



# Recovery Agent Policy Document for Collections, Recoveries & Workout Unit – PB Operations / India / DBAG India

Breaches of provisions within this document may result in disciplinary action, up to termination of employment. Concerns regarding violations of the provisions are to be escalated according to the [“Raising Concerns \(including Whistleblowing\) Policy – Deutsche Bank Group”](#).

Template version: V3.02

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## Scope

The scope of this document is to detail and clearly define how the external collections agencies that will represent the Bank for collection of dues should be selected and empanelled and further how such empanelled agencies would be monitored by the Bank Agency Manager.

The document will also define the Bank process & policies related to contacting / collecting dues from the customers/clients by the external collections agencies.

The idea is to ensure that the customers of the Bank are treated with respect, dignity, courtesy, and fairness in debt collection efforts. The Bank believes this is not only the right thing to do, but also the most effective.

## 1. Background

The collection & recovery policy of Deutsche Bank AG, India ("Bank") is built around dignity and respect to customers. Bank will not follow policies that are unduly coercive in collection of dues. The policy is built on courtesy, fair treatment, and persuasion. The Bank believes in following fair practices about collection of dues and repossession of security and thereby fostering customer confidence and long-term relationship.

The repayment schedule for any loan sanctioned by the Bank will be fixed considering paying capacity and cash flow pattern of the borrower. The Bank will explain to the customer upfront the method of calculation of interest and / or how the Equated Monthly Instalment (EMI) or payments through any other mode of repayment will be appropriated against interest and principal due from the customers. The Bank would expect the customers to adhere to the repayment schedule agreed to and approach the Bank for assistance and guidance in case of genuine difficulty in meeting repayment obligations.

Bank's Security Repossession Policy aims at recovery of dues in the event of default and the policy recognizes fairness and transparency in repossession, valuation, and realization of security. All the practices adopted by the Bank for follow up and recovery of dues and repossession of security will be inconsonance with the law.

## 2. Introduction

The agency is expected to deliver quality services in the process of collection / following up for debt obligations from the clients of the Bank. Collection activity should be strictly in accordance with the Code of Conduct prescribed by the Bank or Reserve Bank of India (regulatory body).

Following pages will emphasize various process that are to be followed as a part of External Collection management process.

- Selection of vendors basis market feedback.
- Empanelment through the Bank Vendor Risk Management process.
- Agency infrastructure.
- Hiring process for recovery agents
- Background screening
- Control process for field executives' activities, payment process and vendor review.

## 2.1. Selection process

Outsourced external collection vendors / agencies are used to assist follow-up process. Other key reason to empanel external vendors is to reap benefits of cost efficiency and effectiveness / better coverage & at the same time eliminate the infrastructure bottlenecks. The agency hiring process would be as follows for new vendors that would be onboarded –

- Agencies are required to be identified basis the need of the portfolio and key strength of the agency.
- Bank Agency Manager should visit the agency before recommending the same and ascertain the following.
  - Infrastructure of the agency - is it strong enough to support the processes.
  - Is there enough capacity available at the agency to take up the proposed assignment.
  - Financial soundness
  - Cross check if the market reputation of the agency is good.
  - Collect a copy of agencies profile.

## 2.2. Empanelment process

- If everything is following the requirements laid as above, recommendation for the empanelment shall be made by the region with agency's profile to the Head – Collections.
- Post review and approval from Head Collections the Vendor Risk Management (VRM) process would be initiated as per Deutsche Bank vendor hiring process.
- Post requisite approvals and completion of the VRM process the agency will be required to sign an agreement and submit required documents as a part of the Bank's vendor empanelment process.
- Over and above the regular review the Bank agency manger will be responsible to ensure the policies and guidelines laid down by the Bank from time to time are adhered by the collection agencies.

## 2.3. Agency Infrastructure

The agency infrastructure should strictly ensure that they are able to isolate and clearly identify the bank's customer information, documents, records, and assets to protect the confidentiality of the information. In instances, where the agency acts as an outsourcing agent for multiple banks, care should be taken to build strong safeguards so that there is no mixing of information/documents, records, and assets.

Following infrastructure facilities needs to be available at the agency.

