

Banking Branch Manager Job Interview Questions And Answers



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Banking Branch Manager Interview Questions And Answers Guide.

Question - 1:

Do you know what is investment banking?

Ans:

Investment banking manages portfolios of financial assets, commodity and currency, fixed income, corporate finance, corporate advisory services for mergers and acquisitions, debt and equity writing etc.

[View All Answers](#)

Question - 2:

Explain me what is 'Fixed' APR and 'Variable' APR?

Ans:

'APR' (Annual Percentage Rate) can be 'Fixed' or 'Variable' type. In 'Fixed APR', the interest rate remains same throughout the term of the loan or mortgage, while in 'Variable APR' the interest rate will change without notice, based on the other factors like 'prime rate'.

[View All Answers](#)

Question - 3:

Tell me what is 'Loan grading'?

Ans:

The classification of loan based on various risks and parameters like repayment risk, borrower's credit history etc. is known as 'loan grading'. This system places loan on one to six categories, based on the stability and risk associated with the loan.

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Question - 4:

Explain me what are the different ways you can operate your accounts?

Ans:

You can operate your bank accounts in different ways like

- a) Internet banking
- b) Telephone or Mobile banking
- c) Branch or Over the counter service
- d) ATM (Automated Teller Machine)

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Question - 5:

Explain what do you mean by co-maker?

Ans:

A person who signs a note to guarantee the payment of the loan on behalf of the main loan applicant's is known as co-maker or co-signer.

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Question - 6:

Do you know what is (APR) Annual Percentage Rate?

Ans:

APR stands for Annual Percentage Rate, and it is a charge or interest that the bank imposes on their customers for using their services like loans, credit cards, mortgage loan etc. The interest rate or fees imposed is calculated annually.

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**Question - 7:**

Explain me what is Cost Of Funds Index (COFI)?

Ans:

COFI is an index that is used to determine interest rates or changes in the interest rates for certain types of Loans.

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Question - 8:

Explain what is 'Amortization'?

Ans:

The repayment of the loan by instalment to cover principal amount with interest is known as 'Amortization'.

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Question - 9:

Tell me as a bank branch manager, what is your management style?

Ans:

In my experience delegating responsibility and authority is crucial. A team needs to be able to develop and grow as individuals and a whole, not be held back by low expectations or ego.

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Question - 10:

Explain me what do you mean by term 'Usury'?

Ans:

When a loan is charged with high interest rate illegally then it is referred as 'Usury'. Usury rates are generally set by State Law.

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Question - 11:

Please explain what is inter-bank deposit?

Ans:

Any deposit that is held by one bank for another bank is known as inter-bank deposit. The bank for which the deposit is being held is referred as the correspondent bank.

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Question - 12:

Tell us do bank charge for 'overdraft protection' service?

Ans:

Yes, bank will charge on 'overdraft protection' services but the charges will be applicable only when you start using the service.

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Question - 13:

Explain what are payroll cards?

Ans:

Payroll cards are types of smart cards issued by banks to facilitate salary payments between employer and employees. Through payroll card, employer can load salary payments onto an employee's smart card, and employee can withdraw the salary even though he/she doesn't have an account in the bank.

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Question - 14:

Tell me what do you mean by term "CASA" related to bank?

Ans:

CASA stands for Current Account Savings Account. The CASA ratio shows how much deposit a bank has in the form of current and saving account deposits in the total deposit. A higher CASA ratio means better operating efficiency of the bank because on current account there is no interest payable whereas on savings account a tiny 3.5% interest is payable by the bank. CASA ratio shows how much of the deposit of the bank comes from the current and savings deposit.

[View All Answers](#)

Question - 15:

Explain me about the best boss you ever had?

Ans:

Pay close attention to what made that boss the best in the candidate's mind. You have the chance to determine if the people in your organization will meet her standards. If she describes a supervisor who walked the floor daily and got involved in every project, and your management team sits behind closed doors, you may want to think twice about this hire. If she describes someone who never micro-managed and gave lots of opportunity for professional and personal development, then you need to be certain that you can provide an equal or better experience. Good people don't leave jobs; they leave people.

