
Top 25 Business Analyst Interview Questions and Answers – Banking Domain:

1. What is the Role of a Business Analyst in the Banking Domain?

A Business Analyst (BA) acts as the communication bridge between **business stakeholders and the IT team**, ensuring banking products and services align with business goals.

The BA gathers, analyzes, and documents requirements for key areas such as **account management, loans, payments, compliance, and digital banking platforms**.

2. What are the Key Banking Domains a BA Should Know?

- Retail Banking
 - Corporate/Commercial Banking
 - Investment Banking
 - Loans and Credit Cards
 - Treasury and Risk Management
 - Regulatory Compliance (KYC, AML, Basel)
 - Core Banking Solutions
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3. What is a Core Banking System (CBS)?

CBS is a **centralized system** that connects all bank branches, allowing customers to perform transactions from any location or channel.

Examples: Finacle (Infosys), Flexcube (Oracle), T24 (Temenos).

4. What is KYC and Why is it Important?

KYC (Know Your Customer) verifies customer identity before opening an account.

Importance: Prevents money laundering, fraud, and terrorism financing; ensures compliance with **RBI** and **AML** regulations.

5. What are Key Regulatory Frameworks in Banking?

- **Basel III:** Risk & Capital Management
 - **AML:** Anti-Money Laundering
 - **FATCA:** Foreign Account Tax Compliance Act
 - **PSD2:** Payment Services Directive (Europe)
 - **RBI Guidelines:** Indian regulatory compliance
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6. How Do You Gather Requirements in a Banking Project?

- Conduct **stakeholder interviews**
 - Organize **requirement workshops**
 - Review existing processes and documentation
 - Draft **use cases** and **user stories**
 - Validate requirements with end-users and SMEs
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7. What Are Functional and Non-Functional Requirements?

- **Functional:** Describes *what* the system should do (e.g., fund transfer, loan disbursement).
 - **Non-Functional:** Describes *how* the system should behave (e.g., performance, security, uptime).
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8. Can you give an Example of a Banking Use Case ?

Use Case: Customer initiates fund transfer through Internet Banking.

Actors: Customer, Core Banking System, Payment Gateway.

Flow: Login → Enter Details → Validate → Process → Confirm.

Outcome: Transaction successful, confirmation SMS/email sent.

9. What Are Common Modules in a Core Banking Application?

- Customer Management
- Account Management
- Deposits
- Loans & Advances
- Payments & Transfers
- Credit Cards
- Treasury
- Compliance & Reports

10. How Do You Handle Data Migration in Banking?

- Analyze legacy data sources and target system structure
 - Create **data mapping** and transformation rules
 - Perform **data cleansing and validation**
 - Execute **mock runs**
 - Verify via reconciliation reports
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11. Why Is UAT Important in Banking Projects?

User Acceptance Testing (UAT) confirms that the system meets real-world business and regulatory requirements. It ensures key functions like **account creation, fund transfers, and loan approvals** operate correctly before go-live.

12. How Do You Manage Changing Requirements?

- Follow a **Change Control Process**
 - Analyze business impact and technical feasibility
 - Update documentation and get stakeholder approval
 - Adjust the backlog if using Agile methodology
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13. Describe a Payment Gateway Integration Scenario.?

When a customer makes a payment:

1. Bank system sends data to the **payment gateway** (Visa, MasterCard, Razorpay).
2. Gateway validates details and processes the payment.
3. Response (Success/Failure) is sent back to the bank app securely via API.

14. What Are Key Challenges in Banking Projects?

- Legacy systems integration
- Regulatory and compliance constraints
- Data privacy and cybersecurity risks
- Complex multi-channel workflows
- Alignment between multiple stakeholders

15. What Are Common KPIs in Banking Projects?

- Average Customer Onboarding Time
- Loan Approval Turnaround
- Transaction Success Rate
- Uptime/Availability Percentage
- Compliance Audit Score

16. What Are Typical Data Entities in Banking?

- **Customer:** KYC, contact details
- **Account:** Savings, Current, Loan
- **Transaction:** Credit, Debit, Transfer
- **Product:** Loan type, Deposit type
- **Branch:** Location, Code, Services

17. How Do You Ensure Data Security in Banking Systems?

- **Encryption** of sensitive data (at rest and in transit)
- **Two-factor authentication (2FA)**
- **Role-based access control**
- **Regular security audits and vulnerability assessments**

18. What is AML (Anti-Money Laundering)?

A compliance framework to detect and prevent financial crimes.

BA Role: Define system rules for suspicious transaction detection, set thresholds, and automate regulatory reporting.

19. How Do You Perform GAP Analysis?

- **Assess current process (As-Is)**
 - **Define desired future process (To-Be)**
 - **Identify functional and process gaps**
 - **Recommend system or process changes to bridge gaps**
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20. How Does a BA Work with APIs in Banking Projects?

BAs define API requirements for integration between systems (e.g., Core Banking ↔ Mobile App).

They specify:

- API endpoints and data payloads
 - Request/response structures
 - Security standards (OAuth, SSL)
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21. Describe the Loan Management Workflow.

1. Customer applies for a loan.
 2. KYC and credit check performed.
 3. Loan approved or rejected.
 4. Disbursement processed.
 5. EMI schedule and repayment tracking set up.
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22. What Should Be Included in a BRD for a Banking Project?

- Project Overview and Objectives
- Scope and Exclusions
- Stakeholder List
- Detailed Functional & Non-functional Requirements

- Business Process Flow Diagrams
 - Assumptions, Risks, Dependencies
 - Acceptance Criteria
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23. What Tools Do Banking BAs Commonly Use?

Category	Tools
Documentation	MS Word, Confluence
Process Mapping	Visio, Lucidchart
Requirement Tracking	JIRA, Azure DevOps
Testing & Validation	HP ALM, Zephyr
Data Analysis	Excel, SQL

24. How Do You Validate Requirements with Stakeholders?

- Conduct review walkthroughs
 - Use prototypes and mock screens
 - Maintain a **Requirements Traceability Matrix (RTM)**
 - Obtain sign-off for baseline requirements
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25. Scenario-Based Example

Scenario: Bank introduces an instant personal loan feature in its mobile app.

BA Approach:

1. Gather business goals and loan eligibility criteria.
2. Identify integration with **CBS, Credit Bureau APIs, and Payment Systems.**
3. Define workflows, data mapping, and validation rules.
4. Prepare user stories and acceptance criteria.
5. Coordinate UAT to verify functionality.

THANK YOU!

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