- Access to vendor premises through Bio metric access control or manned security personal.
- Visitor register capturing in & out time of the visitors.
- Adequate CCTV coverage of the vendor premises.
- Call recording facility in case providing tele calling services.
- Fire Extinguishers.
- Dedicated storage with locks.

## 2.4. Hiring process for recovery agents

Before any recovery agents is being hired by the agency for the Bank's portfolio the agency should ensure that they do the following checks and collect the documents as listed below diligently

- Bio-data along with two references.
- Two photographs (One for ID card & other with Biodata).
- Latest police verification to ensure that there is no legal case against the vendor staff. No hiring will be done incase of negative police report.
- Collect proof of residence & photo ID. (viz. passport copy, pan card copy, ration card, driving license, electricity bill, telephone bill, aadhaar card or any other such document that can be taken as residence & photo ID proof).
- Educational proof.
- Past employment proofs.
- IIBF certification as applicable (Field executives, tele callers & Supervisor). No new hiring will be permitted incase of non-availability of IIBF certification.

## 2.5. Background screening

Once the recovery agent has been identified and the necessary documents has been collected by the vendor the vendor would share a request with regional collections team for hiring of the resource.

Once the recovery agent details are verified by the regional collections team, they would recommend the central collections team to initiate the background screening process.

The central collections team would then liaise with the third-party background screening vendor for the background screening process. The following checks would be done -

Educational / Academic check

Residential address check

Criminal record

CV check (previously been employed or engaged by DB & validation of details mentioned in CV)

Credit check

Employment record

Right to work check (ID Check)

## 2.6. Screening results

Post receipt of the screening results from the vendor, the central team would communicate the status of the result with the regional collections team.

In case of any non-positive results in the screening report the regional collection team can choose to not to hire the resource or seek an exceptional hiring approval.

The regional collection team can raise for exception approval with Head Collections for hiring by providing due rationale. However, all exceptions have be documented on email. Following are the report status / results -

Report Status	Remarks	Exception
Positive	No issues found during screening	Not required
Non-Positive	Any issues found during screening	Under exceptional circumstances approval can be taken from Head – Collections to onboard the staff supported with due rationales and alternative mitigants as applicable.

## 2.7. Control process

### 2.7.1. Documentation with Bank

To ensure Bank has adequate controls in place respective bank agency managers responsible for the agency should have the following documents maintained with the bank.

Documents
Vendor agreement
Allocation / Stat Card issuance letters
Monthly Performance letters
Stat Card return & Data Purging letters
Receipt book request letters
Detailed Biodata along with photograph
ID cards request letter
ID card copy
ID cards return letter
Cancelled / returned ID cards
Police Verification report
IIBF Certification
Residence & photo ID proof
Code of Conduct & Non-Disclosure Agreement

### 2.7.2. ID Card process

Post results of the background screening, the regional collections team would raise an id card issuance request to Head Collections. Post approval from Head Collections, the central collections team would issue an ID card with unique DRA code. The unique DRA code would be mentioned on the ID card issued.

ID cards to be returned to the bank agency manager whenever the recovery agent resigns or a written confirmation from the agency indemnifying the Bank.

The ID card will be in the format decided by Deutsche Bank. The recovery agent must carry his ID card every time he visits any customer.

The ID card process will be reviewed by the Bank Agency Manager during the agency reviews. Any issues should be escalated to the Regional Collection Manager and tracked to closure.

The recovery agent should always carry the ID while discharging duty on behalf of the Bank.

### 2.7.3. Police Verification

The frequency of police re-verification has been changed to annual to comply with the regulatory requirement.

The central collections team would be responsible for tracking compliance with the requirement. Beginning of each financial year, the central collections team would liaise with the regional team for seeking the re-verification police reports for each vendor staff.

The status of the verification would be tracked by the central collections team and will escalate to Head Collections incase there is a delay in receiving the reports beyond 90 days.

Incise of any negative report received against an existing agent during annual review, the details along with rationale from the regional collection team will be shared with Head Collections to decide appropriate course of action.