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**Question - 16:**

Explain what is commercial bank?

Ans:

Commercial bank is owned by the group of individuals or by a member of Federal Reserve System. The commercial bank offer services to individuals, they are primarily concerned with receiving deposits and lending to business. Such bank earns money by imposing interest on the loan borrowed by the borrower. The money that is deposited by the customer will be used by the bank to give business loan, auto loan, mortgages and home repair loans.

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Question - 17:

Tell us what is Your Biggest Management Weakness?

Ans:

For all job interview questions, it is important to stay away from any true weaknesses or shortcomings. Yet with management questions, it is acceptable to offer a minute amount of humility with your own abilities to provide a believable answer. An effective answer to these types of interview questions is, "Sometimes in the heat of a deadline, I have found that I have overlooked great work by a staff member. I am working on making sure everyone I work with gets their deserved recognition for successful completion of their tasks, because it is important that every individual staff member be recognized for their contributions toward building the company's success."

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Question - 18:

Do you know what ACH stands for?

Ans:

ACH stands for Automated Clearing House, which is an electronic transfer of funds between banks or financial institutions.

[View All Answers](#)

Question - 19:

Explain me what are the Non Performing assets of a company?

Ans:

A NPA is an obligation payable to the bank which has not been made or the interest and principal amount has not been paid on the due time. NPA is the loan or credit provided by the bank to its customers which could not be recovered in due time. Thus NPA is somehow not yielding any income to the lender either in the form of principal or interest payments. NPA is also known as "bad debts".

NPA is shown at the assets side of the balance sheet whereas deposits are shown at the liability side.

If there is any recent story or news regarding NPA, then revise it thoroughly. For ex:- Recently, United bank of India was marred in loss due to its rising NPA. So was the case with Kotak Mahindra Bank.

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Question - 20:

How Would You Describe Your Management Style as Bank Branch Manager?

Ans:

One of the most common management job interview questions is going to be about your specific management style. There are various ways to answer this question. You may be tempted to share a specific management style, but the best answer to this question is, "I choose to adapt my management techniques based on the present situation, as work environments are constantly dynamic and often need to be handled in unique, novel ways."

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Question - 21:

Do you know what are the basic documents a person requires to open an account?

Ans:

The RBI has advised banks to follow the Know Your Customer (KYC) guidelines where some personal information of the account holder is obtained by the bank. This information includes: - photograph, proof of identity and proof of address. In 2013, AADHAR cards and MNREGA cards are included in KYC papers. Without these documents a person can't open his account.

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Question - 22:

Tell me what are the different types of Loans offered by banks?

Ans:

The different types of loans offered by banks are:

- Unsecured Personal Loan
- Secured Personal Loan
- Auto Loans
- Mortgage Loans
- Small business Loans

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Question - 23:

Explain me what is consumer bank?

Ans:



Consumer bank is a new addition in the banking sector, such bank exist only in countries like U.S.A and Germany. This bank provides loans to their customer to buy T.V, Car, furniture etc. and give the option of easy payment through instalment.

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Question - 24:

Explain me what is 'balloon payment'?

Ans:

The 'balloon payment' is the final lump sum payment that is due. When the entire loan payment is not amortized over the life of the loan, the remaining balance is due as the final repayment to the lender. Balloon payment can occur within an adjustable rate or fixed rate mortgage.

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Question - 25:

How Do You Measure Your Success as a Bank Branch Manager?

Ans:

Try your best not to focus on existential, immeasurable goals. Job interviews want to know what you truly bring, and you should be able to measure the results. The best answer to this type of interview question is, "Management is about setting and reaching goals and employee/organizational relationships. I measure effectiveness by looking at the data, ensuring that I am meeting deadlines early and helping to achieve organizational growth, and keeping morale high and those under my supervision engaged and active in their tasks."

[View All Answers](#)

Question - 26:

Do you know what is 'Credit Check'?

