



## Certificate Examination for Small Finance Banks Rules & Syllabus 2020

This specific certificate course has been developed under the co-branding of IIBF and SIDBI.

### OBJECTIVE

To provide competencies at various levels for prospective recruits as well as for the current staff of Small Finance Banks.

### ELIGIBILITY

- 12<sup>th</sup> Pass.
- Employees of Small Finance Banks (SFB)/Banks/Financial Institutions are also eligible to appear for the examination.

### SUBJECT OF EXAMINATION

Operations of Small Finance Banks

### PASSING CRITERIA:

Minimum marks for pass in the subject is 50 out of 100.

### EXAMINATION FEES\*:

Particulars	For Members	For Non-Members
First attempt	Rs.1,100/- *	Rs.1,600/- *
Subsequent each attempt	Rs.1,100/- *	Rs.1,600/- *

\* 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 first week of registration. For second and third week of registration, the fees will be regular examination fee plus Rs. 100/- and fourth week of registration, the fees will be regular examination fee plus Rs. 200/-. **In case, the registration date is extended beyond 4 weeks the examination fees will be regular examination fee plus Rs. 200/- for the extended days.** 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:

- Question Paper will contain 100 objective type multiple choice questions for 100 marks.
- The examination will be held in Online Mode only
- 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:

- 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.
- List of Examination centers will be available on the website. (Institute will conduct examination in those centers where there are 20 or more candidates.)

### PROCEDURE FOR APPLYING FOR EXAMINATION:

Application for examination should be registered online from the Institute's website [www.iibf.org.in](http://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](http://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 2020 to July 2020	31st December 2019
For the examinations to be conducted by the Institute for the period August 2020 to January 2021	30th June 2020

## 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.

#### **MODULE A - INDIAN FINANCIAL SYSTEM & REGULATORY GUIDELINES**

##### **Financial System Overview:**

Indian Financial System – An Overview, Role of RBI, Commercial Banks, NBFCs, PDs, FIs, Cooperative Banks, Small Finance Banks, Payment Banks

##### **Banking Regulation**

Objectives, Functions of RBI; Tools of Monetary Control; Regulatory Guidelines on gender mainstreaming in banking system to enhance credit flow to women.

##### **Guidelines**

Licensing of Small Finance Banks in the Private Sector Operating Guidelines for Small Finance Banks

##### **Financial Inclusion & Financial Literacy**

Microfinance, BC; BF; Role of ICT in Financial Inclusion, Mobile based transactions, R SETI, Self-Help Groups, Importance of Financial Literacy, Customer Awareness, Women's financial inclusion and how gender awareness of bankers is critical to address the different barriers faced by women and men in financial inclusion.

##### **Government Sponsored Schemes**

NRLM, NULM, PMEGP

##### **Risk Management**

Introduction to Risk Management, Basel Accords- I, II & III

#### **MODULE B - OPERATIONAL ASPECTS OF BANKING**

##### **Functions of Banks**

Banker Customer Relationship - Types; Different Deposit Products & Services; Services to Customers & Investors opening accounts of various types of customers

##### **Maintenance of Accounts**

Operational Aspects of Opening and Maintaining Accounts of Different Types of Customers, Cash handing and Dos and Don'ts

##### **Know Your Customer & Anti-Money Laundering**

- KYC framework
- Operating Guidelines.
- Monitoring Accounts
- PMLA Objectives
- RBI Guidelines on Fraud Prevention, Management & Reporting.

##### **Bankers' Special Relationship**

Mandate; POA; Garnishee Orders; Banker's Lien; Right of Set off Nomination Facility

##### **Negotiable Instruments Act -**

Payment and Collection of Cheques and Other Negotiable Instruments, Role & Duties of Paying & Collecting Banks; Endorsements/ Forged Instruments/ Bouncing of Cheques- Its Implications/Return of Cheques Cheque Truncation System.

#### **MODULE C - CREDIT & FOREIGN EXCHANGE MANAGEMENT**

##### **Principles of lending, Working Capital Assessment and Credit Monitoring**

Cardinal Principles; Non-fund Based Limits; WC; Term Loans; Credit Appraisal Techniques; Sources of WC Funds & its Estimation; Operating Cycle; Projected Net WC; Turnover Method; Cash Budget; Credit Monitoring & Its Management; Base Rate/MCLR; 5Cs of credit and collection procedures to be followed post disbursements.