### 2.7.4. Training

Bank managers handling the agency would need to keep a track that all collectors / supervisors that are hired as recovery agents for Deutsche Bank are certified as DRA by passing the examination conducted by IIBF. The central collections team would be responsible for tracking compliance with the requirement.

Apart from the IIBF training, bank will also impart trainings to new as well as existing recovery agents on Information Security, Code of Conduct, Product Knowledge, and Process Refresher on a quarterly basis. The regional collections team would keep records of these trainings along with attendance of the agents.

### 2.7.5. Receipt Book Management

Payment collection and its timely deposit by external agencies are critical components of any collection system working through external collection agencies. A fool proof process of payment collection is imperative to ensure not only a seamless collection and application of funds but to also ensure that customer accounts are accurately maintained.

To assist the payment collection process, the central collection team will indent agency specific / customized receipt books to collection units based on their written / email requests and maintain tracker of the same.

The central collections team will ensure that receipt book numbers and serial numbers are printed and issued in an order to ensure continuity of serial numbers with the existing stock.

The regional team would be responsible for Issuance, Tracking, Monitoring, of the receipts.

Only persons authorized by the agency owner / agency management should be allowed to requisition for receipt books. Receipt books should be delivered against an authority letter in the name of the agent / representative of the agency.

By the end of the month, each collection agency is required to submit back the bank copies of each used receipts and customer copies for cancelled receipts.

Receipts that remain unused as of the month end should be cancelled and taken back from the agency at the end of the month. All cancelled / misprinted receipts must have the words "cancelled" written across the face of the cancelled receipt. A Receipt book recon statement for the month should be made for each agency, where the closing stock with the agency for as at the month end should be NIL.

As an exception on a one of basis the unused receipts may be reallocated to the agency in the subsequent month, however it is the responsibility of the Bank Agency Managers along with the

Regional Collections Manager to ensure that all such unused receipts are checked after the month-end date before reallocating the same.

Any discrepancy must be reported to the Regional Collections Manager and the agency owner must clarify the same. Any lost / misplaced receipt books should be highlighted to the bank agency manager / regional collections manager & the Central Support Unit. The agency owner / proprietor should provide a First Information Report / Non cognizable or Police Complaint / Intimation along with the indemnity which is notarized by the relevant authority.

It is the responsibility of the Bank Agency Manager to ensure that the receipt book inventory reconciliations are done regularly. The region collections manager during his reviews should review the receipt book process, any deviation / discrepancies found should be highlighted to the Head – Collections.

### 2.7.6. Monthly KPI's & Controls Review

Formal review of monthly KPI's and other process controls, in form of monthly performance letters, must be provided to the agency. The report card would detail allocation of accounts to the agency, record achievement in terms of accounts and amount and delinquency with flow rates and serve as another medium of formal communication between the agency management and the bank. The report card should also cover areas of quality, infrastructure etc also. Over and above the agency performance the Bank Agency Manger is responsible for the agency adherence to the process laid down by Deutsche Bank. Bank agency Manager would be responsible for completing this activity upon allocation for each cycle and file the same. The agency monthly performance review must be documented by the Bank Agency Manager and should be signed off by the City Head / Regional Collections Manager and to be acknowledged by the agency owner / partner / authorized signatory. In case of consistent and significant deterioration in performance the regional head may discuss with the Head Collections to decide on appropriate course of action

### 2.7.7. Data Management & Security

While issuing statcards acknowledgement should be taken from the agency and should be kept on record. All statcards issued by the bank should be properly handled. As a process once the month is over all statcards must be returned to the branch along with a data purging letter. It is the responsibility of the Bank Agency Manager to ensure that once the month is over all data is being purged. This will be reviewed by the Regional Collection Manager during his review with the Bank Agency Managers. A Non-Disclosure Agreement will also be undertaken from respective vendors along with the recovery agents.

### 2.7.8. Annual Monitoring of Recovery Agents

The Service Relationship Owner (SRO) shall conduct an annual review for all recovery agents to ensure compliance on the Background Screening process including financial checks and annual police verification status in concurrence with the regional collections team.

The SRO would maintain a tracker to track Background Screening status, financial checks, annual police verifications & insurance for each recovery agents engaged by Deutsche Bank.