Ans:

A credit check or a credit report is done by the bank on a basis of an individual's financial credit. It is done in order to make sure that an individual is capable enough of meeting the financial obligation for its business or any other monetary transaction. The credit check is done keeping few aspects in concern like your liabilities, assets, income etc.

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Question - 27:

Tell me what are the various risks that banks face?

Ans:

Sir, there are mainly three types of risks faced by banks:-

- * Credit Risk: - loan or NPA.
- * Market Risk: - Money invested in the market.
- * Operational risk: - Day-to-Day working risks.

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Question - 28:

Explain what is 'Cheque Discount'?

Ans:

Cheque discounting service is offered only by few banks. For instance, if you have a cheque of \$3000 outstation and the cheque will take 7 seven days for clearance, then bank will offer you a service for early payment. The bank can make an early payment, but they will pay only for certain percentage of the actual amount, here they will pay you \$2000 but they will charge interest on it and the remaining \$1000 will be paid, once the outstation cheques get clear.

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Question - 29:

Tell me how do you approach the decision-making process? In other words, how do you make difficult decisions without the input of others?

Ans:

I think about the outcome from a comprehensive perspective. I think about how the outcome will impact clients or customers, and if it will leave them with a positive impression of the company. I also think about how it will impact the workers and revenue. If I believe that a decision will make a positive impact in all three areas, I will usually say "yes." If the decision will only benefit one person or lower sales, I will more than likely decline. To me, it is a matter of attempting to gauge the outcome of a situation.

[View All Answers](#)

Question - 30:

Explain me why do you want to join the banking industry?

Ans:

To answer this question, you can say something like -"I want to join this industry because it can provide me a stable career with good growth prospects. It is one of the fastest growing sectors of the nation and provides great career opportunities.

There could be many other reasons for you wanting to join the bank industry for e.g. it is an honest organization, good working conditions, chances to directly interact with public etc. The choice of reason could be anything that suits you as a person.

This is a very commonly asked question and you must be prepared to answer it.

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Question - 31:



Where have you come from and what is famous in your city?

Ans:

The candidate must tell about his place of living- city and state. If the board further asks about any specifications, then name of the district etc. should be told. He/she must tell about the famous things of his place. For ex:- a candidate from Lucknow may tell about Imambara, chicken clothes, "tehzeeb" of Lucknow etc. The key things to deal this question effectively are:-

The candidate must know about the local MLA and MP from his area. If any renowned personality belongs to that area, you should be aware of the details.

He must have full knowledge about that place, its history, famous monuments, personalities, rivers, at times even number of railway stations in the city etc., also about the politics of that state-CM and ruling party and all other nitty gritty of his place.

For ex: - A candidate from Ghazipur, U.P. was asked about cultivation of "Poppy seeds" as Ghazipur is famous for cultivation of poppy seeds.

At times, questions about local politics are also put forward like a candidate, from Amethi was asked about the electoral battle between Rahul Gandhi and Kumar Vishwas from Amethi.

A good answer to such questions leaves a very positive impact on the board as it demonstrates your awareness about the surroundings and the fact that you are well prepared puts you ahead of others.

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Question - 32:

Suppose I'm going to give you a list of five things. While they're all important, tell me the one thing that is most important to you in making your next career move. Is it money, recognition, stability, challenge, or environment?

Ans:

There is no right answer to this question. If you're hiring a sales person, you really want them to say money, although few actually will. What's critical is how the answer fits in with what you already know about the candidate. If the person has legitimately been laid off repeatedly throughout his or her career, perhaps due to company closures or lack of work, it makes perfect sense for stability to be the response. If the person says challenge, but has held the same level of responsibility for the last 10 years, he's pulling your leg.

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Question - 33:

As you know our work is always changing. As such, what have you done with regards to personal development when it comes to our posted BANK BRANCH MANAGER POSITION in the last 12 months?

Ans:

That is a really great question. While I haven't had the opportunity to develop within this particular role per se, I have actually become very involved in my local foodbank this year. This has taught me a great deal about community, teamwork, and taking initiative.

