



VLE Capacity Building Program

About HDFC Bank



One stop shop for all financial and payment needs



Strong national network



Healthy balance sheet, focus on asset quality



Socially and environmentally responsible corporate citizen - Parivartan



A digital leader



India's most valued brand



Committed to the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance

Operational Excellence



Customer Focus



Product Leadership



Core Values



Sustainability



People



Awards & Accolades - India's Most Valued

**Ranked Most Valuable
Brand for 7th year
2020 BrandZ™ Most
Valuable Indian Brands**

**Strongest Bank in India in
2020
The Asian Banker 500
Largest and Strongest
Banks Ranking**

**Best Private
Bank in India
The Banker**

**Best Bank in India
Asiamoney**

**Best Companies to
Work in India
Business Today**

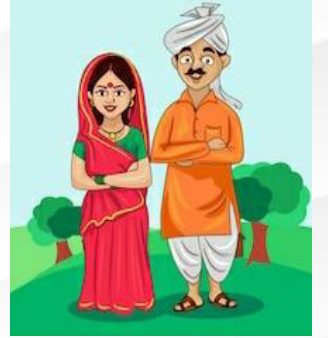
**Marketing and Brand
Innovation of the Year Award
ET Innovation Awards 2020**

**Best Bank in India
Finance Asia**

**Great Place To Work
Certified:
April 2020 – March 2021
India**



Financial Inclusion

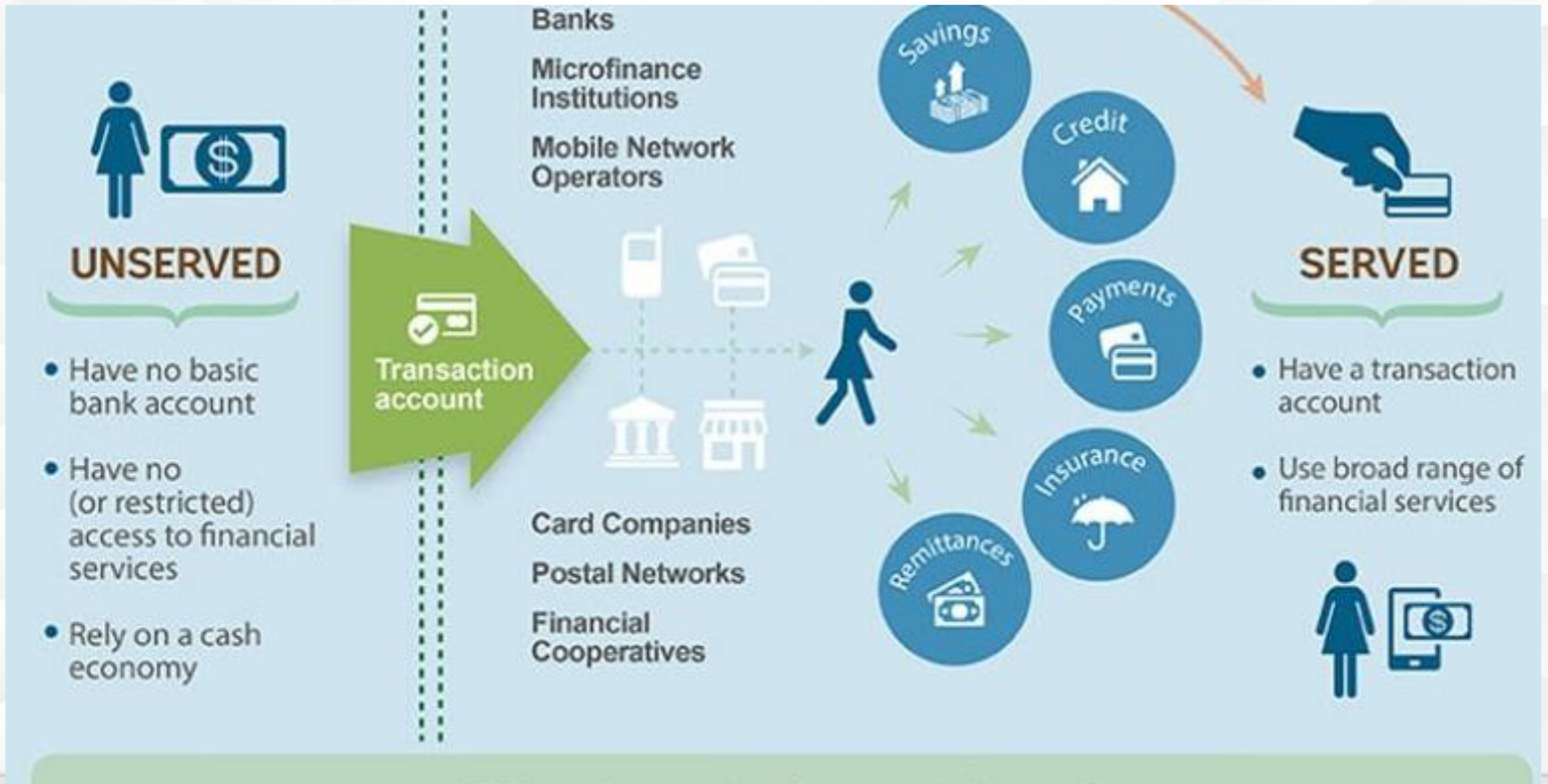


Financial Inclusion is described as the method of offering banking and **financial** solutions and services to every individual in the society without any form of discrimination.

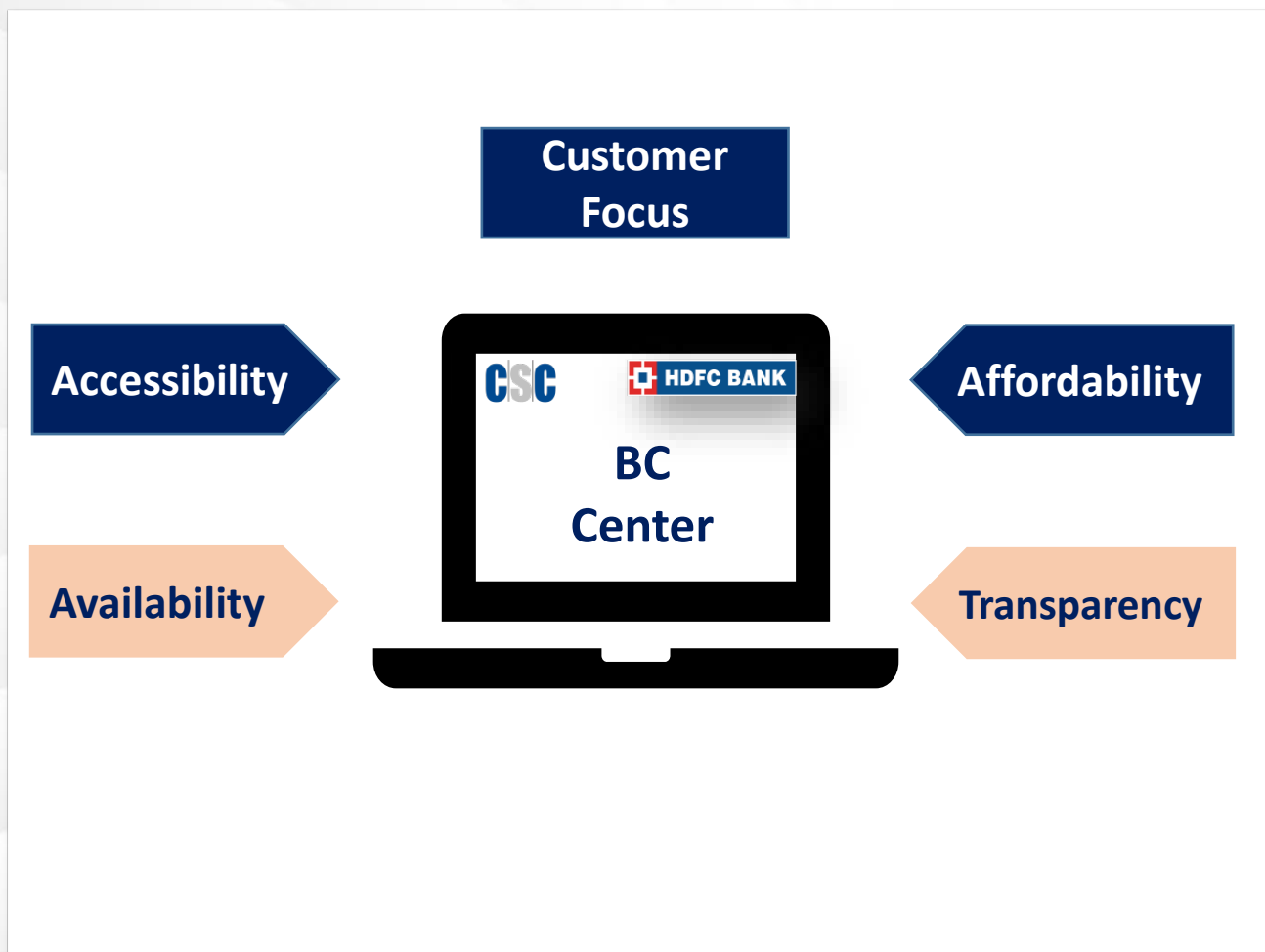
The process of ensuring access to **financial** services and timely and adequate credit where needed by vulnerable groups such as **under bank and low- income groups** at an **affordable cost**.

