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Top Stories

Banks should link up with NGOs for financial inclusion

With the March 2011 deadline for maximum financial inclusion fast approaching, the Reserve Bank of India (RBI) has asked banks to establish linkages with NGOs for facilitating and channelizing credit to low income households. It has also asked banks to use well-run primary agricultural credit societies (PACS) as business correspondents (BCs). Currently, PACS, despite being permitted, are not being used as BCs. The RBI has also expressed that private sector banks need to involve themselves more actively in the 'lead bank scheme' (LBS) by bringing in their expertise in strategic planning and leveraging information technology.

Banks get 3 months more to switch to base rate regime

The RBI has given banks a three-month extension over the originally-decided date of 1st April, for moving to the new base-rate-linked lending regime. All fresh loans and existing ones coming up for renewal on or after July 1, 2010 will be benchmarked to the base rate, which will be the floor rate for all future lending. However, exceptions will be made in case of loans against fixed deposits, staff loans, and differential rate of interest loans. The criteria determining the base rate will include cost of deposits, adjustment for the negative-carry in respect of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) and un-allocatable overhead costs.

Central Bank plans to use postmen to reach rural areas

Central Bank of India is in talks with India Post to rope in village postmen as business correspondents (BCs), as informed by its Chairman and Managing Director (CMD), Mr. S. Sridhar. Conceived as an innovation in financial inclusion, the BC model has not achieved the desired impact since its inception in January 2006. As for the banks that had roped in post offices for financial inclusion, only SBI has made some progress by adopting

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around 5,200 post offices as outlets of BC model. The RBI has been constantly improving the model by expanding the definition of BCs. Recently grocers' shops in rural areas were recognised as BCs. The model allows banks to do "cash-in-cash-out" transactions at a location much closer to the rural population, thereby addressing the last mile problem.

Banks have ability to withstand stress

The RBI has observed that the banking sector is in a position to withstand asset quality stress, even if loans under restructured accounts turn non performing. Following the global financial crisis, Indian banks were allowed, as a one-time measure, to restructure loans without classifying these accounts as sub-standard. The restructured accounts in the standard category constituted 3.1% of the gross advances as on December 2009. "However, now, stress tests indicate that the banking sector is comfortably resilient and, even if, assumedly, all restructured standard advances become NPAs, the stress will not be significant," says RBI, in its Financial Stability Report.

Index to check financial inclusion from June

From June onwards, the finance ministry will be harnessing an index to assess financial inclusion on a quarterly basis. This is bound to help integrate a larger section of the population with the formal financial markets. The index will measure the extent of access to financial services to households, looking primarily at their engagement with financial intermediaries, eligibility for and affordability of key financial services. It will help gauge the state of financial inclusion and relative improvement over a period in the various regions of the country, allowing the government and RBI to take timely and area specific measures to drive financial inclusion better.

Farm grads steer PSB inclusion drive

Agriculture graduates are lately in much demand; with PSBs gearing up to boost their financial inclusion agenda through focused hiring. PSBs such as Punjab National Bank (PNB), Bank of Baroda (BoB), Central Bank of India and IDBI Bank have already started hiring agricultural officers to expand their operations in the rural areas. "Our students understand the needs of rural population, especially agricultural needs and that makes them attractive propositions for both nationalized and private banks," says Mr. B. S. Bisht, Vice-Chancellor of G. B. Pant University of Agriculture and Technology. Around 100 students have been hired so far this year through campus interviews. The hiring is in sync with government's emphasis on greater agriculture lending.

The government is targeting 4% agriculture growth this year, which is a key to its efforts to achieve 8.5% growth in the next financial year.