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Question - 34:

Do you know what is 'Availability Float'?

Ans:

Availability Float is a time difference between deposits made, and the funds are actually available in the account. It is time to process a physical cheque into your account.

For example, you have \$20,000 already in your account and a cheque of another \$10,000 dollar is deposited in your account but your account will show balance of \$20,000 instead of \$30,000 till your \$10,000 dollar cheque is cleared this processing time is known as availability float.

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Question - 35:

Explain me do you have any previous management experience, or will this be your first job in a managerial position?

Ans:

I do have previous experience as a manager. At my first job in this industry, it was my responsibility to manage a team of tellers. I was responsible for ensuring that all banking regulations were followed, and if workers had any concerns or questions, I was responsible for intervening. Under my watch, productivity soared and the turnover rate decreased. At my second job, I was a front-end manager at a grocery store. I oversaw a team of cashiers and baggers and ensured that customers remained satisfied. Both of these jobs provided me with a great deal of management and supervisory experience.

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Question - 36:

Explain me are you comfortable reprimanding employees for negative behaviors? If so, can you provide your approach to discipline?

Ans:

Yes, I am comfortable reprimanding employees if they engage in behaviors that have a negative impact on the company. It can be awkward, but it is necessary if someone refuses to perform the job properly since his or her performance is a reflection of your managerial aptitude. I believe a minor infraction warrants a warning. An intermediate infraction warrants a write-up. If an employee fails to improve or commits a serious infraction, termination or suspension may be considered. I have never had to discharge an employee on those grounds, but I have had to issue warnings and write ups.

[View All Answers](#)

Question - 37:

Explain me what experience do you have with respects to this particular BANK BRANCH MANAGER position?

Ans:

Ever since my first paper route at age 10 I've been doing something to keep myself busy and earn money. Back then, it was obviously about earning some spending money. What I didn't realize was that I was actually starting the journey of establishing what I liked to do and how I fit in to the grand scheme of things. I then worked as a junior computer tech in my last 2 summers of high school. It was here that I discovered what I was passionate about and what I wanted to do. I enrolled in college to get my degree in computer sciences, and I have been working around technology ever since.



[View All Answers](#)

Question - 38:

Explain what is ILOC (Irrevocable Letter Of Credit)?

Ans:

It is a letter of credit or a contractual agreement between financial institute (Bank) and the party to which the letter is handed. The ILOC letter cannot be cancelled under any circumstance and, guarantees the payment to the party. It requires the bank to pay against the drafts meeting all the terms of ILOC. It is valid upto the stated period of time. For example, if a small business wanted to contract with an overseas supplier for a specified item they would come to an agreement on the terms of the sale like quality standards and pricing, and ask their respective banks to open a letter of credit for the transaction. The buyer's bank would forward the letter of credit to the seller's bank, where the payment terms would be finalized and the shipment would be made.

[View All Answers](#)

Question - 39:

Explain me what are the different types of 'Fixed Deposits'?

Ans:

There are two different types of 'Fixed Deposits'

Special Term Deposits: In this type of 'Fixed Deposits', the earned interest on the deposit is added to the principal amount and compounded quarterly. This amount is accumulated and repaid with the principal amount on maturity of the deposit.

Ordinary Term Deposits: In this type of 'Fixed Deposits', the earned credit is credited to the investor's account, once in a quarter. In some cases, interest may be credited on a monthly basis.

The earned interest on fixed deposits is non-taxable. You can also take a loan against your fixed deposit.

[View All Answers](#)

Question - 40:

Explain me have you ever had to delegate a responsibility to a subordinate? If so, what was the outcome?

Ans:

No, I have never delegated a responsibility to a subordinate. I believe that supervisors should be held accountable for all of their responsibilities. Delegating responsibilities to unqualified individuals is dishonest and can have a negative impact on the company's operations.

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Question - 41:

Tell me looking back through your career, what are some common themes? What are you known for?

