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IIBF VISION

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Top Stories

Home loans up to Rs.10 lakh get 1% interest rate subsidy

Affordable housing, especially in non-metros, will now get a much-needed boost after the Government's approval of the 1% interest **subvention scheme** for housing loans up to Rs.10 lakh. The Centre has allocated Rs.1,000 crore for this new scheme, approved by the Cabinet, under which the interest subsidy will be made available through commercial banks and housing finance companies for construction / purchase of a new house or extension of an existing one. However, this will be allowed so long as the cost per housing unit does not exceed Rs.20 lakh. The move augurs well for the sector at a time when there has been a notable slide in the flow of credit to it. The slide was largely on account of increase in real estate prices, slackening of income growth, and rise in interest rate for home loans all of which have brought home sales to a near standstill since late last year.

SIB unveils new home loan scheme

Kerala-based South Indian Bank (SIB) has announced a new low-rate housing loan scheme with a fixed rate of interest for the first three years. The new scheme, SIB Shelter, will provide loans for purchasing ready-built houses or flats or constructing new ones on one's own land anywhere in India. Interest rates under the scheme will be as low as 8.50% in the first 18 months and 9.50% in the following 18 months. This competitive package comes complemented with speed in disposal of housing loan applications from 550 core banking system (CBS) branches all over India. "SIB Shelter is our festival bonanza to those who wish to realize the dream of owning a home faster," avers Dr. V. A. Joseph, MD & CEO, SIB.

Global clearing supervision a must : BIS

The Bank for International Settlements (BIS) has asserted that central banks must co-ordinate global supervision of derivatives clearing houses and consider offering them

The mission of the Institute is "to develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy / counselling and continuing professional development programs."



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access to emergency funds to limit systemic risk. Regulators are pushing for much of the \$592 trillion market in over-the-counter (OTC) derivatives trade to be moved to clearing houses which act as buyers to every seller and vice versa, reducing the risk to the financial system from defaults. The drive was spurred by the collapse of Lehman Brothers Holdings and the rescue of American International Group; two of the biggest credit-default swaps traders.

IDBI's employee productivity highest among domestic banks

According to an RBI report, the employee productivity of state-run IDBI Bank is the highest among all domestic banks in the country in 2008-09. The business per employee (total business of the bank divided by the number of employees) of IDBI Bank stood at Rs.20.30 crore for 2008-09 against the industry average of Rs.7.50 crore for 2008-09. In terms of profit per employee also (total profit of the bank divided by the number of employees), IDBI has done well. The bank's profit per employee stood at Rs.8.42 lakh, higher than the banking industry average of Rs.5.6 lakh.

Stanchart to hire 2,000 by year-end

Standard Chartered Bank is looking to hire 2,000 people by the end of this calendar year, said Mr. Sreeram Iyer, the Regional Chief Operating Officer, India and South Asia. The bank's employee count presently stands at around 8,000. Further, with regard to Standard Chartered's knowledge processing outsourcing unit, Scope International, Mr. Iyer has averred that the KPO will establish an office in Bangalore shortly. At present, Scope International has offices in India (Chennai), China and Malaysia. The Chennai office employs around 7,200 people.

Deutsche Bank is US dollar clearing bank for CCIL

Deutsche Bank has been appointed as a US dollar clearing bank for the Clearing Corporation of India Ltd. (CCIL). According to the bank, CCIL will leverage its treasury payment capabilities and the US dollar clearing services to settle its transactions, using the bank's Money Transfer New Architecture (MTNA) platform. "The MTNA platform will enable us to process our US dollar settlements more efficiently. It supports our goal of safeguarding the well-being of our member banks by continuing to introduce innovative solutions to improve our operating efficiency," says Ms. Indiarani Rao, Chief Forex Officer, CCIL.

Interest rates have hit rock-bottom, say bankers

Bankers seem to agree that interest rates have hit rock-bottom but could rise in the coming months with loan

growth gathering pace. At a FICCI-IBA conference on global banking, top bankers unanimously aired the view that interest rates would stay at the current levels for now and edge up going forward. "Lending rates have bottomed out; gradually interest rates will harden... from here on, we will gradually see credit pick-up taking place and then the rates will harden," said Ms. Chanda Kochar, MD & CEO, ICICI Bank. Emphasising that in India growth is backed by domestic consumption and investment demand, she said ICICI has seen growth returning in its home and auto loans portfolios in the second quarter due to improving sentiments in the credit market "We will continue to focus on home, auto and infrastructure loan segments. We also expect project finance to pick up".