Government tables SBI Bill in Lok Sabha

The government has introduced the State Bank of India (Amendment) Bill in Parliament to give SBI more flexibility to raise capital from the market through preference shares, bonus shares and private placement of shares. The Bill proposes to bring down the minimum government shareholding in SBI to 51% from the existing 55%. The Bill proposes to increase the authorized capital of SBI to Rs.5,000 Crore, enabling the government to increase or reduce it in consultation with RBI

Panel moots more disclosures by rating agencies

A government panel has ruled that credit rating agencies should now disclose details of revenues, especially those involving a conflict of interest *viz.* fees collected by such agencies' subsidiaries. The panel has noted that "credit rating agencies (CRAs) provide allied services such as consulting and research to the issuers they rate. However, they should not be allowed to conduct any business that may have conflict of interest with the job of rating." The panel has further said that with the quality of ratings coming under the scanner in the wake of the recent financial crisis, regulators and issuers must practice due diligence. It has further recommended CRAs to disclose the nature of compensation from the entities they rate and publish information about the assumptions underlying their rating methodologies.

Adieu to window dressing; banks will now disclose more

RBI has asked banks to divulge a host of details (for eg. concentration of deposits, advances, exposures and non-performing assets ie. NPAs) in the notes to account in the balance sheet for the year ended March 2010, which will vastly increase the level of transparency. Disclosures relating to concentration of deposits will include total deposits of 20 largest depositors and the percentage of their deposits to total deposits of the bank. Typically, banks that are stretched for resources or those that are keen to expand their balance sheets, raise funds by issuing certificate of deposits that offer a substantially higher rate of interest. These funds are deployed with large corporates with active treasuries at a low rate of interest. While profits from such lending may be negligible, it helps banks display scale and growth.

IBA web site to display credit rates, charges for exporters

Exporters plagued with aberration in transaction costs on their routine dealings with banks will now be able to access information on export credit rates and related

processing charges (that vary from bank to bank) on the website of the Indian Banks' Association (IBA). The Federation of Indian Export Organisations (FIEO) President, Mr. Sakthivel asserts that the decision will make the system more transparent. "This will also lead banks to offer credit and processing charges at competitive rates. Besides, exporters can also accordingly decide on the lenders they want to bank with depending on the rates they offer," he said.

ICICI Bank gets full license for Singapore operations

ICICI Bank has been granted Qualified Full Banking (QFB) privileges in its Singapore branch by the Monetary Authority of Singapore. The status will enable ICICI to have full-scale business in the region and establish up to 25 branches over a period of time. The bank further plans to focus on increasing its presence in the corporate, commercial, wealth management and direct banking businesses in Singapore and in the ASEAN region by capitalizing on the strong trade and investment flows in India. ICICI Bank's CEO & MD Ms. Chanda Kochhar had said "We expect to see a significant increase in our client-base in this region that has strong India connections."

Arcstone's passage to India : picks up 5% stake in Dhanlaxmi Bank

The US-based hedge fund Arcstone Capital LLC has made a passage to India by picking up close to 5% stake in the privately owned Dhanlaxmi Bank. The fund has mopped up the shares in the bank through Master Fund Ltd, its investment vehicle passage to India. The Denver-based hedge fund had been searching for value buys in India for the last couple of years.

Economy

Rs.43,622 crore revenue loss seen from export promotions schemes

Mirroring the decline in exports and rupee appreciation, the revenue foregone by the Centre in 2009-10 due to export promotion schemes is estimated to have fallen marginally by 11% from the previous year, but is still high at Rs.43,622 crore. In 2008-09, it was Rs.49,053 crore. Exports for April 2009-January 2010 were Rs.6,29,224 crore as against Rs.7,15,764 crore, a fall of 12.1% in rupee terms over the same period last year. The rupee has appreciated by an average of 7% in 2009-10 over the previous year, leading to a reduction in value of imports in rupee terms. Since the duty imposed is also on rupee terms, consequently the revenue foregone has also shown a decrease.

Forex reserves fall \$315 million; Rupee closes at 6-week high

The country's foreign exchange reserves dropped by \$315 million to \$278.4 billion in the week ended February 26. While foreign currency assets were down by \$212 million to \$253.9 billion, gold reserves fell by \$136 million to \$17.9 billion. Special drawing rights with the International Monetary Fund (IMF) rose by \$26 million to \$5.05 billion, while reserves with the IMF augmented by \$7 million to \$1.39 billion. However, total reserves have climbed up by \$29.1 billion in the last one year. Essentially, reserves constitute of overseas currencies, gold and special drawing rights with the IMF.