Ans:

This question creates an opportunity for a candidate to talk about the mark he or she has left on other organizations. You can determine whether what a candidate brings to the table is something you really need. Since this question is not as common as tell me your greatest strengths, candidates are less prepared with a stock answer, and actually reflect on their value proposition.

[View All Answers](#)

Question - 42:

Operational and Situational Bank Branch Manager Interview Questions:

Ans:

* Envisage a conflict between two people working for you. How would you approach them and how would you resolve the situation?

* You believe your opinion to be 100% correct, but your subordinates and superiors disagree. How would approach both groups?

* What would you do with an employee who is underperforming?

* Imagine there is a conflict between different departments of the branch for a share of the budget. How do you resolve this?

* Imagine there is conflict between your branch and another for a share of the budget. How do you make your case?

* Would you encourage competition or collaboration with other branches?

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Question - 43:

Behavioral Bank Branch Manager Interview Questions:

Ans:

* Tell us about a time you had to deal with a difficult customer.

* Tell us about a difficult situation you overcame in the past. Taking into account your current experience what would you have done differently?

* Describe a time when you had to make a difficult managerial decision. What happened?

* Tell me about a time you had to motivate your team. How did it work out?

* How did your previous work experience prepare you for this role?

* If you got this position, what would be your long term goals?

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Question - 44:

Role-specific Bank Branch Manager Interview Questions:

Ans:

* What are the top priorities of a branch manager?

* How would you measure performance and what performance metrics have you used before?

* What are KPIs? What is benchmarking and how do you do it?



- * What information do you need to make forecasts?
- * How would you allocate responsibilities? What is important to know about your subordinates?
- * What leadership style would you employ under different circumstances?
- * Tell us about a couple of the most important best practices in management?
- * Give us some

[View All Answers](#)

Question - 45:

Explain what are the different types of Loans offered by Commercial Banks?

Ans:

Start-Up Loans

This type of Loan is offered to borrower to start their business and can be used to build a storefront, to acquire inventory or pay franchise fees to get a business rolling.

Line of Credit

Lines of credit are another type of business loan provided by commercial banks. It is more like a security for your business; the bank allows the customer to withdraw the amount from readily available funds in an adverse time. Customer or Company can pay back over time and withdraw money again without going into the loan process.

Small Business Administration Loans

It is a Federal Agency (U.S) that gives funding to small businesses and entrepreneurs. SBA (Small Business Administration) loans are made through banks, credit unions and other lenders who partners with SBA.

[View All Answers](#)

Question - 46:

What Would You Do if You Had a Subordinate Doing Their Job Inefficiently as Bank Branch Manager?

Ans:

True leadership is about personal responsibility. That is why an effective answer to this question is, "I consider anyone who works with me to be an extension of my effectiveness as manager. I will discuss any problems with the employee individually and honestly, but if their work affects the bottom line of the company, their shortcomings are also my responsibility."

[View All Answers](#)

Question - 47:

Please explain what is home equity loan?

Ans:

Home equity loan, also known as the second mortgage, enables you to borrow money against the value of equity in your home. For example, if the value of the home is \$1, 50,000 and you have paid \$50,000. The balance owed on your mortgage is \$1, 00,000. The amount \$50,000 is an equity, which is the difference of the actual value of the home and what you owe to the bank. Based on equity the lender will give you a loan. Usually, the applicant will get 85% of the loan on its equity, considering your income and credit score. In this case, you will get 85% of \$50,000, which is \$42,500.

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Question - 48:

Explain me how would your previous employees rate your performance as a manager or supervisor?

Ans:

I believe they would rate me fairly highly. I took the time to foster relationships with all of my workers, and I believed that everyone was important to the company. I treated all of my employees with respect, without compromising sales and customer satisfaction. Of course, there were situations that required a degree of firmness, but I always remained fair.

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Question - 49:

Tell me after doing B.Sc / B.Tech / MBA / MA why do you want to choose banking? Why not something related with you field of education?