Basel Group agrees on banking standards to avoid crisis

Central bankers and regulators have adopted "new standards" for the global financial industry in order to prevent a repetition of the worst economic crisis since the Great Depression. The panel that oversees the Basel Committee on Banking Supervision agreed that lenders should raise the quality of their capital by including more stock, after the 'Group of 20' nations sought to extend their reach into banks' pay and profits. Financial firms also will have to introduce a leverage ratio and devise ways to boost reserves when the economy is robust. The drive to revamp regulation comes after excessive risk-taking by the world's banks, which led to \$1.61 trillion in losses and writedowns, taxpayer-funded bailouts and a global recession.

RBI to introduce Rs.10 plastic notes

Soiled notes may soon be a past; with the Reserve Bank of India (RBI) planning to introduce Rs.10 polymer bank notes. The rationale behind introducing these polymer notes is that these notes will have an average life span of five years compared to one year of the currency notes used at present. Besides, these notes are cleaner than paper notes and it would be difficult to counterfeit them. The apex bank has initially decided to introduce 100 crore pieces of Rs.10 polymer notes, for which it has floated a global tender.

New CMD for Syndicate Bank

Mr. Basant Seth has assumed charge as Chairman and Managing Director (CMD) of Syndicate Bank at its corporate office. Prior to that, Mr. Seth was the Deputy Managing Director of SIDBI, before which he was General Manager of Bank of India (BoI).

Third party ATM : changes in rules for 'free use'

October 15 has been stipulated as a deadline for the end of free third-party ATM use. Thereafter, the customers will

have to pay as much as banks want them to, if they use a third-party ATM more than five times a month. In April 2008, RBI had decided to cap charges at Rs.20 per transaction and from April this year, withdrawal, as well as, balance enquiry at any ATM came free. There is also no unanimity on the issue of how much cash can be withdrawn from a third-party ATM. While Indian Banks' Association (IBA), the industry lobby, decided to cap withdrawals at Rs.10,000, there are players such as Axis Bank which have not decided if they would enforce a ceiling on withdrawals.

United Bank plans loan syndication cells

With an aim to boost its fee-based income, United Bank of India plans to set up loan syndication cells for its corporate clients and counselling centres for **high net-worth individuals (HNI)**, according to its Executive Director, Mr. T. M. Bhasin. "We plan to set up six loan syndication cells by October in Mumbai, Delhi, Kolkata, Chennai, Bangalore and Hyderabad. We will also set up counselling centres for our HNI clients in each of these cities later this year," he has affirmed.

DICGC settles claims worth Rs.195 crore from co-op banks

The Deposit Insurance and Credit Guarantee Corporation (DICGC) has settled depositor claims aggregating to Rs.195 crore from 28 liquidated co-operative banks, mainly from Karnataka and Maharashtra, in FY 2009. This is against Rs.155 crore from 22 co-operative banks in FY 2008. The Corporation's settlement figures highlight the fact that the number of co-operative banks, whose licence had been cancelled by the banking regulator, is steadily increasing. The regulator, in recent times, has come down heavily on some of these banks for mismanagement of operations, connected lending, failure to meet prudential norms and so on.

Bankers wary of collateral free education loan scheme

Collateral-free education loans given by banks under the 'model education loan scheme' for students to pursue higher studies has got bankers a bit worried on two counts. On the one hand they (the banks) do not have any tangible security to fall back on if an education loan of up to Rs.4 lakh turns sour; on the other, in the current scenario of a slowing economy, jobs are hard to come by or even if a student lands one, he / she is not in a position to service the loan due to low pay. Hence, bankers are cautious of potential irregularities in the servicing of these loans.

RBI approval must for mergers of deposit-taking NBFCs

The RBI has directed that any takeover / merger / acquisition of shares of a deposit-taking NBFC with

another entity or any merger / amalgamation of an entity with a deposit taking NBFC that would give the acquirer / another entity control of the deposit taking NBFC, would require prior permission of RBI. This is to enable the RBI to continuously ensure and verify the 'fit and proper' character of the management of NBFCs.

