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professional excellence

IIBF VISION

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Top Stories

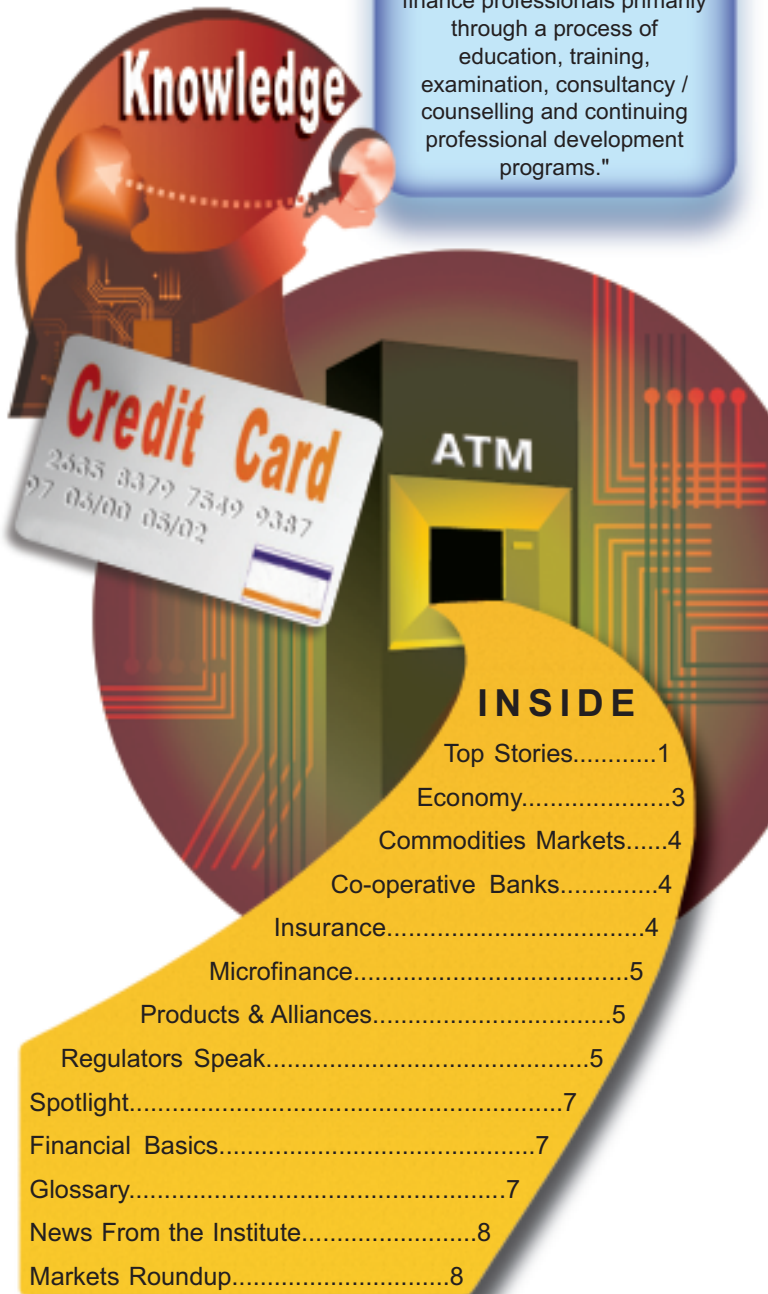
The Finance Minister Mr. Pranab Mukherjee announced the Union Budget for 2010-2011 on 26th February, 2010. Some of the highlights of the Budget relevant for the banking sector were :

- RBI is considering giving some additional licenses to private sector players, NBFCs in order to extend the geographic coverage of banks and improve access to banking services.
- RRBs to get further capital so that they can have adequate capital base to support increased lending to the rural economy.
- To provide banking facilities to the villages having population more than 2000 and also to extend insurance and other services to these villages. The services will be provided using the Business Correspondent model.
- Rs.100 crore each has been increased in Financial Inclusion Fund and Financial Inclusion Technology Fund to ensure that the banking services reach the unbanked areas.