Ans:

You must give honest and sensible answers to such question. For ex:- A MBA candidate may say that there are hardly good jobs in MBA as of now. Banking is a safe sector providing great employment opportunities. In the answer, you must show your keen interest in joining banking sector and it should not look like you don't have an option so you are choosing it.

You can also expect some questions from academics. A science stream student may be asked about about Newton's Law etc. So, you must also prepare the subjects studied by you in the degree.

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Question - 50:

Do you know what is the difference between bank guarantee and letter of credit?

Ans:

There is not much difference between bank guarantee and letter of credit as they both take the liability of payment. A bank guarantee contains more risk for a bank than a letter of credit as it is protecting both parties the purchaser and seller.

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Question - 51:

Tell us how do you ensure that you evaluate employee performance from a neutral, non-biased perspective?

Ans:



During an evaluation, I remain professional and focus on the outcome of the employees' actions. I do not consider personal relationships at all, and I take the time to closely examine the written record of each employee. I feel that written records offer more information in regards to performance as opposed to my personal opinion. For example, if an employee has a history of showing up late, the issue must be addressed whether or not you enjoy working with the employee. If you fail to treat all of your employees equally, the team will fall apart.

[View All Answers](#)

Question - 52:

I like what I am hearing but we've got a ton of great candidates. Why should we hire you?

Ans:

An easy question to answer well with one caveat - don't slam your fellow interviewee's. On the one hand, you have an opportunity to really stand out from the pack. Alternatively, You shouldn't assume the skills of other applicants. Focus on your own strengths, and if the interviewer hasn't given you an opportunity to mention that one "slam dunk" quality about yourself, now would be the time.

Is there a wrong way to answer this question? Consider the responses below:

"I really need a job right now"

"I need the money"

"Your office is really close to my house"

"I've always been interested in what you guys do"

[View All Answers](#)

Question - 53:

Tell us what are the types of accounts in banks?

Ans:

* a) Checking Account:

You can access the account as the saving account but, unlike saving account, you cannot earn interest on this account. The benefit of this account is that there is no limit for withdrawal.

* b) Saving Account:

You can save your money in such account and also earn interest on it. The number of withdrawal is limited and need to maintain the minimum amount of balance in the account to remain active.

* c) Money Market Account:

This account gives benefits of both saving and checking accounts. You can withdraw the amount and yet you can earn higher interest on it. This account can be opened with a minimum balance.

* d) CD (Certificate of Deposits) Account:

In such account you have to deposit your money for the fixed period of time (5-7 years), and you will earn the interest on it. The rate of interest is decided by the bank, and you cannot withdraw the funds until the fixed period expires.

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Question - 54:

Explain me in what type of environment do you feel you thrive? What types of work environments or working conditions would you prefer to avoid?

Ans:

This one is a no-brainer. If the candidate doesn't describe your company's culture, run the other way. The person has not only just told you in no uncertain terms that he will not fit in, but also just let you know that he did not do his interview homework.

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Question - 55:

Explain what do you mean by 'foreign draft'?

Ans:

Foreign draft is an alternative to foreign currency; it is generally used to send money to a foreign country. It can be purchased from the commercial banks, and they will charge according to their banks rules and norms. People opt for 'foreign draft' for sending money as this method of sending money is cheaper and safer. It also enables receiver to access the funds quicker than a cheque or cash transfer.

[View All Answers](#)

Question - 56:

Tell me what is a Non -banking Financial Company (NBFC)?

Ans:

Difference between NBFC and banks'A NBFC is a company registered under the companies act, 1956 which is involved in the business of loans, shares/stocks, etc. Non-banking financial companies are financial institutions that provide banking services, but do not hold a banking license. These institutions are not allowed to take deposits from the public. NBFCs do offer all sorts of banking services, such as loans and credit facilities, retirement planning, money markets, underwriting, and merger activities. The basic difference between bank and NBFC is:-

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Question - 57:

Do you know what is the difference between nationalized banks and private banks?