(The Committee on **Financial Inclusion**, Chairman: Dr. C. Rangarajan).

Financial Inclusion

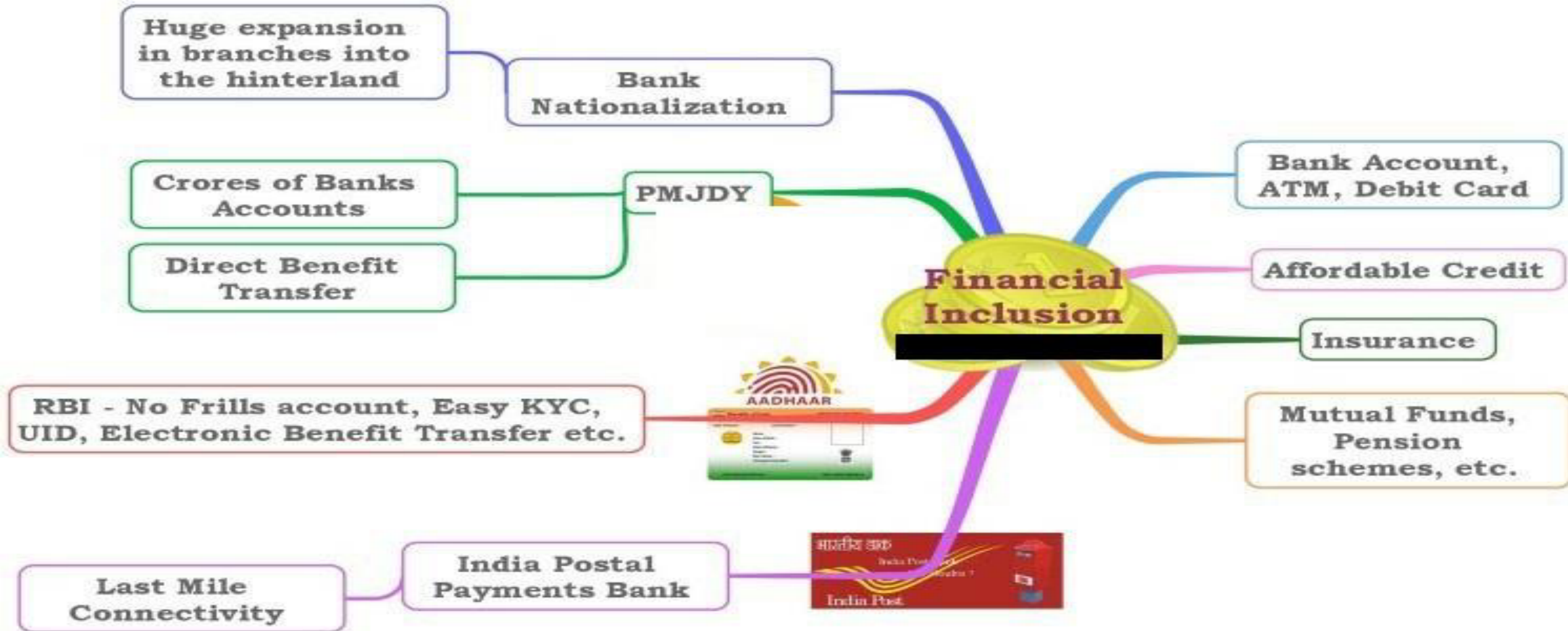


Business Correspondent – A Change Agent



- ❑ Customer Focus – Products available for all segments
- ❑ Accessibility – Bank in the village
- ❑ Availability – Working hours more than a Bank Branch
- ❑ Affordability – World Class Banking products and services
- ❑ Transparency – Helps in building customer Trust

Financial Inclusion



Business Correspondent Center

About Business Correspondent (BC)



One stop shop appointed by the Bank through a Corporate Business Correspondent (CSC E-Gov) for all financial services



BCs ensure Financial inclusion and increase outreach of Banking services, thereby stronger reach