### 2.7.9. Customer Communications

Agencies are not authorized to write any letters or issue any direct correspondence to the clients, except for issuing a temporary receipt (issued by the Bank) for the payments collected. Any communications received by the collector / agency should be handed over to respective Bank Agency Manager. All written communication must be made by the Authorized Bank Managers only.

### 2.7.10. Code of Conduct

The recovery agents shall be bound by the following Code of Conduct, which may be revised by the bank at its discretion from time to time and in such a case the Service Provider shall be bound by the revised code of conduct from the date of its application as notified by the Bank.

	Do's	Do Not's
Appearance	<ul style="list-style-type: none"> <li>Well Groomed</li> <li>If not clean-shaven then a well maintained beard</li> </ul>	<ul style="list-style-type: none"> <li>No long hair</li> </ul>
Dress Code	<ul style="list-style-type: none"> <li>Formal shirt &amp; trousers</li> <li>Formal Shoes</li> </ul>	<ul style="list-style-type: none"> <li>No T Shirt &amp; Jeans</li> <li>No chappals and sandals</li> </ul>
Speech	<ul style="list-style-type: none"> <li>Introduce yourself</li> <li>Use formal address</li> <li>Tone should be sincere polite yet assertive and firm</li> </ul>	<ul style="list-style-type: none"> <li>Do not get tough or aggressive or abusive</li> <li>Do not lose cool, get angry or even irritated irrespective of reason</li> <li>Pitch should not be high</li> <li>No shouting</li> <li>Should not get personal</li> <li>Do not threaten / harass / torment the customer in any way</li> </ul>
Belongings	<ul style="list-style-type: none"> <li>Allocated cases</li> <li>Statcard along with letter of authorization</li> <li>Receipt book</li> <li>Identity Card issued by Deutsche Bank</li> </ul>	
Ethics	<ul style="list-style-type: none"> <li>Fair and ethical in your dealings with customers</li> </ul>	<ul style="list-style-type: none"> <li>Collector should not make any verbal or written promises to customer without Supervisor / Bank on matters outside his purview or on adhoc settlements / product features</li> <li>Should not state any false information</li> <li>No personal dealings with customers</li> </ul>
Confidentiality		<ul style="list-style-type: none"> <li>Unauthorized information written or verbal cannot be divulged to any customer / competitor / any other person e.g. photocopy of statcards</li> <li>No information on the customers to be shared with other customers.</li> <li>No calling customers through mobile phones</li> <li>No communications with customers, bank official through social media apps.</li> </ul>
Process Product Discipline	<ul style="list-style-type: none"> <li>Collectors will perform their role within the framework of the instructions issued to them in terms of specifics of collection action based on the product</li> </ul>	
Maximize Effectiveness	<ul style="list-style-type: none"> <li>Collectors will strive to maximize the effectiveness of the visitations by pre-visit preparation and result orientation in order to improve results</li> </ul>	

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Proximity	Maintain a reasonable distance from the customer	<ul style="list-style-type: none"> <li>No physical contact with the customer</li> <li>No obstruction to customer movement</li> </ul>
Timing	<ul style="list-style-type: none"> <li>Earliest : 0800 hours</li> <li>Latest : 1900 hours</li> </ul>	
Place of Contact	Customer would be contacted ordinarily at the place of his choice and in the absence of any specified place at the place of his residence or the place of business/occupation.	
Customer Interaction and Customer Privacy		<p>Do not resort to :</p> <p>intimidation or harassment of any kind, either verbal or physical, against any person, including acts intended to humiliate publicly or intrude the privacy of the customers family members, references, and friends, sending inappropriate messages either on mobile or through social media, making threatening and/ or anonymous calls, or making false and misleading representations</p>

Agency Name: \_\_\_\_\_

DRA Name: \_\_\_\_\_

DRA Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### 3. Glossary

Term	Definition
Additional term	<p><i>PB – Private Bank</i></p> <p><i>RCM – Regional Collections Manager</i></p> <p><i>DB - Deutsche Bank</i></p> <p><i>DRA – Debt Recovery Agent</i></p> <p><i>IIBF – Indian Institute of Banking &amp; Finance</i></p>