rose from 5–7 years to 15/30 years

Why: Earlier the loan tenure was limited to 5-7 years; now it has risen to 15/30 years — giving people more financial leverage

(a) — There was a change

(b) — It did not fall; it rose

(d) — It is the opposite — tenure increased

Q10. Ans: (b) Providing term loans for projects

Why: Providing term loans for projects is part of corporate/wholesale banking, not retail banking. [CYP Q3 — Answer (c)]

(a) — The credit card facility is part of retail

(c) — Mobile banking is part of retail

(d) — Internet banking is part of retail

Q11. Ans: (a) High default rates

Why: High default rates is a disadvantage, not an advantage. This is the answer to CYP

Q12. Ans: (b) 200%

Why: As per the FIS report, in early April 2020 new mobile banking registrations jumped 200% and traffic ballooned 85%

(a) — 85% was the growth in mobile banking traffic

(c) — 100% was the White Label ATM growth

(d) — 22% is the AI cost-reduction forecast

Q13. Ans: (a) Second most attractive retail destination

Why: A.T. Kearney (a global management consulting firm) called India the ‘second most attractive retail destination’ among 30 emergent markets

(b) — Not last — second from the top

(c) — Not fifth

(d) — Not first, but second

Q14. Ans: (c) Citibank (early 1980s)

Why: Credit cards in India were launched by Citibank in the early 1980s

(a) — HDFC Bank was formed after the 1990s

(b) — BOB offered retail products, but the credit card pioneer was Citibank

(d) — SBI offered retail products, but the credit card in India was brought first by Citibank

Q15. Ans: (d) PSD2 (Open Banking)

Why: Through the PSD2 (open banking) guidelines, Big Tech companies can become ‘bank-like without banks’

(a) — Basel III is for capital adequacy

(b) — FATCA is for US tax compliance

(c) — GDPR is for data privacy (EU)

BANK EXAMS WITH SWARNAKSHI

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