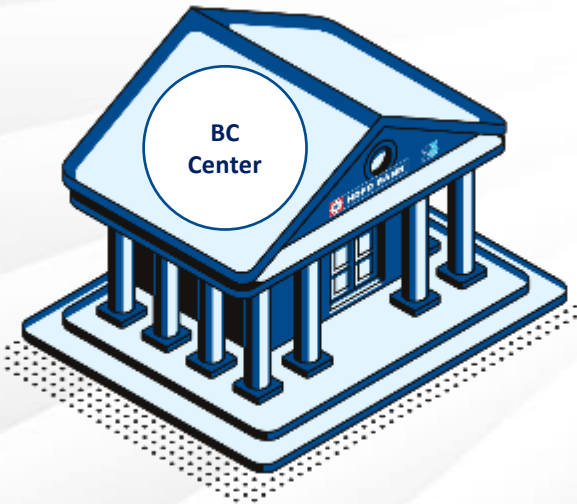
BCs provide banking services in hinterlands



Besides provides Banking services and products, they also promote social schemes floated by the GOI through PMJDY BCs



A complete digital mode for transactions and business in line with GOI digital objectives



Mandatory Certificate Course by IIBF

- A Business Correspondent is the first point of contact and the front face of the bank branch to the citizens.
- In order to enable the BC Agents to be more effective, they need to be imparted the desired level of knowledge.
- This course is aimed at providing the knowledge inputs and skills set to BC Agents. The structure of the course is, therefore, to provide basic knowledge in banking operations and help the BC Agents in developing an overall understanding of the subject.

Course Contents

GENERAL BANKING

FINANCIAL
INCLUSION AND
ROLE OF BUSINESS
CORRESPONDENT
AGENTS

TECHNICAL SKILLS

SOFT SKILLS AND
BEHAVIOURAL
ASPECTS

Business Correspondent – KBS

HAR DIN LOGIN

Every Business Correspondent
must login to KBS daily
minimum 4 hours a days / 5
days a week



Banking Point for Customers

Customer Service – Transactions

Business Correspondent – Transactions- Important Actionables

System generated on-line receipt should be issued to the customer invariably for all transactions carried out by him/ her on behalf of the Bank