##### **Documentation**

Types of Documents; Procedure; Stamping; Securitisation

##### **Different Modes of Charging Securities**

Assignment; Lien; Set-off; Hypothecation; Pledge; Mortgage

### **Priority Sector Advances**

Targets; Sub-Targets; Recent Developments

### **Non-Performing Assets**

Definition; Income Recognition; Asset Classification; Provisioning Norms, Post disbursement monitoring, follow-up, early warning signs, Guidelines for recovery, legal recourse, other options.

### **Agricultural Finance**

Types of Agricultural Loans; Risk Mitigation in agriculture (PMFBY, MSP etc.)

### **Micro, Small and Medium Enterprises**

MSMED Act, 2006 and Policy Package for MSMEs; Performance and Credit Rating Scheme; Latest Developments

### **Foreign Exchange**

Categorization of SFBs as AD-Cat II & nature of FOREX business permitted to SFBs by RBI.

*MODULE D - MARKETING, TECHNOLOGY AND CUSTOMER SERVICE INCLUDING SOFT SKILLS*

### **Marketing: An Introduction**

Concept; Management; Products & Services; Marketing Mix; Brand Image, Social Media Marketing

### **Consumer Behavior and Product**

Consumer Behavior; Product Planning, Development, Strategies, etc; CRM

### **Pricing & Distribution**

Importance, Objectives, Factors, Methods, Strategies of Pricing; Bank Pricing Distribution Channels;

### **Channel Management**

Meaning, Levels, Dynamics, Advantages Promotion Role of Promotion in Marketing; Promotion Mix

### **Para-banking activities**

Third party products like distribution of Mutual Fund products, Insurance products and Pension products

### **Payment Systems and Electronic Banking**

Channels for Banking Services; ATMs; PIN; Electromagnetic Cards; Electronic Banking; Net Banking; Mobile Banking, RUPAY, BBPS, etc. Payment and Settlement Systems Act,

### **Data Communications Network and EFT Systems**

Components & Modes of Transmission; Major Networks in India; SWIFT; Automated Clearing Systems; Funds Transfer Systems

### **Customer Service**

Banking Codes and Standards Board of India (BCSBI) - Important Issues and Salient Features of the Codes, Operating Instructions/ RBI Guidelines on Customer Service, Customer Redressal Mechanism in Banks

### **Soft Skills and Leadership Skills**

Gender sensitivity, understanding different economic lifecycles, different product requirements and different needs of women, Relationship Management, Image Building, Communication Skills, Motivation, Business Etiquette.

### **Consumer Protection**

- COPRA
- RTI
- Banking Ombudsman

## **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](http://www.iibf.org.in) under the menu 'Exam Related', 1 week before the examination date.

- c. For downloading and printing of admit letter from the above mentioned website, candidates will have to enter the following:
  - i. Membership or registration number as **login id**
  - ii. **Edit profile password.**
  - iii. 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.
- d. 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.
- e. **In the absence of printed copy of Admit Letter and Photo Identity Card, candidates will be denied permission to write Examination.**

## 2. MOBILE PHONES

- a. 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. 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:**

- Communication of any sort between candidates or with outsiders is not permitted and complete silence should be maintained during the examination.
- 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.
- No candidate shall impersonate others or allow others to impersonate himself/ herself at the examination.
- No candidate shall misbehave/ argue with the Examination Conducting Authorities at the centre.
- Candidates have to compulsorily return any papers given including that given for rough work to invigilator.
- 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 certificate: Digitally Signed Certificate will be issued to the candidates who have enrolled and passed the examination. The Certificate will be emailed to the email-id of the candidate registered with the Institute, within 3 weeks from the date of 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](http://www.iibf.org.in) > Members/ Candidates Support Services (Help) or email all your queries to [care@iibf.org.in](mailto: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,  
Kirol Road, Off L. B. S. Marg, Kurla West, Mumbai 400 070.  
Tel.: 022 022 6850 7000  
E-mail: [training@iibf.org.in](mailto: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 Avani Heights, 2nd Floor 59A, Jawaharlal Nehru Road Kolkata – 700020 Tel.: 033-4603 2850 E-mail : iibfez@iibf.org.in

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