Revised banking code to benefit small customers

Customers' retail and micro and small enterprises (MSEs) will no longer take deficiency in banking services lying down. They can confront banks with the revised 'Code of Bank's Commitment to Customers' in this regard. According to the revised code drawn up by the Banking Codes and Standards Board of India, banks have to clearly outline, among others, their policies pertaining to cheque collection, compensation, collection of dues / security repossession, and grievance redressal, on their web sites. Further, if a customer has borrowed against a floating rate of interest then he / she has to be informed of the reference rate to which his / her floating rate of interest is anchored and the bank will have to disclose on its website changes in such reference rate as and when they occur.

HDFC Bank shines amongst world's best banks

Home-grown HDFC Bank has featured in the annual list of world's best banks in the Asia category, prepared by Global Finance. The magazine, this year has identified the best banks in 123 countries, as well as the best banks globally in 11 key banking categories. Objective criteria included growth in assets, profitability, geographic reach, strategic relationships, new business development and product innovation. Subjective criteria included the opinions of equity and credit-rating analysts, banking consultants and others in the industry, as well as corporate financial executives.

Capital Markets

Axis Bank gets nod for GDR issue; QIP soon

After getting a green signal from shareholders to raise equity capital, Axis Bank will soon launch share offerings, including Global Depository Receipt and qualified institutional placement (QIP). The bank expects to raise up-to Rs.5,000 crore through the equity issue to support business growth. Axis Bank has obtained approval from its shareholders through a postal ballot for issuing not more than 7.14 crore equity shares by way of GDR / QIP / Preferential Allotment. This resolution enables the bank to raise equity capital at an appropriate time.

Commodities Markets

RBI plans 'non-rate' interventions to contain food price rise

The RBI is mulling over “non-rate” policy measures to rein-in galloping food prices. These unconventional measures will rely not on the calibration of interest rates, but on steps that would result in flushing out stocks of food grains and other essential commodities held by traders. Among the monetary tools under consideration, is an increase in margins on credit to food grain traders and / or higher credit risk weightages for this category of borrowers. Rating agency CARE's Chief Economist Mr. Soumendra K. Dash, observed, “Such measures will have an immediate impact and will compel inventory reductions.”

Rising gold, drooping dollar push up currency futures turnover

Turnover in currency futures on Multi Commodity Exchange Stock Exchange (MCX-SX) and the NSE recently rose sharply aided by the substantial jump in gold prices. The trend of sharp depreciation in the value of the dollar against the rupee has also made it attractive for bullion traders to cover their risk in the domestic market. Turnover in the MCX-SX touched a new high of Rs.7,560 crore while it was Rs.7,219 crore on the NSE.

NCDEX extends trading hours

The National Commodity and Derivatives Exchange Ltd. (NCDEX) has extended trading hours till October 9 on account of disruption of satellite services due to sun outage. The exchange will suspend trading in all commodities between 11.25 a.m and 12.05 p.m. The day's session for agri commodities, except robusta coffee futures, will not be extended. However, the evening trading session for bullion, metals, crude oil, furnace oil, robusta cherry AB coffee and polymers will end at the usual time of 11.30 p.m. “During sun outage, trading will remain suspended. However, members are requested not to log off from their trader workstations,” the exchange has notified.



Insurance

Insurers should maintain records for 10 years : IRDA

Money Laundering through insurance may be tougher now as insurers need to keep records of Cash

Transaction Reports (CTRs) and Suspicious Transaction Reports (STRs) for a period of 10 years. In view of the Amendment to the Prevention of Money Laundering Act, 2002 which came into force on June 1, the CTRs and STRs will now be maintained for a period of 10 years from the date of the transaction between the clients and the insurance company, as asserted by Mr. C. R. Muralidharan, Member, IRDA.

Independent actuary a must for insurers going public

Insurance companies hitting the public market will have to appoint an independent actuary as part of IPO and M&A norms to carry out valuations. IRDA is working on initial public offer (IPO) and mergers and acquisitions (M & A) guidelines. R. Kannan, Member, said, “While it is the appointed actuary who will carry out the valuation, it will have to be certified by the independent actuary.” The independent actuaries will be appointed by the shareholders of the insurance companies. The appointed actuary works on pricing of the products, actuarial functions of the company and valuations of assets and liabilities. Moreover, he / she assures that the company complies with the regulatory guidelines.