Banks seek RBI nod to cut interest on savings accounts

Commercial banks want RBI to approve slashing the interest rate on SB (Savings Bank) deposits to 2.5 - 3.0% from 3.5%, to protect their net interest margins in the upcoming regime of daily-interest-payment. Presently, interest on SB accounts is calculated on the minimum balances held between the 10th and the last day of each calendar month. So, effectively, salaried account holders don't earn any interest for the first nine days of the month. As the month rolls on, a salary earner's account gets depleted and he / she ends up earning interest only on the minimum balance. Effectively, the interest outgo for banks is much lesser than 3.5% as they enjoy substantial free float funds. Commercial banks want to protect their net interest margins once the system of paying interest on daily basis on SB account kicks in from April 1, 2010.

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."



IDBI Bank moves to variable pay

IDBI Bank has shifted to a variable pay structure for its officers, who will now have a 70% fixed salary component. In the process, it has become the first public sector bank (PSB) to shift to this structure, as other banks, gave up the plan due to opposition from employee unions. The government has set up a committee, headed by former Chairman and Managing Director, Bank of Baroda (BoB) Dr. A. K. Khandelwal, to review the human resource policies of PSBs - variable pay being one of the prime issues to be discussed in the same. The bank has also raised salaries by around 20%.

Banks want farm targets delinked from infra loans

During a recent post-credit policy meeting with Reserve Bank of India (RBI), bankers have asked to be exempted from setting aside funds for agricultural lending as a condition for incremental loan flow to infrastructure projects. Of the 40% adjusted net bank credit for the priority sector, nearly half has to be used for farm loans. In response, Ms. Usha Thorat, Deputy Governor, RBI has said that it is possible to do so without violating exposure, by methods like syndication, corporate bonds and securitization.

20 banks in top 500 Global list

Indian banks are fast moving to become bankers to the world. Amidst a recessionary pall for major global banks, resilient Indian banks have improved their brand value rapidly. This year, there are 20 Indian banks in the Brand Finance @ Global Banking 500, an annual international ranking by UK-based Brand Finance Plc; whereas SBI has become the first Indian bank to break into the world's Top 50 list.

Banks relieved at new bad loan norms

RBI's decision to include technical write-offs for the calculation of **Provision Coverage Ratio** (PCR) has come as a boon for banks. The amount of technical write-offs will now have to be certified by statutory auditors. Initially 17 PSBs would have needed to set aside Rs.12,105 crore between January and September 2010, to meet the mandated 70% PCR. But, by adding the technical write-offs till the end of March 2009, the requirement has fallen by Rs.9,630 crore, and the deficit will be around Rs.2,475 crore.

Corporation Bank bags award

Corporation Bank has won an award at Banking Technology Awards 2009 under the auspices of the Indian Banks' Association (IBA), Finacle and the Trade Fairs & Conference International (TFCI) for its efforts in implementing innovative technologies

in its business initiatives. The bank has been conferred the award in the 'best online & multi-channel banking initiative category' for its outstanding achievement in banking technology in 2009 amongst PSBs.

Government drops bank M&A plans

The government has stopped discussing Mergers and Acquisitions (M&As) among PSBs, following adverse views expressed by the RBI, reservations from political quarters and opposition from bank unions. In December 2009 the finance ministry had asked five PSBs *viz.*, Punjab National Bank (PNB), Canara Bank, Union Bank of India, BoB and Bank of India (BoI), to explore merger opportunities in the banking industry. However, now the idea is as good as shelved.

Indian banking stronger than BRIC counterparts : FICCI Survey

Indian banking is stronger on vital banking parameters than other BRIC (Brazil, Russia, India, China) nations; it has maintained its resilience and continues to provide growth opportunities, says a survey by the Federation of Indian Chambers of Commerce and Industry (FICCI). The Indian regulatory system surpasses that of China, Brazil and UK. The risk management systems excel over China, Brazil, and Russia's and credit quality is better than China, Brazil, Russia, UK and USA. India's banking technology systems are also superior *vis-à-vis* Brazil and Russia. Indian banking industry's regulatory system and relative insulation from the external market has made it resilient in the current shaky economic climate.