Inflation worry signals an end to easy money policy

With the demand-side pressure on inflation building up, the RBI will continue with its exit strategy from the accommodative credit policy, as stated by the RBI Governor, Dr. D. Subbarao. Explaining the rationale behind RBI's latest hike of 25 basis points (bps) each in reverse repo and repo rates, Dr. Subbarao said that the economy is facing a risk of overheating. Therefore, a hike is necessary even though it may slightly impact growth in the near term. In January, the central bank had hiked the CRR by 75 bps to suck out the excess liquidity in the system.

Credit growth hits RBI target of 16%

Credit growth, has hit the 16% mark, the target set by the RBI for 2009-10. Total credit and net non-food credit grew by just over 16% in the fortnight to March 12, 2010. That's nearly 26 bps higher than 15.79% seen in the previous fortnight ended February 26, 2010. Total credit grew by 16.05%, while non-food credit rose by 16.28% year-on-year. Total credit outstanding with borrowers stood at Rs.31,24,850 crore for the fortnight ending March 12, 2010. In its last monetary policy, RBI had lowered its credit growth target for the banking sector in the current fiscal to 16% from 18% that it had targeted earlier.



Insurance

General insurers face higher liabilities

For the first time, global reinsurers have turned their back on primary general insurers in India, by under-subscribing treaty obligations. Thus, general insurance companies in India will have to absorb liabilities themselves and will require more capital. The under-

subscriptions are mostly in marine hull, marine cargo and miscellaneous accident categories. This business accounts for almost 20% of India's general insurance. The under-subscription in all these businesses varies from 25-35%. At least 55% of private sector business and about 25% of public sector business is ceded to cross-border reinsurers. Reinsurer under-subscription is largely on account of low risk premiums quoted by domestic general insurers. Since deregulation, the domestic general insurance markets have witnessed steep undercutting of risk premiums, going down by as much as 80% since 2007.

International News

ECB hold key rate

The European Central Bank (ECB) held its key interest rate steady at 1.0% while markets focused on pending changes to the Bank's unconventional loan policies and the Greek debt crisis. The ECB is returning to ordinary tenders for 3-month loans for banks from April, as affirmed by ECB President, Mr. Jean-Claude Trichet. Furthermore, ECB will continue to lend banks unlimited amounts in its weekly operations in the second quarter, in line with market expectations that the bank would keep some support in place.

Fed asks card companies to review rate hikes

The US Federal Reserve has asked credit-card companies to review the increase in interest rate every six months, and to reduce them if the reason for the higher rate has changed. Card issuers may thus have to reduce rates if triggers for rate changes, such as credit risk or market conditions, have improved. Rate reviews will begin six months after the provision, which is a part of credit-card legislation, takes effect on August 22.

French central bank chief takes helm at BIS

The Governor of France's central bank, Mr. Christian Noyer, has been appointed Chairman of the Bank for International Settlements (BIS) for the next three years. Mr. Noyer has succeeded the Mexican central bank chief Mr. Guillermo Ortiz with immediate effect. Mr. Ortiz stepped down as central bank Governor at the end of December, thereby relinquishing his post as Chairman of the board of the Basel-based BIS. The BIS, which is a group of 56 central banks and monetary authorities, has a key role in promoting monetary stability and monitoring the world economy as well as financial markets. It also assists national central banks and international financial institutions with the management of foreign reserves.

Microfinance

MFIs form self regulatory body

Microfinance institutions (MFIs), which initially began as a social entrepreneurship activity to provide financial support to the rural poor, have emerged as a full-fledged organized industry with 31 large players being now registered as NBFCs subjecting themselves to RBI regulation. These institutions have congregated to form the Microfinance Institutions Network (MFIN) an association that will work towards the development of the industry. For borrowers, this could mean more transparent pricing of loans, while lenders can be rest assured there is no usurious lending. Among other things, MFIN, which will cover almost 80% of microfinance lending in India, will function as a self regulatory organization. However, the association does not include those microfinance companies who function as a trust and do not have a profit motive.