Insurance companies gain Rs.41,000 crore on bourses in a year

The global financial crisis might have created an upheaval in the local stock markets, but domestic insurance companies have gained a whopping Rs.40,942 crore in the bourses during the one-year period between August 21, 2008 and August 21, 2009. During the period, the market capitalization of bank stocks held by insurance companies increased 103.2% to Rs.43,097 crore on August 21, 2009, from Rs.21,212 crore recorded in the year-ago period. Life Insurance Corporation (LIC) had the highest holding of 81.2% among the 17 insurance companies. It was followed by ICICI Prudential Life Insurance Co. (7.5%) and GIC Re (4.6%). The market capitalization of shares held by insurance companies increased 21.1% to Rs.2.35 lakh crore during the study period.

Group health insurance costs double for firms

Companies are seeing the cost of buying health insurance for their employees becoming more than double, with insurers increasing the premium on group covers to partly cover mounting losses after they lost the option of cross-subsidising it with more lucrative property covers. Insurance industry sources reveal that one of the largest telecom service providers had to pay Rs.20 crore to insure its employees in 2009-10 against Rs.9 crore last year. Similarly, a home-grown information technology and software development company saw its group health

insurance premium increase 60% to Rs.40 crore, while a mobile manufacturer's health insurance bill went up from Rs.4 crore to Rs.9 crore. Premiums were raised even though the number of employees being covered was almost unchanged, since companies kept a check on fresh hiring.

Life insurers' rural business may take a hit as premium payment declines

Life insurance companies fear a slowdown in rural business this year in view of the drought situation in large parts of the country, entailing lower disposable income for rural people. Nearly 50% of the rural policyholders are farmers. "The initial impact of the drought on the insurance sector became visible with the decline in premium payments along with a drop in credit to the farmers," says Mr. R. P. Singh, Head, Emerging (Rural) Business, Max New York Life Insurance; adding "The farmers were wary of buying new policies and paying renewal premiums. The slowdown in premium collection was already being witnessed in drought-hit districts of Gujarat and Maharashtra."

International News

Ten US banks collapse each month; 107 fail since Lehman demise

A staggering 107 banks have folded up in the US since the collapse of the once-famed Wall Street firm Lehman Brothers last September, with 92 entities of them failing in 2009. The signs of economic revival notwithstanding, an average of ten banks are going belly up every month so far this year. Out of the 107 failures after the demise of the Lehman Brothers, 15 took place last year. So far in September 2009, eight banks have gone belly up and the count of failures this year is more than three-fold of just 25 collapses in 2008.

Central banks keep rates at record low

Britain, South Korea and New Zealand have left their interest rates at record lows, with Canada expected to follow suit, but in Asia at least there are signs of thoughts turning to tighter policy. The Bank of England (BoE) has left its interest rates at a record low of 0.5% for the sixth month running and said it would keep in place its 175 billion pound asset buying programme, designed to pump money into the economy. In contrast, Bank of Korea has kept its interest rates at a 2% lowest from seven months ago but has sent a strong signal that it would lift them if house prices climb much more, even if it means moving before other major central banks.

Bank of Baroda sets up subsidiary in New Zealand

Bank of Baroda (BoB) has entered the New Zealand market by incorporating a wholly-owned subsidiary in the country. The Reserve Bank of New Zealand has approved its wholly-owned subsidiary to be registered as a bank in New Zealand, as reported by BoB to the BSE.

Swiss banks suggest taxing on foreign wealth earnings

Swiss bankers have called for the introduction of a broad withholding-tax on earnings generated by foreign wealth to end international pressure on bank secrecy at a time when client inflows are flat. Switzerland's treasured bank secrecy laws came under unprecedented attack by western nations in the wake of the financial crisis and Berne had to make wide concessions to avert international sanctions. The powerful Swiss Bankers Association (SBA) said its proposal goes beyond an existing European Union (EU) savings tax, a tax at source that is levied on the interest made on savings held by EU citizens. The SBA's proposed system would guard bank secrecy but would create additional costs for Swiss banks, which are already facing more regulatory pressure due to the global financial crisis.

