20 One-Liners to Remember

Quick-fire facts for last-minute revision.

1. **Retail banking serves individuals and small businesses with standardised, high-volume, low-value services.**
   Retail banking is built around a mass customer base needing routine, everyday banking products.

2. **Wholesale banking serves corporates, institutions and governments with customised, low-volume, high-value services.**
   Wholesale clients need tailored large-value deals rather than standardised products.

3. **Retail banking is also called consumer banking or personal banking.**
   These are the common alternate names used for services offered to individual customers.

4. **Wholesale banking is commonly called corporate banking or commercial banking in India.**
   In Indian usage, wholesale, corporate and commercial banking refer to the same large-client model.

5. **Both retail and wholesale banking are regulated by the RBI under the Banking Regulation Act, 1949.**
   This Act is the core statute governing banking company operations in India.

6 **Retail banking has a huge client base with small ticket-size loans.**
Millions of individual accounts are each small, but together form a large deposit base.

7 **Wholesale banking has a small client base with large ticket-size loans.**
Fewer corporate clients borrow much larger sums per transaction.

8 **Retail banks profit mainly from the spread between deposit and lending rates.**
This interest spread, plus fee income, forms the core of retail banking profitability.

9 **Retail loan interest rates are relatively standardised since individual customers cannot easily negotiate.**
Individual borrowers generally accept posted rates rather than negotiating terms.

10 **Wholesale banking deals are negotiated and banks may offer attractive terms to win large corporate funds.**
Big-ticket corporate clients have leverage to negotiate customised pricing and terms.

11 **Retail banking needs a wide branch, ATM and digital network to reach its mass customer base.**
Serving many small customers across regions requires broad physical and digital reach.

12 **Wholesale banking operates from a few specialised branches due to its high-value, low-volume nature.**
Fewer, larger clients can be served through a smaller number of dedicated corporate branches.

13 **Common retail products include savings/current accounts, deposits, retail loans, cards and digital banking.**
These are the everyday products individuals use for saving, borrowing and payments.

14 **Common wholesale services include corporate loans, cash management, trade finance and M&A advisory.**
These services address the complex financial needs of large organisations.

15 **Wholesale banking carries higher concentration risk because large amounts are parked with fewer clients.**
A problem with one or a few big clients can have an outsized impact under this model.

16 **CAIIB stands for Certified Associate of the Indian Institute of Bankers, conducted by IIBF.**
IIBF conducts CAIIB as a career-advancement certification for bankers.

17 **Retail Banking is one of the optional papers under the CAIIB examination structure.**
CAIIB candidates choose optional papers alongside compulsory ones as per the current IIBF scheme.

18 **Profit per client is typically higher in wholesale banking than in retail banking.**
Large-value corporate deals generate more profit per relationship than small retail accounts.

19 **Retail banking spreads risk across many small accounts, while wholesale banking concentrates it.**
This is why retail is often considered lower-risk per account and wholesale higher-risk per client.

20 **Loan-size thresholds separating retail and wholesale exposures are revised periodically by the regulator.**
Aspirants should confirm current thresholds on the latest official IIBF or RBI guidance rather than quoting old figures.