More time for online fund transfer

From March 1, customers will get more time to do online fund transfer with RBI extending the operating hours of the **National Electronic Funds Transfer** (NEFT) System by two hours on weekdays and one hour on Saturday. Now, NEFT will be available from 9 am to 7 p.m. on weekdays. On Saturdays, it will be available from 9 a.m. to 1 p.m. Further, to increase the efficiency of NEFT, RBI has introduced the concept of hourly settlements. This will increase the number of daily settlements on weekdays to eleven from the earlier six. Around, 63,000 bank branches in India are a part of NEFT.

Banks to allow withdrawal of Rs.1,000 a day from PoS

By allowing customers to withdraw cash of up to Rs.1,000 per day at point of sales (PoS) outlets, banks now hope to increase their share of CASA (current accounts, savings accounts), which are cheaper than term

deposits. The scheme should also help them enhance financial inclusion by reaching out to unbanked areas. Currently, there are four lakh PoS terminals in India; the number is likely to grow three-fold within next five years. PoS growth may lag behind ATMs or debit cards that are growing at a rate of approximately 40% p.a. Presently, not many PSBs have too many PoS outlets. SBI is planning to acquire 6 lakh PoS over next five years. Similarly, BoI is planning to acquire 1 lakh PoS within a year.

Few takers for teaser rate loans

Banks' teaser rate offers for home loans have failed to attract new borrowers. These schemes offer a low fixed interest rate for the first few years and a floating rate after that. RBI's latest data shows that the flow of housing loans went up by 7.3% or Rs.19,820 crore from November 2008 to November 2009. In contrast, growth in non-food credit was 10.4%. Between the end of March and the end of December 2009, the home loan portfolio of banks and housing finance companies grew 8.7% to Rs.4,13,700 crore. Bank credit grew 8.8% in the same period.

Banks opt for 3rd party to promote debit card

In their bid to discourage cash transactions to reduce the cost of money transaction, banks have devised innovative ways to encourage customers to use the debit card with extra benefits. For instance, SBI has tied up with a loyalty and reward management company, Loyalty Rewardz, for three years. Currently, the tie-up covers SBI's 6.7 crore debit card users in Mumbai. However, the bank plans to extend this facility to its entire customer base. Mr. Amitabh Kumar, General Manager (alternative channel), SBI, has affirmed that "there is a remarkable improvement in use of our debit card, post this tie-up."

Daily basis interest on SB a/cs from April

In view of the satisfactory level of computerization in commercial bank branches, RBI has proposed that payment of interest on SB accounts by scheduled commercial banks (SCBs) will be made on a daily product basis with effect from April 1, 2010. In the case of savings deposits, interest will be calculated on the minimum balance to the credit of the deposit account during the period from the 10th to the last day of each calendar month and credited to the account only when it is Re.1 or more.

Old private banks begin raising deposit rates

Signalling an increase in interest rates, a number of private banks (beginning with HDFC Bank) have

begun hiking their deposit rates, even while admitting that there is enough liquidity in the system. The hike has been in few time buckets and not across the board. This time around, the rate revision has been independent of the stance taken by the industry leaders.

22,000 vacancies at public banks despite job drive

More than 22,000 posts are lying vacant in PSBs, despite banks adding around 15,000 people in the last one year. 11 PSBs including PNB, Oriental Bank of Commerce (OBC), BoB and Central Bank of India are currently facing shortage of staff. India's banking sector has been growing rapidly on the back of growing economy and banks' expansion into unbanked areas to tap the rural economy. Out of 65,000 villages in India, only 30,000 are covered by the commercial bank branches.

Economy

India can't afford to be lax on inflation

"India can't afford to be lax about fighting inflation; we need to tame the price rise to 5% or less" said RBI Deputy Governor, Dr. K. C. Chakrabarty. RBI had raised the amount that lenders are required to set aside as reserves (cash reserve ratio) in its recent review of the annual monetary policy to prevent excess money in the banking system from fanning price gains. Dr. Chakrabarty further said "we've almost exited from the monetary stimulus; we hope that this will anchor inflation expectations". Consumer-price inflation in India is the highest among Asia-pacific countries, according to Bloomberg data.