Mutual Funds

Mutual Fund assets rise 2.6% in February

Investors' comfort level in the equity market in recent times has helped the domestic fund market garner more corpus in February compared to January. According to the Association of Mutual Funds in India (AMFI), the industry's average asset under management (AAUM) increased by 2.64% to Rs.7,81,711.52 crore in February against Rs.7,61,625.53 crore in the previous month. However, out of the 38 existing fund houses, 13 registered a drop in their AAUM. All top players, barring Reliance Mutual Fund whose AAUM dipped marginally by 1.28% in February, gained on assets.

Less volatile by nature, ETFs find favour with investors

Anxious about the intense volatility in the equity markets, investors are shying away from the equity schemes; with several buyers preferring to invest in the various exchanges traded funds (ETFs). According to the AMFI, the total AUMs of ETFs, including gold, stood at Rs.2,687 crore in the month of January - over 10% of Rs.2443 crore at the end of November 2009. Apart from the increase in AUM, there has been a steady surge in the investor accounts investing in the ETFs. Investor accounts in ETFs increased by almost 14% to over 1.65 lakh in January *vis-à-vis* 1.43 lakh in November last year.

New Appointments

Mr. Ramadorai is BSE Chairman

Mr. S. Ramadorai, Vice-Chairman of Tata Consultancy Services (TCS), is the non-executive chairman of the Bombay Stock Exchange (BSE) following the exit of Mr. Jagdish Capoor from the post.

Mr. Sen is new United Bank Chairman

Dena Bank Executive Director Mr. Bhaskar Sen has taken over as CMD of United Bank of India, w.e.f March 1. Mr. Sen is a 1974 probationary officer and has held several key positions during his tenure in Union Bank of India.

Mr. V. Shankar is new Director of Stanchart Bank

Standard Chartered Bank has appointed Mr. V. Shankar as its CEO, for operations in Middle East, Africa, America and Europe with effect from May 1. He will be based in Dubai and will be the bank's most senior executive ever to be located in the Middle East. Currently, the Singapore-based Mr. Shankar heads the corporate banking business of Stanchart globally. Additionally, Mr. Shankar will become a director of Standard Chartered Bank from May 1 this year.

Ms. Suvalaxmi appointed SBM's India chief

State Bank of Mauritius has appointed Ms. Suvalaxmi Chakraborty as the Chief Executive of its India operations. She was earlier Barclays Bank's commercial banking Director for India.



Products & Alliances

CIBIL signs pact with 31 microfinance institutions

The Credit Information Bureau (India) Ltd (CIBIL) has signed an agreement with 31 MFIs in India to start a Microfinance Credit Information Bureau. According to Mr. Arun Thukral, MD, CIBIL, this will help prevent NPAs in the micro finance segment, and will also improve credit penetration. The microfinance sector is estimated at around 120 million households which translates into a credit demand of Rs.1.2 lakh crore; but issues such as multiple lending and overexposure remain a concern. As part of its services, to begin with, CIBIL will provide data regarding borrowers' exposure to MFIs. Further, it also plans to develop scoring models for the customers. While it is challenging to make records for the microfinance segment, it is encouraging that MFIs currently capture voter ID data, says Mr. Thukral.

IDBI Bank launches MF operations

IDBI Bank announced the launch of its mutual fund (MF) operations. The fund house will shortly file for equity and fixed income products with the market regulator. IDBI Mutual Fund plans to focus on passively managed funds and hence, will be launching its first index fund based on Nifty. It will be followed by a Sensex-based index fund and debt funds.

Indian Bank unveils Visa card

Indian Bank has launched a Visa business card for companies and SMEs. The card carries all the benefits associated with global cards, including free insurance benefits, and is priced competitively.

Regulators Speak...

Base rate scheme to come into effect from July

RBI has indicated that it will take longer than April to implement base rate scheme - the new system to calculate the minimum lending rate for customers. In fact, even the IBA has asked RBI to extend the deadline by three months, to July. The base rate of most PSU banks is expected to range between 8.5% and 9.5%, down from the present PLR of 11.75-12.5%. In this process, the RBI will be also considering the need of fairness for customers and will address transparency issues.