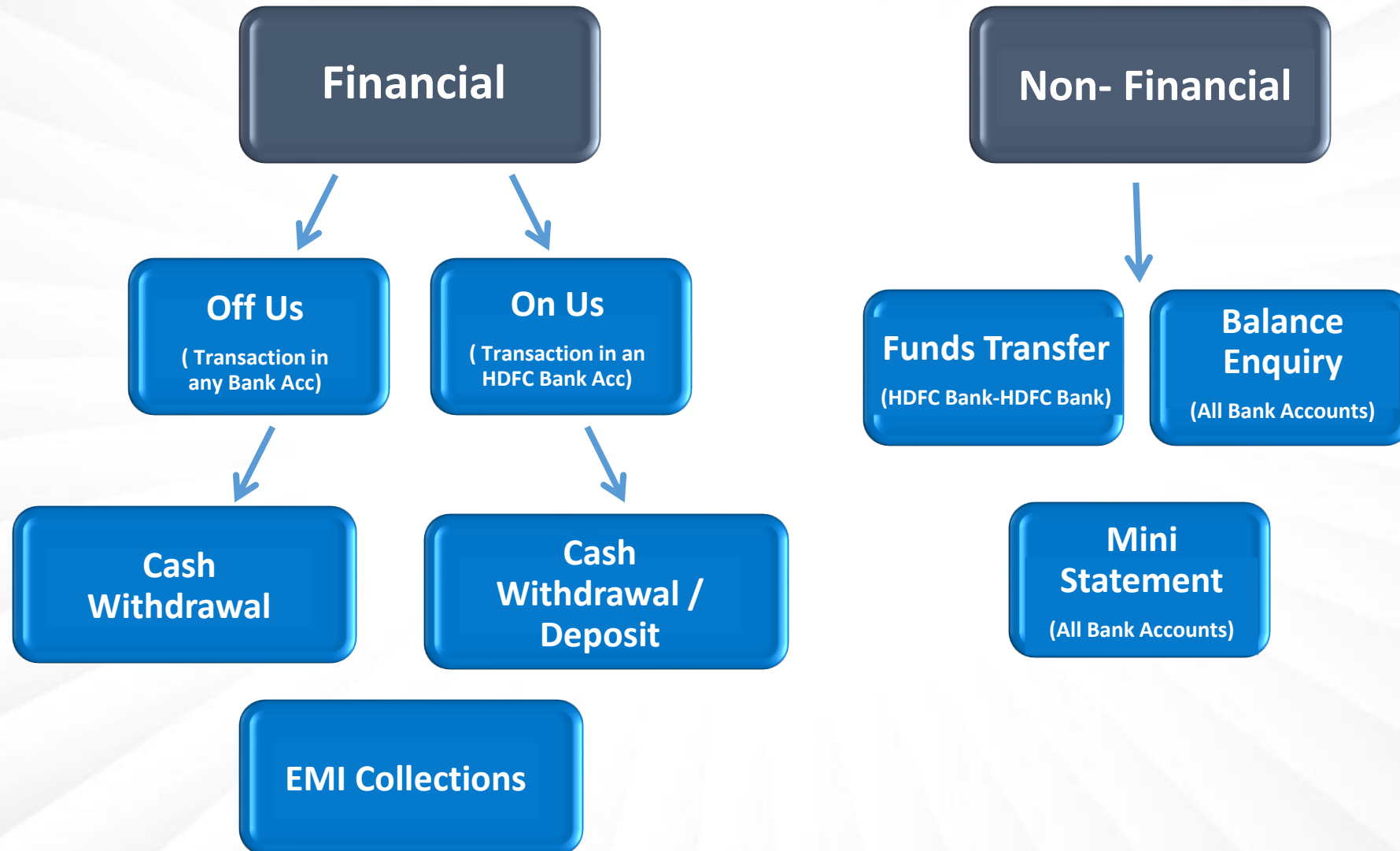


**Important
Actionables at
Business
Correspondent
Point for KBS**

Ensure the Equipment is
sanitized each time a
customer uses it

Ensure the terminal is
clean, safe and well
charged

Business Correspondent – Types of Transactions



Mandatory Display at BC Point

Mandatory Display at BC Point

- ✓ Grievance Redressal Poster
- ✓ Banking Ombudsman poster
- ✓ Service Charges Poster
- ✓ Complaint Book
- ✓ Services Offered Poster
- ✓ Products Posters – Loans and Accounts
- ✓ Registers – Complaint, Visit, Account Opening, Transactions
- ✓ Complaint desk email ID
- ✓ Dos and Donts for Customers

Basic Banking Principles

- ✓ Trust- Build customer Trust
- ✓ Confidentiality – Maintain customer confidentiality
- ✓ Service – Customer Service is of utmost importance
- ✓ Knowledge of Socio-economic factors

Importance of KYC

KYC is the means of identifying and verifying the identity of the customer through independent and reliable source of documents, data or information. For the purpose of verifying the identity of:

- Individual customers: Bank will obtain the customer's identity information, address and recent photograph. Similar information will also have to be provided for joint holders and mandate holders.
- Non-Individual customers: Bank will obtain identification data to verify the legal status of the entity, operating address, the authorized signatories and beneficial owners.

Information is also required on the nature of employment/business that the customer does or expects to undertake and the purpose of opening of the account with the bank.

Key Elements of KYC Policy

Banks generally frame their KYC policies incorporating the following four key elements:

Customer Acceptance Policy; Accept only those clients whose identity is established by conducting due diligence appropriate to the risk profile of the client. Where the investor is a new investor, account must be opened only after ensuring that pre account opening KYC documentation and procedures are conducted.

Customer Identification Procedures; Banks are required to clearly spell out the Customer Identification Procedure to be carried out at different stages i.e. while establishing a banking relationship

Monitoring of Transactions: Transaction Monitoring can be defined as “A formal process for identifying suspicious transactions and a procedure for reporting the same internally”. Monitoring means analysis of a customer's transactions to detect whether the transactions appear to be suspicious from an AML

Risk Management. : Effective KYC involves knowing a customers identity, their financial activities and the risk they pose. Also while opening accounts we must ensure to do our Due Diligence.

Aadhaar Compliance

5

Do's and Don'ts for Aadhaar Compliance

Important precautions to be taken while handling customer's Aadhaar.

Do's

- 1 Accept Aadhaar only when given **voluntarily** by the customer post offering **alternatives***
- 2 Inform the customer of the **purpose** of taking Aadhaar, in **local language** understandable to the customer
- 3 Inform & collect **customer's consent prior to voluntary submission** of Aadhaar.
- 4 Aadhaar should be used only for the **purpose informed** to the customer
- 5 Always **ensure privacy** of customer's Aadhaar Data.

Don'ts

- 1 **Never share** Aadhaar information of the customer with any **third parties** or **via e-mail, phone etc.**
- 2 **Never store Aadhaar copies** in branch, laptops / desktops, mobile phones or any portable storage device.
- 3 **Never request** customer to give Aadhaar through email or **unsecured social media platforms** like WhatsApp, Facebook, etc.
- 4 **Never obtain additional Aadhaar copies** from customers.
- 5 **Never publish, display, transfer or post publicly** Aadhaar details of the customer.