Banks back on a risk-taking spree, a year after crisis

A year after the financial system nearly collapsed, America's biggest banks are bigger and regaining their appetite for risk. Goldman Sachs, J. P. Morgan Chase and others which have received - tens of billions of dollars in federal aid - are once more betting big on bonds, commodities and exotic financial products, trading that nearly stopped during the financial crisis. That Wall Street is making money again in essentially the same ways that thrust the banking system into chaos last fall is reason for concern on several levels, according to financial analysts and government officials. There have been no significant changes to the federal rules governing their behaviour.



Products & Alliances

SBI Life Insurance launches Shubh Nivesh

SBI Life Insurance has launched **SBI Life Shubh Nivesh**, a traditional savings plan with an option of whole life cover. The scheme has been designed to meet the savings, protection and income needs of customers having a risk-averse profile. "Strengthening our product suite, the

introduction of Shubh Nivesh is a step towards presenting customers a range of solutions to enable them to choose one that best suits their risk profile and financial needs,” says SBI Life Insurance managing director and chief executive officer Mr. M. N. Rao.

UTI teams up with SEWA for pension scheme in informal sector

Unit Trust of India (UTI) in association with the Self Employed Women's Association (SEWA) has launched a **special micro-pension scheme for the informal sector workers**. With a view to securing retirement benefits for the poor and middle class labourers, the scheme allows all women less than 55 years to save Rs.50 a month in a pension account. At the age of 58, participants in the programme will be able to receive the savings with an interest. The bank is organising a micro-pension week as a campaign to reach more informal sector workers in Gujarat. After Gujarat, the concept will be taken to other states through Delhi-based Invest India Micro Pension Pvt. Ltd.

Credit Bureau to help lenders track vanishing customers

The Credit Information Bureau (India) Ltd. (CIBIL) has launched '**Locate Plus**', a product which can help lenders locate customers even if their contact details have changed. This product can help banks and financial institutions strengthen their relationship with their customers and also in risk management, as it improves efficiencies and processes for collection, said Mr. Arun Thukral, Managing Director, CIBIL. If a customer has changed his / her residence or telephone number but not informed the bank, CIBIL Locate Plus will scan all the addresses and telephone numbers of that particular customer that exist in CIBIL's repository. The final report will show the latest address and telephone numbers. The tool locates the customer by his / her name, PAN card number or voter ID, or any other personal identification that will continue to remain the same. For instance, a bank can track down a customer who has disappeared through CIBIL's database that may list his / her another address and recover any payments that maybe overdue.

Emergency initiative from Saraswat Bank

If a person in your family is admitted to the hospital and you are making all efforts to raise money in the middle of night with no solution in sight, the new '**crisis financing**' scheme of the Mumbai based Saraswat Co-operative Bank Ltd. could come as a major relief. Mr. E. K. Thakur Chairman of Saraswat bank affirms that this 24 X 7 scheme is being introduced keeping in mind the needs of the lower middle and the working class to raise money in cases of emergencies.

Regulators Speak...

Bangladesh central bank seeks RBI cooperation

The central bank of Bangladesh is looking at increased cooperation from the RBI, whose policies have insulated the Indian economy from the global financial crisis, as observed by Bangladesh Bank's Governor Atiur Rahman. “Despite the turmoil in the global market, India has managed its foreign reserves, now at \$276.3 billion, quite well” he added, further saying. “Bangladesh will really benefit from the Indian experience; by analysing how well they have managed the reserve situation” Mr. Rahman added. Since August 2008, when the global financial scenario was looking pale in every sense, RBI has cut its repo rate in six phases by 425 basis points (bps) to 4.75%; reverse repo in four phases by 275 bps to 3.25% and cash reserve ratio (CRR) by 400 bps to 5%.

RBI to strengthen financial regulation

In a bid to further strengthen financial regulation and supervision, the RBI is considering to adopt a host of measures, including issuance of a discussion paper on prudential issues to sensitise banks to the risks inherent in their floating and managing pools of capital, and enhancing the regulatory and supervisory framework for financial conglomerates. On banks floating and managing private pools of capital, the RBI Deputy Governor, Ms. Usha Thorat, has said that the central bank's discussion paper will limit such exposures commensurate with their risk management and available capital. “The challenge for us is to facilitate the growth of the real sector through financial products and innovation, subject to adequate safeguards and adoption of sound risk-management policies,” said Ms. Thorat at the FICCI-IBA conference on “Global Banking : Paradigm Shift.”