RBI survey upgrades GDP projection at 6.9% in FY10

RBI has released the results of the quarterly survey of professional forecasters on major macro-economic indicators of short to medium-term economic developments. Forecasters have revised their real GDP growth rate forecasts upwards to 6.9% in 2009-10 from 6%. They were asked to assign probabilities to the possibility that year-over-year real GDP growth will fall into various ranges. The highest probability of 43.8% has been assigned to growth range of 6.5-6.9% for the year 2009-10. For 2010-11, they have assigned highest probability of 33.8% to 8-8.4% growth range for GDP. The survey, in no way, reflects RBI's views or forecasts.

Food inflation rises to 17.97%

The annual food inflation again perked up in early February, rising 17.97% on February 6, (vis-à-vis 17.94% same time last year). Inflation in a number of food products continued to remain high, with potatoes (up

57.67% from last year's level) and onions (up 29.92%) leading the charge. The inflation for primary articles, which includes food and non-food items in raw form, surged to 16.23%.

Easy liquidity to cushion impact of CRR hike on banks' financials

An increase in CRR usually implies higher bond yields, lower treasury gains, and decreased fund availability with banks, restricting their lending capacity. However, despite a 75 bps hike in CRR, which will impound Rs.36,000 crore from the banking system, there is ample liquidity due to RBI's over Rs.4 lakh crore fund-infusion in banks through cuts in key policy rates and extension of credit lines after the Lehman collapse. Thus, there is no shortage of funds for lending; instead, credit off take (hitherto subdued), has started gaining momentum. Credit growth bottomed at 9.5% YoY in late October 2009 but then accelerated to 13.9% YoY on January 15, 2010. The trend is likely to continue.

Commodities Markets

MCX becomes world's sixth largest commex

With the focus on bullion, base metals and energy, the country's biggest commodity bourse Multi-Commodity Exchange (MCX) has emerged as the 6th largest commodity futures exchange in the world in terms of number of contract during January- December 2009. MCX traded 161.17 million contracts in 2009, up 71% from 94.31 million in 2008. The key commodity segments responsible for this success are bullion, base metals and energy and metals and energy segments that contribute more than 95% to MCX's volumes.

NCDEX launches almond futures

NCDEX launched futures trading in almond. The quotation will be for a kilogram and trading units 900 kg. The delivery centres are in Delhi and Mumbai. Domestic production of almond is pegged at 1,200 tones with major production happening in Jammu and Kashmir, Himachal Pradesh and Uttaranchal. The country is the world's third largest importer and consumer of almonds with a total market size of about Rs.1,600 crore.

Co-operative Banks

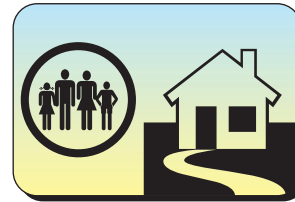
Co-op banking can bring about financial inclusion

The future of UCBs lies in penetrating the unbanked people in urban areas, opines RBI Deputy Governor

Dr. K. C. Chakrabarty "Commercial banks may not be able to penetrate this layer because they do not have contact with people as much as UCBs do. For reaching out to these people, UCBs have to bring in technological enhancements" he further added.

RBI allows banks to take over weak urban co-ops

RBI has issued guidelines for amalgamation of weak UCBs with commercial banks. In cases where such proposals are not forthcoming, RBI may consider transfer of assets and liabilities (including branches) of UCBs having a negative net worth as on March 31, 2007, to commercial banks, with Deposit Insurance and Credit Guarantee Corporation's support. The scheme will ensure 100% protection to depositors and the DICGC support would be restricted to the amount provided under Section 16(2) of the DICGC Act, 1961.



Insurance

Life insurance policies could soon become paperless

Paper records of policies may soon become history for life policy holders once the Life Insurance Council's plan for the sector's digitalization is approved by IRDA. Demat or digital format of storing information will significantly save distribution costs for insurance companies. Currently, two depositories - National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) - collectively hold and manage accounts in the electronic form or demat accounts. The NSDL maintains over one crore demat account while more than 64 lakh accounts are managed by CDSL.