* **Note:** KYC Alternatives as per prevalent guidelines should be offered to the customers.

Each and every Agent / Bank staff / Business Correspondent (BC) / Business Facilitator (BF) is responsible for ensuring Aadhaar compliance – any non-compliance can lead to strict action / penalties.

Dos and Dents for Business Correspondents

✓ Dos

- Identify customers with strict adherence to KYC norms. Interact with the customer, conduct Financial awareness programs, understand his profile and requirement and source quality accounts for the Bank.
- Maintain customer confidentiality and Have knowledge of local area & language.
- Isolate and clearly identify the Bank's customer information, documents, records and assets to protect the confidentiality of the information.
- Issue System generated on-line receipt to the customer invariably for all transactions carried out by him/ her on behalf of the Bank.
- Login himself / herself to KBS system daily, minimum 4 hours a day / 5 days a week.
- Maintain all the registers and display the mandatory posters/certificates prescribed by the Bank carefully.
- Ensure KBS transaction value is matching with the value of cash withdrawal from the HDFC Bank account.

X Dents

- The BC must not collect any additional service charges directly or indirectly from the customers.
- The BC is not authorized with any powers for sanction of any loan.
- The BC must not be affiliated to any political/ religious organizations.
- The BC must not encourage customers to do multiple or split transactions.
- Must not recommend or mandate alternate products in lieu of delivery of credit. Ex: Force selling Insurance, pension or other products for disbursal of loans
- Shall take special care not to entice customers by offering any incentives or benefits or false hopes beyond the scope of services that the Principal offers
- **The BC must not share his /her Login ID and password to any other outside person.**
- **The BC should not update his/her personal details eg. Email id, Mobile No, Mailing address while account opening for customer.**

Mandatory Registers to be maintained by Agents

Maintaining Register is **mandatory** for all Agents.

Register works **as proof** in case of any disputes.

The below are the Register formats to be maintained by Agents.

COMPLAINT REGISTER

Complainant Name	Customer ID	CASA FD/RA/DP Number	Customer Docket Number	Customer Mobile	Contact Number	Email	Acknowledgment Sent	Category	Subcategory	Source of Information	Nature of Complaint	Detailed suggestion	Customer City
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TRANSACTION REGISTER

Date	Time of Transaction	Name of Customer	A/c No.	Type of Transaction Eg. Cash Deposit or Cash withdrawal	Amount	Name of the Bank	Status of transaction Success/ Reject	RRN Number	Customer Signature
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VISIT REGISTER

Date	Time	Name of Visitor	Name of Organisation	Designation of Visitor	Feedback	Signature of Visiting Officer	Action Taken on Feedback Received	Date of Taking Action	Signature of BC Agent
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ACCOUNT OPENING REGISTER

Date of Lead generation	Name of Customer	Customer Contact No.	Lead No.	Type of A/c CA/ SB/Sal	A/c No.	Date of Account Opening Date	Signature of BC Agent
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FIXED / RECURRING DEPOSIT REGISTER

Sr No	Name of Customer	Masked Acc No	Type of Deposit (FD/RD)	Deposit Amt in INR	Duration of Deposit	Customer Signature
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Loans For Every Need

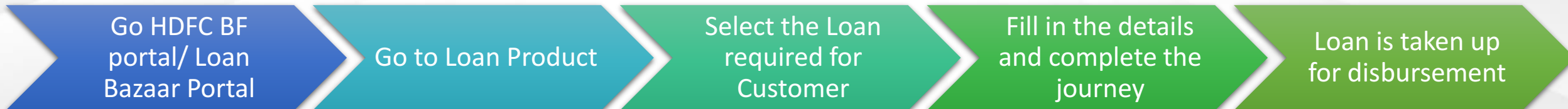
Now All Best in Class HDFC Bank Loans can be availed by Customers through the BC centre.