Banks can now issue lower Tier-I bonds with step-up, call options

The RBI has said that banks will be allowed to raise Tier-II capital by issuing sub-ordinate debts having call and step-up option. Currently, banks are permitted to raise lower Tier-II subordinated bonds without call and step-up options, while call option is permissible for raising upper-II bonds. “On reviewing the international practices in this regard, it has been decided to permit banks to issue sub-ordinated debt as Tier-II capital with call and step-up options,” says the central bank. Lower Tier-II bonds have a minimum five years of maturity; only after which can banks exercise call option on them.

RBI relaxes valuation norms for primary dealer portfolios

The RBI has said that the quantum of securities, which can be classified as held-to-maturity (HTM) shall be restricted up to 100% of the paid-up-capital of the primary dealers (PD) as at the end March of the preceding financial year. The transfer of securities to or from HTM shall be done as per the policy formulated by the board and shall be permitted only once in a quarter.

RBI issues draft norms for repo in corporate debt securities

In a bid to introduce repurchase agreements (repo) in corporate debt securities, the RBI has released the 'Draft Guidelines on Repo in Corporate Debt Securities'. The draft guidelines, floated in consultation with the Securities & Exchange Board of India (SEBI) and other market participants, stipulate that the corporate debt securities shall cover non-convertible debt securities. Under the proposal, investors could borrow short-term funds by pledging corporate bonds as collateral in a repurchase agreement ranging from one day to one year.

IRDA chief sees deficiency in bancassurance model

The Insurance Regulatory Development Authority of India (IRDA) has expressed concern over the performance of banks with regard to claims settlement. Highlighting the deficiency in the bancassurance model, Mr. J. Hari Narayan, Chairman, IRDA, has observed that around 80% of the claims that are filed are done with the help of the agents. "Bancassurance model is weak when it comes to claims settlement" he has averred adding "Under the bancassurance model, though banks are efficient in handling credit insurance related claims, their performance is poor when it comes to settlement of personal lines products".



Spotlight

Now check your credit worthiness for Rs.142 only

Has a bank turned down your loan application citing poor credit history? Now you can check why your credit record worked against you and seek recourse by obtaining a copy of your credit report. All you need to do is fill up an application form available at Credit Information Bureau (India) or CIBIL's website, attach a draft for Rs.142 and an identity proof and mail it to CIBIL. The company's Managing Director Mr. Arun Thukral has

confirmed that the report would reach the applicant within a week. While the process was manual at present, Mr. Thukral said that CIBIL has tied up with a business process outsourcing outfit, and by the end of the current financial year, would put in place payment gateways to enable online payments.

Banks told to establish special units for fraud risk management

Banks must frame an internal policy for fraud risk management and fraud investigation, as per a notification from RBI. The central bank has also suggested that banks should review the roles and responsibilities of departments such as vigilance, internal audit and risk management and recognize monitoring and investigation of large value frauds as distinct functions. Further, banks must set up dedicated units to undertake these functions. The RBI had earlier told banks to set up Special Committee of the Board for monitoring and follow up of large valued frauds involving Rs.1 crore and above. But the growing incidence of frauds indicates that in large value frauds, the Committee headed by the CEO of the bank might not have been as effective as originally envisaged.

Financial Basics

Underlying

The assumption of a risk for a fee, particularly in the insurance or investment business is referred to as underwriting. Insurance underwriting guarantees cash payment in the event of a loss or casualty. Investment underwriting guarantees the purchase of new offerings of corporate stock or debt securities of a corporation or a government entity by purchasing the entire offering and then reselling it in the secondary market.

Glossary

Subvention Scheme

Subvention is the act or process of giving some sort of aid usually by the government. For example, in India, there have been subvention schemes for housing finance, farmers and the export sector and generally takes the form of interest rate subvention whereby the government bears a part of the interest rate burden on behalf of the beneficiaries of the subvention scheme. For example, under the subvention scheme for exporters, exporters can get loans at 2% less than the prime lending rate (PLR) of the banks and this would be reimbursed to the banks by the government.



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Licence to Post without Prepayment No. South - 116 / 2007 - 09 ● Post at Mumbai Patrika Channel Sorting Office Mumbai - 1 on 25th & 26th of every month.