Inflated borrowing target risky

Dr. Subir Gokarn, RBI Deputy Governor has said that the government's borrowing programme for the next fiscal is unlikely to pose a major challenge, but risks may emerge if the target exceeds the budgeted level ie. if the private sector demand and government borrowing requirements go up more than expected. According to Dr. Gokarn, the country's economic recovery was becoming stable and broad based, but the big inflation, primarily driven by food prices, has started spreading to the broader economy, especially manufacturing.

RBI efforts to activate dormant no-frills accounts, pay off

The RBI's efforts to activate millions of dormant no-frills accounts is slowly progressing, with the governments of Andhra Pradesh and Karnataka agreeing to route all their social security programme payments through these accounts. Mr. Deepak Mohanty, Executive Director, RBI, has observed that many State governments are reluctant to route payments through banks. Mr. K. R. Ananda, Regional Director, RBI, says that with social security programme payments made through the no-frills

accounts, an estimated Rs.1 lakh crore will get infused in the banking system. To enable banking facilities to reach the rural poor, RBI had asked PSBs to open no-frills accounts that require no balance to be maintained.

Banks can use UINs to open rural a/cs

RBI Deputy Governor, Ms. Usha Thorat has stated that banks can use unique identification number (UINs) for opening accounts in rural India. The government set up the Unique Identification Authority of India (UIAI) last year with the mandate to issue UIDs to all the citizens in the country. The decision to facilitate account opening with UIDs in rural India is in line with RBI's drive to ensure banking services at affordable costs to the weaker sections of society or the unbanked segment with no access to the formal banking system. Ms. Thorat opines that "Linking UID to bank accounts can be taken as complying with the bank's Know Your Customer (KYC) norms for rural India." On a further note, banks have proposed the installation of micro ATMs in rural India, which would undertake the basic ATM functions and yet be installed at cheaper costs than the general ATM at urban centres.

RBI to issue polymer notes of Rs.10

Following in the footsteps of Canada and Australia, the RBI will soon issue 100-crore polymer notes of Rs.10 denomination (in India) to improve their longevity and to thwart counterfeiters. These notes will initially be introduced in five cities. Talking about the environmental-friendliness of these polymer notes, RBI Governor, Dr. D. Subbarao has said "Considering the relatively long life of polymer notes and their amenability to re-cycling, the 'carbon footprint' of polymer notes *vis-à-vis* paper banknotes is likely to be on the plus side. Regardless, this is one of the issues that we will study during the pilot phase, and will embark on polymer notes on a long-term basis only if the cost-benefit calculation is decidedly positive in all dimensions."

RBI, SEBI should monitor i-banks

For the first time, the RBI has asked to be made privy to information on activities of investment banks (i-banks) in the country - along with a higher level of risk transparency in case of financial products issued or brokered by them - to ensure that they do not become a potential cause of financial vulnerability. At present, investment banks registered in India are solely regulated by the Securities and Exchange Board of India (SEBI).

RBI warns of lagged impact of slowdown on bank profits

RBI has cautioned that the economic slowdown could have a lagged effect on the credit quality and profitability of banks. Despite a relatively strong outlook, the RBI says that, clearly, the economic slowdown has decelerated growth in the balance sheet of the banking system. The rapid credit growth at the onset of the global financial crisis and the subsequent downturn, have put some pressure on the asset quality. The asset quality may come under further pressure if there are significant slippages in some restructured accounts - the possibility of which cannot be ruled out.



Spotlight

Budget staves off NPA provisioning on farm loans

State-owned banks will be able to control the NPAs on their books, with the government granting more time to the farmers to repay loans. Also, an additional interest subvention from the government will now reduce farmers' interest liability to 5% of the loan from 6% last year. In the Union Budget 2010-2011, it has been announced that farmers will get six additional months to repay their loan to alleviate their financial problems following poor monsoon. Had the relief not come in, banks would have been forced to categorize overdue farm loans as NPAs in the fourth quarter. Now, with the additional time, farmers who can repay loans in the first half of 2010-11 will not be classified as defaulters.