Total of 16 Products are available for the lead generation for the HDFC BC/BF Agents

Loan Products

- Two Wheeler Loan
- Car Loan
- Gold Loan
- Home Loan
- Personal Loan
- Business Loan
- Tractor Loan
- Group Loans (Self Help Group/ Joint Liability Group)
- Consumer Durable Loan
- Kisan Gold Card – Agri Card
- Loans for MSME Companies
- Small Agri Business
- Health Care Finance
- Overdraft Facility to Shopkeepers
- Loan Against Property
- Loans for Construction Equipment and Commercial Vehicles

Process to generate Leads for Loans



Important instructions on Transactions

Split/Multiple Transactions

Multiple Transaction

Transactions which are performed due to system limitation

E.g.: Cash withdrawal of Rs 50,000 broken into more than one transaction (5 Transactions of Rs 10,000 each) since the system allows to withdraw Rs 10,000 per transaction

Split Transactions

Transactions which are split into smaller amounts intentionally/unintentionally without any system limitation

E.g.: Cash withdrawal of Rs 10,000 split into more than one transaction even though the system allows to withdraw as a single transaction

Important Guidance

BC Agents must not encourage and carry out multiple and split transactions at their center

TDS Waiver for customer cash transactions for BC Agents

Tax Deduction at Source (TDS) Rule:-

- Effective September 1, 2019, as per Section 194N of the Income-tax Act, 1961, banks are required to deduct TDS on Cash Withdrawal. Further amended w.e.f 1st July'20.
- BC Agents cash transactions carried out for customer cash withdrawal / deposit are exempted from TDS
- As per the IT Act, BC Agents are eligible to get waiver on TDS for cash withdrawal only for BC related transactions

Process of Availing TDS Waiver

- BC Agent must submit the TDS waiver declaration along with a self signed copy of the BC Agent certificate at the beginning of every Financial year at the HDFC Bank branch.

Actionable for Business Correspondents – Debit Authority Letter

- ⌚ A One Time Debit Authority Letter from BC Agents is required for a failed / reversed customer transaction.
- ⌚ BC Agent must visit the nearest branch with a hard copy of the Debit Authority Letter cum Declaration.
- ⌚ BC Agent must fill up the required details and submit duly signed request along with self- signed copy of valid photo identification proof

Annexure I – Format of Debit Authority Letter

(Date)
HDFC Bank Ltd.

Dear Sir,

I, _____ have been appointed as the VLE / BC Agent by _____ (Name of Corporate BC) by virtue of the Business Correspondent Agreement executed between _____ (Name of Corporate BC) and the Bank for carrying out the activities as stated therein.

I hereby confirm that all the transactions carried out by me as a VLE / BC Agent will be conducted on Kiosk Banking System (KBS) and in event of any unsuccessful/failed transactions, the same shall be considered as rejected transactions and I will not process/honour any such transactions with the end customer. I agree and confirm to open a dedicated current account with HDFC Bank and this account will be used to carry out the settlement for the business conducted as a VLE / BC Agent and hence will be treated as settlement account for all BC transactions.

I hereby unconditionally authorise you to debit my Account no. _____ ("Settlement Account") maintained with your _____ branch in the event of any successful/failed transactions identified at the time of reconciliation of the transactions carried out by ~~Bank~~ / BC for all such outstanding amounts together with interest, charges, cost, expenses etc. payable by me to the Bank, in connection with the said arrangement. I shall keep the Account adequately funded so as to carry out such transactions in terms of the Agreement executed between the BC and HDFC Bank.

The instruction given by me, as stated above are irrevocable and cannot be modified. Further the above Settlement Account will not be closed by me unless we receive the consent of HDFC Bank. _____ on HDFC Bank.

This debit authority / operating rights given by me to HDFC Bank, _____ settlement account overrides any other operating instruction that I may have given to the branch during _____ same stays as long as my arrangement as a VLE /BC Agents with _____ (Name of _____ terminated/expired which in case will be communicated by _____ (Name of _____ fill then this debit authority shall be valid and binding on me.

I agree and undertake to indemnify HDFC Bank _____ age, loss or injury of any nature whatsoever arising out of any transactions, which may so take place in _____

I agree that HDFC Bank may exercise its right of set-off with respect to my obligation in terms of the Agreement executed between the BC and HD _____ shall have a lien and right of set-off on all monies belonging to me in any account whatsoever with _____ in any account whatsoever with _____ in any account whatsoever with _____ remedy hereunder shall not be deemed to be a waiver of any right, power or remedy hereunder shall continue in full force and effect _____ the further exercise thereof and every right and remedy of HDFC Bank shall _____ power or remedy is specifically waived by an instrument in writing executed by _____

This debit authority is irrevocable and constitutes legal and binding obligations on me and my successors and legal heirs and shall continue to be in full force and effect notwithstanding any change in the arrangement between _____ (Name of Corporate BC) and Bank or between _____ (Name of Corporate BC) and VLE / BC Agents.