Private life insurers may do away with renewal commissions to agents

Insurance agents are perturbed about some private life insurers like Aviva and ICICI Prudential discontinuing payment of renewal commission after five years for select categories of policies - rumouredly, under pressure to meet the gap on charges on unit-linked products (ULIPs). The earlier average commission of 2.5-4% for the whole policy term, has now reduced to 1-2%. Agents fear that this 'unhealthy practice' could result in more policies getting lapsed, as, distributors will have no incentive to persuade policy holders to pay renewal premiums on time. However, Mr. Sanjiv Bajaj, Joint MD, Bajaj Capital, feels, "This will benefit companies as they'll have to pay

the guaranteed yield only if the customers continue with the policy for the full policy term.”

Private insurers cut head count by 33,700

Private insurers have reduced their head count by a massive 33,700 employees (18%), despite expanding their network and adding 660 branches over the past year. For the quarter ended December 2009, the total direct work force of the private insurance industry stood at 1, 52,874 *vis-à-vis* 1, 86,645 in December 2008. For the same period, the number of agents selling insurance increased by 2,10,550 to 29,84,287. Though the industry's direct workforce has declined, new business premium for private insurers has gone up by 25%. According to Mr. S. B. Mathur, Secretary, Life Insurance Council, older private insurance companies are downsizing and merging branches, which could have led to a fall in staff strength. However, he also said that new players continue to add branches (5,000 in the past two years).

Microfinance

MFIs plan code of conduct after RBI reprimand

Leading micro-finance players have pledged to improve the way they deal with borrowers from poorer sections and have promised to review lending rates after March. For starters, Sa-Dhan, the national association of MFIs, will be instituting a more stringent code of conduct for its members. While the new code has been in offing for long, RBI's recent concern over operational irregularities and governance issues of MFIs has expedited the matter. The code dwells on issues like high-handed recovery tactics, lending limits, overlapping of loans, cash flow examination of borrowers and no-poaching agreement between members. MFIs have now agreed to restrain from unethical competition and restrict their exposure to existing borrowers of other lenders.



Products & Alliances

Religare in pact with Bank of Maharashtra for online trading

Religare Securities and Bank of Maharashtra (BoM) have tied-up to launch an online trading platform, Maha-E-Trade. The facility will be part of the value-added offering for the bank's savings account customers,

offering them a savings account, a DP account and an Internet trading account, powered by Religare. Customers with Internet-banking-enabled accounts need to open demat accounts with the bank and trading accounts with either of the three approved brokers, which will be facilitated by the branches of the bank.

L&T gets nod for general insurance venture

Engineering and construction major Larsen and Toubro (L&T) is all set to enter the general insurance sector in the next 3-4 months, without a joint venture. L&T has received IRDA's R1, i.e the preliminary approval for sanctioning licence, wherein the regulator evaluates the promoters. In the second stage (R2), IRDA examines the business model of the company and in R3 it looks at the formation of the company. There are currently 22 non-life insurance players including four public sector companies in the country.

Yes Bank mobile service

Yes Bank has launched mobile banking service in association with Nokia and Obopay. This pre-paid mobile payments service is hoped to augment financial inclusion amongst the “unbanked and under banked” customer segments.

SBI, TVS sign agreement

TVS Motor Company has signed an MoU with SBI for inventory funding for its dealers at attractive interest rates. Accordingly, SBI will provide funding to over 600 dealers of TVS Motor Company to enable them to increase their working capital, boost vehicle stocks and consequently enhance retail sales. This programme is being run by the 'Supply Chain Finance Unit' of SBI and has been made available on an electronic platform. Its features include online fund transfers, online repayment, and real time viewing of account status.

Regulators Speak...

SEBI alters norms for debt, money market securities

The Securities and Exchange Board of India (SEBI) has modified provisions related to valuation of debt and money market instruments for portfolios of fund houses to reflect the current market scenario. All money market and debt securities, including floating rate securities, with residual maturity of up to 91 days or over 91 days will now be valued at the weighted average price at which they are traded on the particular valuation day. If securities with

residual maturity of up to 91 days are not traded on a particular valuation day, they would be valued on amortization basis.

Reserve Bank eases norms for ECBs

RBI has eased the guidelines for external commercial borrowings (ECBs), allowing corporates to modify the drawdown and repayment schedules and also switch currencies. Banks can allow companies to change the loan-currency under the automatic and the approval routes, provided they meet all other terms and conditions. The proposed currency should however be freely convertible. Also, such changes must not affect the average maturity of the loans. The changes in the drawdown or repayment schedule are promptly reported to the DSIM, Reserve Bank in Form 83. However, any rollover in the repayment on expiry of the original maturity of the ECB would require the prior approval of the RBI.