Federal Bank floats tender to dispose off NPAs

In a bid to clean up its balance sheet, south-based Federal Bank floated a tender to dispose off Rs.80 crore worth of sticky assets. This was the first time that the bank embarked on an exercise to sell its NPAs to asset reconstruction companies (ARCs). The tender closed on March 15 and the price was decided after receiving bids from all the interested ARCs, as affirmed by Federal Bank MD & CEO Mr. M. Venugopal.

ANZ bank gets RBI nod to open branch in India again

Ten years after selling off its business in India, Middle East and other parts of South Asia, the Australia and New Zealand (ANZ) Banking Group has received

an in-principle approval from RBI to open a branch in India. To start with, ANZ plans to kick off corporate banking to the top-tier corporate and financial institutions, which will be followed by retail banking for the higher end of the market. Stan Chart had taken over ANZ operations in the Middle-East and South Asia and the associated private banking business of Grindlays for \$1.34 billion in 2000. This amount also included a goodwill amount of \$700 million.

Private Banks hike rates for home, car loans

HDFC Bank, ICICI Bank and Kotak Mahindra Bank have raised rates on home and auto loans, reflecting a stiffening market. These private banks have raised lending rates by as much as 100 bps, following the hardening of market rates. RBI has slowly started rolling back some liquidity boosting measures and has indicated that it may not hesitate to raise rates.

Stanchart's Indian operations record \$1 billion net profit

Standard Chartered's profit from Indian operations has, for the first time, crossed the \$1 billion mark. The profit before tax for calendar year 2009 rose 19% to \$1.06 billion from \$891 million a year ago. In fact, the Indian operations is emerging as the largest profit Centre for Stanchart. The difference in profits between Hong Kong, which has been the largest profit centre for the bank, and India has narrowed down to \$2 million against \$98 million in 2008 and \$503 million in 2007. Stanchart is likely to tap the Indian Depository Receipt (IDR) market around May-June of this year to raise anywhere between \$750 million and \$1 billion, making it the first IDR issue.

Village to get solar-powered biometric ATMs

To expand ATMs into villages, Vortex Engineering, a venture capital-funded company, bets on solar-powered biometric ATMs. These ATMs do not need air conditioning and their maintenance cost is marginal as they consume less electricity. Mr. V. Vijay Babu, CEO & Director, Vortex Engineering, has said that the solar-powered biometric was indigenously developed in association with the IIT, Chennai. The ATMs are priced at Rs.3 lakh each SBI has placed an order worth Rs.18 crore with Vortex for 545 biometric ATMs, of which 300 would be only solar powered. Mr. Babu said that due to high power fluctuations and long power cuts, the penetration of ATMs in rural and semi-rural areas has not taken off. Of the 45,000 ATMs in the country, less than a fourth are in rural areas. There are about 10 crore rural households with bank accounts in the country. In terms of bank branches almost half of the 90,000 branches / outlets are in rural areas.

Financial Basics

Balloon Mortgage : A mortgage in which the debt service (interest and principal) that is paid regularly will not result in the complete payment of the loan at the end of the mortgage term. The payment that represents the amount of principal still due at the end of the term is called the balloon payment. "To balloon" a mortgage is to schedule the amortization payments over a longer period than the term of the mortgage.

Glossary

Base Rate

A rate used by financial institutions to price loans. The base rate is derived from one of several commonly used indices, such as the federal funds rate or London Interbank Offer Rate and will be lower than the PLR. While banks are free to charge a risk spread over the base rate, they cannot lend below the rate. The formula for calculating the base rate will take into account the cost of deposits, cost of complying with CRR & SLR requirements and the need to retain profit margin. There will be a markup depending on the cost of operation for a particular type of product & premiums for credit risk & tenor of loans.

Exchange Traded Fund (ETF)

An ETF is a fund with an underlying base of securities comprising, for example, the 30 stocks that make up the Sensex or the 50 stocks in the Nifty basket. The ETF's are listed on the exchanges and can be bought and sold like shares.