High Net Worth Individuals

It is the classification used by the financial services industry to denote an individual or family with substantial amount of financial wealth. While there is no precise definition of how rich the individual should be, high net worth is usually quoted in terms of liquid assets over a certain figure. Globally this figure is taken to be 1 million US Dollars. India's HNI population is growing and as per one estimate prepared by DSP Merrill Lynch and Cap Gemini HNI population in India grew by about 23% in 2007 as compared to the previous years and the combined wealth of HNIs in India was around 440 billion USD as of December 2007.

News From the Institute

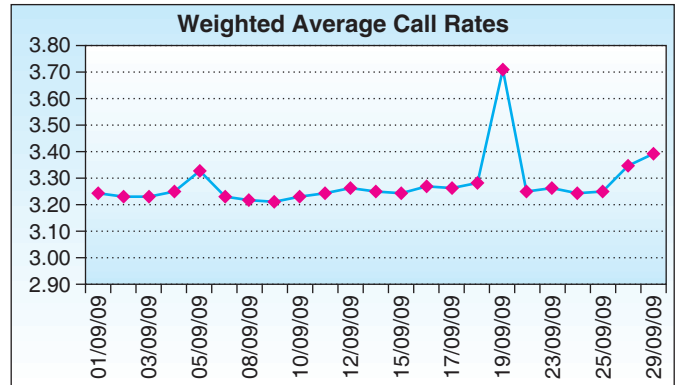
Launch of Certificate course in ITEs-BPO

A new course called Certificate in ITEs-BPO (Banking), for 12th Standard passed candidates was launched on 19th September 2009 at Aurangabad. This course is offered by DOEACC, a wing of the Dept. of Information and Technology, Government of India, in association with IIBF. IIBF is the academic partner in the area of banking for the course. The Institute has provided the courseware and will also be providing the question paper for the said exam, apart from educational support desired by DOEACC as per the MoU already entered into with them. This is the first major tie up with a government body by the Institute to offer a joint course. In the inaugural address, the Chief Guest, Mr. N. Ravishankar, IAS, Joint Secretary, DIT, Government of India lauded the role of IIBF in the certification process and congratulated the Institute for its contribution in the area of banking education to bankers and others in the country.

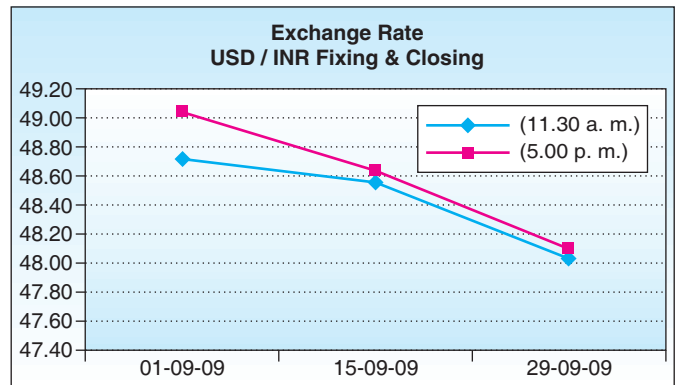
Markets Roundup

Market Snapshot (Amount in Rs. Mn.)					
Indicators	Sep. 04, 2009	Sep. 11, 2009	Sep. 18, 2009	Sep. 25, 2009	Oct. 02, 2009
Inflation (%)	-0.21 (Aug. 22, 2009)	-0.12 (Aug. 29, 2009)	0.12 (Sep. 05, 2009)	-0.37 (Sep. 12, 2009)	0.83 (Sep. 19, 2009)
Avg. LAF Rev. Repo Vol.	1,464,250	1,375,320	1,162,790	9,25,600	7,05,125
Avg LAF Repo Vol.	0	0	0	0	10,000
Avg. Repo Rates(%)	2.27	2.59	2.79	2.38	3.02
10-yr G-Sec Yield(%)	7.6212	7.6000	7.3517	7.3786	7.4545
1-10 yr spread (bps)	297	277	249	239	263
6 Month Forward Premia(%)	2.42	2.79	2.98	2.89	3.00
6 month USD LIBOR(%)	0.72	0.68	0.68	0.64	0.63

Source : CCIL Newsletters, September 2009



Source : CCIL Newsletters, September 2009



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