Ans:

A nationalized bank is owned by the govt. of that country and is also known as public sector bank whereas a private sector bank is owned by an independent individual or company.

[View All Answers](#)

Question - 58:



Explain me something about the 27th or latest public sector bank in India?

Ans:

Sir, the 27th public sector bank in India is Bhartiya Mahila Bank. It was created by Finance Bill 2012. The first BMB was opened in Mumbai on 19th November 2013 on the 94th birth anniversary of Indira Gandhi. India is the third country in the world to have a bank especially for women after Pakistan and Tanzania.

* Tagline- "women empowerment economically".

* Head- Usha Anantha Subramanayam

* The bank allows deposit from everyone, but lending will be focused for women.

* This bank is very important because it is the latest and 27th PSB of India. So, try to know every basic point about BMB.

Initial capital of Rs. 1000 crore.

Similarly, if there has been some other initiative in that year, you should be well aware of it.

[View All Answers](#)

Question - 59:

Explain what is overdraft protection?

Ans:

Overdraft protection is a service that is provided by a bank to their customer. For instance, if you are holding two accounts, saving and credit account, in the same bank. Now if one of your accounts does not have enough cash to process the cheques, or to cover the purchases. The bank will transfer money from one account to another account, which does not have cash so to prevent check return or to clear your shopping or electricity bills.

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Question - 60:

Tell me what is adjustment credit?

Ans:

Adjustment credit is a short-term loan made by the Federal Reserve Bank (U.S) to the commercial bank to maintain reserve requirements and support short term lending, when they are short of cash.

[View All Answers](#)

Question - 61:

Tell me what do you mean by term 'Loan Maturity' and 'Yield'?

Ans:

The date on which the principal amount of a loan becomes due and payable is known as 'Loan Maturity'. Yield is commonly referred as the dividend, interest or return the investor receives from a security like stock or bond, interest on fix deposit etc. For example, any investment for \$10,000 at interest rate of 4.25%, will give you a yield of \$425.

[View All Answers](#)

Question - 62:

Tell me what is debt-to-Income ratio?

Ans:

The debt-to-income ratio is calculated by dividing a loan applicant's total debt payment by his gross income.

[View All Answers](#)

Question - 63:

Tell me what is Convertibility Clause?

Ans:

For certain loan, there is a provision for the borrower to change the interest rate from fixed to variable and vice versa is referred as Convertibility Clause.

[View All Answers](#)

Question - 64:

Please explain what is the 'cost of debt'?

Ans:

When any company borrows funds, from a financial institution (bank) or other resources the interest paid on that amount is known as 'cost of debt'.

[View All Answers](#)

Question - 65:

Do you know what is Payday loan?

Ans:

A pay-day loan is generally, a small amount and a short-term loan available at high interest rate. A borrower normally writes post-dated cheques to the lender in respect to the amount they wish to borrow.

[View All Answers](#)

Question - 66:

Tell me what is Charge-off?

Ans:



Charge off is a declaration by a lender to a borrower for non-payment of the remaining amount, when borrower badly falls into debt. The unpaid amount is settled as a bad debt.

[View All Answers](#)

Question - 67:

Tell us what is the card based payments?

Ans:

There are two types of card payments

- a) Credit Card
- b) Debit Card

[View All Answers](#)

Question - 68:

How Do You Delegate Tasks as Bank Branch Manager?

Ans:

You should answer this question with specific examples of methods you use to delegate tasks, "For each staff member I create a sheet of detailed, relevant tasks and estimated deadlines. I then meet with each staff member individually to ensure they also agree to the deadlines and answer any questions they have. I also schedule regular work in progress meetings to check in on their status."

[View All Answers](#)

Question - 69:

Explain me what is bank? What are the types of banks?

Ans:

A bank is a financial institution licensed as a receiver of cash deposits. There are two types of banks, commercial banks and investment banks. In most of the countries, banks are regulated by the national government or central bank.

[View All Answers](#)

Question - 70:

Explain me what is 'Bill Discount'?