News From the Institute

LIVE Virtual classes

The Institute has arranged LIVE Virtual classes (Live Interactive Virtual Education) for those who are preparing for the forthcoming JAIIB / CAIIB / DB & F examinations. Classes would commence from 26th April to 13th May. For details please visit our website www.iibf.org.in.

Contact Class

The Institute will be conducting Contact classes at select cities for the forthcoming JAIIB / CAIIB (May / June 2010) exams. Please visit www.iibf.org.in for details.

Updates for exams

Candidates are requested to visit our website www.iibf.org.in for updates on various exams to be held in May / June 2010.



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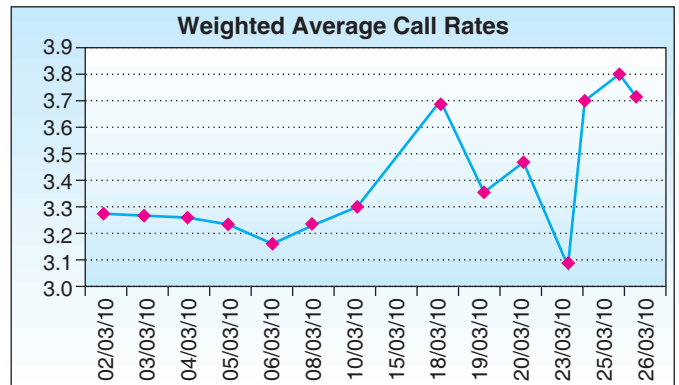
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Market Snapshot		(Amount in Rs. Cr.)			
Indicators	March	March	March	March	
	05, 2010	12, 2010	19, 2010	26, 2010	
Inflation (%)	8.56% (Feb. 2010)	8.56% (Feb. 2010)	9.89% (Feb. 2010)	9.89% (Feb. 2010)	
Avg. LAF Rev. Repo Vol.	70,481	66,459	10,326	24,935	
Avg. LAF Repo Vol.	0	0	100	0	
Avg. Repo Rates (%)	3.05	2.80	2.70	2.73	
10-yr G-Sec Yield (%)	7.9930	7.9744	7.8971	7.8391	
1-10 yr spread (bps)	298	283	277	279	
6 Month Forward Premia (%)	2.95	3.00	2.96	3.39	
6 Month USD LIBOR (%)	0.38	0.39	0.41	0.44	

Source : CCIL Newsletters, March 2010

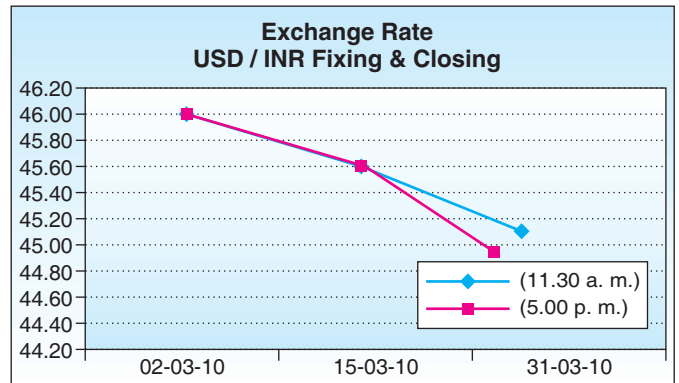


Source : CCIL Newsletters, March 2010

Markets Roundup

Quarterly Average Rates	
For the Quarter January to March 2010	
Currency	Rate
USD	45.9350
GBP	71.7325
EURO	63.7000
JPY	50.5500
CHF	43.5050
AUD	41.5325
HKD	5.9175
SGD	32.7525
CAD	44.1900

Source : Fedai



Source : Fedai

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INDIAN INSTITUTE OF BANKING & FINANCE

'The Arcade', World Trade Center, 2nd Floor, East Wing, Cuffe Parade, Mumbai - 400 005.
Tel. : 2218 7003 / 04 / 05 ● Fax : 91-22-2218 5147 / 2215 5093
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Website : www.iibf.org.in