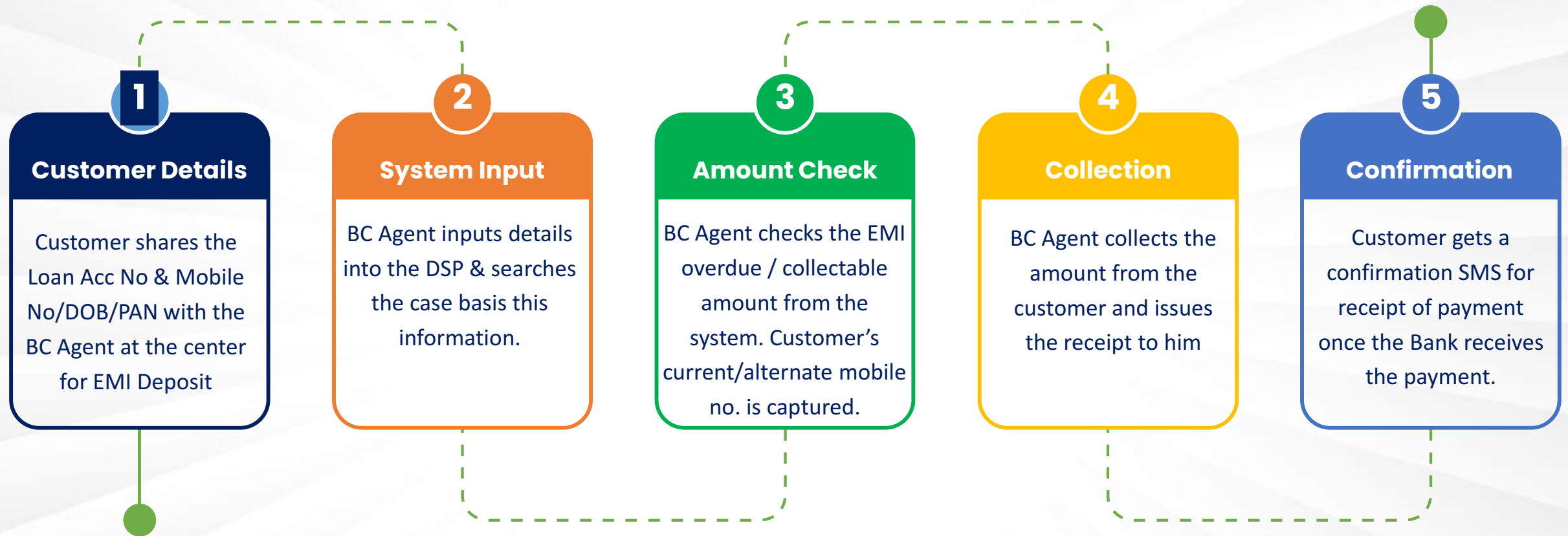
This debit authority shall be governed by and construed in accordance with the laws of India and I hereby irrevocably submit to the exclusive jurisdiction of the competent courts of _____.

Sincerely,

Signature of BC Agent

Name of BC Agent
BC Agent VLE Code
BC Agent TTD Number
Complete Address of BC Agent

EMI Collections – Retail Loans & SLI



Social Security Schemes

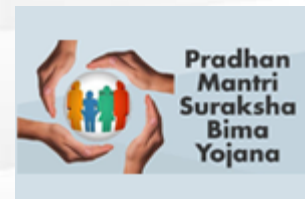
The government of India offers a variety of social security schemes including affordable life, accident cover & a guaranteed pension plan

One can invest in them via a HDFC Bank Savings Account



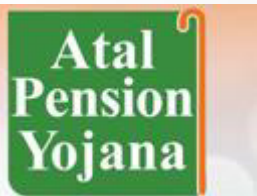
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

- ✓ Get a life cover of ₹ 2 lacs for a premium of ₹ 330 a year
- ✓ Subscribe through SMS or NetBanking
- ✓ Automatically pay your premiums



Pradhan Mantri Suraksha Bima Yojana (PMSBY)

- ✓ Pay a premium of just ₹12 per year
- ✓ Get accident insurance cover of up to ₹ 2 lacs
- ✓ Easily pay via SMS or NetBanking



Atal Pension Yojana

- ✓ Get guaranteed monthly pension at the age of 60
- ✓ Monthly investments can be as low as ₹ 42
- ✓ Choose your pension amount from ₹ 1,000 to ₹ 5,000

Grooming, Communication & Soft Skills

- ✓ Personal Etiquettes
- ✓ Politeness
- ✓ Maintain personal Hygiene and social distancing at the Center
- ✓ Inter- personal skills
- ✓ Telephone etiquettes
- ✓ E-mail Etiquettes
- ✓ Negotiation/Persuasive skills
- ✓ Analytical Ability

Thank you