Ans:

'Bill Discount' is a settlement of the bill, where your electricity bill or gas bill is sold to a bank for early payment at less than the face value and the bank will recover the full amount of the bill from you before bill due date. For example, electricity bill for XYZ is \$1000; the electricity bill company will sell the bill to the bank for 10% to 20% discount to the face value. Here, the bank will buy the electricity bill for \$900 whose face value is \$1000, now the bank will recover, full amount of bill from the customer i.e \$1000. If the customer fails to pay the bill, the bank will put interest on the outstanding bill and ask the customer for the payment.

[View All Answers](#)

Question - 71:

How Do You Keep Staff Members Motivated as Bank Branch Manager?

Ans:

Management job interview questions about motivating staff or delegating tasks are common in management interviews. When you answer them you should focus on communication and team building, "I do my best to show recognition and acknowledgement to all employees that meet goals, which keeps morale high and employees on task. Also, when applicable, I keep tasks interdependent within the team, so that staff members require and encourage fellow staff members to complete their work."

[View All Answers](#)

Question - 72:

Explain me what 'LIBOR' stands for?

Ans:

'LIBOR' stands for London Inter-Bank Offered Rate. As the name suggest, it is an average interest rate offered for U.S dollar or Euro dollar deposited between groups of London banks. It is an international interest rate that follows world economic condition and used as a base rate by banks to set interest rate. LIBOR comes in 8 maturities from overnight to 12 months and in 5 different currencies. Once in a day LIBOR announces its interest rate.

[View All Answers](#)

Question - 73:

Do you know what is negative Amortization?

Ans:

When repayment of the loan is less than the loans accumulated interest, then negative Amortization occurs. It will increase the loan amount instead of decreasing it. It is also known as 'deferred interest'.

[View All Answers](#)

Question - 74:

Please explain what is 'prime rate'?

Ans:

Basically, 'prime rate' is the rate of interest that is decided by nations (U.S.A) largest banks for their preferred customers, having a good credit score. Much 'variable'



interest depends on the 'prime rates'. For example, the 'APR' (Annual Percentage Rate) on a credit card is 10% plus prime rate, and if the prime rate is 3%, the current 'APR' on that credit card would be 13%.

[View All Answers](#)

Question - 75:

Do you know what is 'Crossed Cheque'?

Ans:

A crossed cheque indicates the amount should be deposited into the payees account and cannot be cashed by the bank over the counter. Here in the image, number#2, you can see two cross-lines on the left side corner of the cheque that indicates crossed cheque.

[View All Answers](#)

Question - 76:

Tell me what is 'Credit-Netting'?

Ans:

A system to reduce the number of credit checks on financial transaction is known as credit-netting. Such agreement occurs normally between large banks and other financial institutions. It places all the future and current transaction into one agreement, removing the need for credit cheques on each transaction.

[View All Answers](#)

Question - 77:

Explain what do you mean by 'cheque endorsing'?

Ans:

'Endorsing cheque' ensures that the cheque get deposited into your account only. It minimizes the risk of theft. Normally, in endorsing cheque, the cashier will ask you to sign at the back of the cheque. The signature should match the payee. The image over here shows the endorsed cheque.

[View All Answers](#)

Question - 78:

Tell me what do you understand by the GDP of the country?

Ans:

The final value of all the goods and services produced under the geographical area of a country is the Gross Domestic Product of that country. GDP is calculated at consumption, investment and exports and imports are subtracted from the sum of these three.

[View All Answers](#)

Question - 79:

Do you know how bank earns profit?

Ans:

The bank earns profit in various ways

- Banking value chain
- Accepting deposit
- Providing funds to borrowers on interest
- Interest spread
- Additional charges on services like checking account maintenance, online bill payment, ATM transaction

[View All Answers](#)

Question - 80:

Explain me what is cashier's cheque?

Ans:

A cashier cheque issued by the bank on behalf of the customer and takes the guarantee for the payment. The payment is done from the bank's own funds and signed by the cashier. The cashier cheque is issued when rapid settlement is necessary.

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