No CRR waiver on infrastructure bonds

RBI cannot exempt infrastructure bonds from the mandatory CRR, asserted RBI Deputy Governor, Dr. K. C. Chakrabarty. Banks had demanded making infrastructure bonds CRR-free (as also SLR-free), as CRR on other deposits get set to be enhanced. The exemption would have helped them reduce the pricing of the long-term papers by 100-150 bps and made them more attractive for investors. However, Dr. Chakrabarty says, "Money available in the banking system presently is sufficient to fund infrastructure projects for some time. If not entirely, banks may yet surely be able to finance 50-60% of the Rs.20 lakh crore earmarked for infrastructure spending". At present, total outstanding bank finance to infrastructure is around Rs.2.7 lakh crore.

SEBI Chairman warns against leveraged derivatives

SEBI Chairman Mr. C. B. Bhave has criticized market intermediaries devising innovative products saying that they were nothing but ways to conceal high leverage. Mr. Bhave's comment came soon after the RBI's concerns about complex structured products like synthetic securitization and credit derivatives, which will now be permitted only after studying India's risk management capabilities and the experience abroad. Leveraged derivative products caused the downfall of many financial institutions in USA, precipitated a worldwide debt crisis and caused economic slowdown. In India, some popular structured products include Nifty-linked debentures, debt-linked notes, daily range accrual notes, look backs and Max

of structures. The size of structured products market in India is roughly \$2 billion.

RBI wants 3-year financial inclusion road map

In order to achieve maximum financial inclusion, RBI has asked private and public sector banks to provide loans through an overdraft facility apart from allowing the under-privileged no-frills accounts without a minimum balance requirement. Further, for the first time ever, RBI has asked for a three-year plan on the extent of financial inclusion that banks will achieve by March 2011. So far, such a roadmap was demanded only on commercial matters such as capital raising plans. Presently, 60% of the Indian population does not have access to formal banking facility. RBI is keen on achieving 100% financial inclusion for sustaining equitable growth. Instead of imposing a uniform model, RBI wants each bank to devise its own plan to develop its own strategy as per its competitive advantage. However, it has suggested that the model should cover factors like providing banking outlets, usage of information technology, etc, and should have overdrafts as an in-built facility along with no-frill accounts.

RBI slashes export credit rates in foreign currency

RBI has revised downwards the rates for export credit in foreign currency. The ceiling rate on export credit in foreign currency by banks is now Libor 200 bps (*vis-à-vis* earlier Libor + 350 bps). Except for recovery charge towards out-of-pocket expenses incurred, no other charge *viz.*, service charge and management charge will be levied. Similar changes may be effected in cases where Euro Interbank Offered Rate (Euro Libor) has been used at the benchmark. The revision will be applicable only to fresh advances. Further, the ceiling interest rate on the lines of credit with overseas banks has also been reduced from six months Libor / Euro Libor / Euribor + 150 bps to six months Libor / Euro Libor / Euribor + 100 bps.

RBI prescribes enhanced security norms for cheques

RBI has prescribed enhanced security features and standardized fields for bank cheques to help straight-through-processing using optical technology. The rollout timetable for revised benchmark prescriptions, or Cheque Truncation System (CTS)-2010 standard, will be announced later. The IBA and the National Payments Corporation of India (NPCI) will co ordinate and advice banks on these features. The new features will include use of quality paper, watermark and printing of bank logos in invisible ink, standard size,

clutter-free background, and use of ultra violet images. Homogeneity of security features is expected to act as deterrent against cheque frauds.



Spotlight

You don't need maths to become a bank officer

Now, even a mathematically challenged person, albeit with good logical and reasoning abilities can become a bank officer; thanks to State Bank of India's (SBI's) change of policy. During its recruitment drive of 4000 probationary officers, SBI has dropped the numerical ability and quantitative aptitude papers, arguing that in the current economic environment, an officer should be more capable to take speedy decisions based on sound reasoning.

Foreign banks warm up to small-town India

Small-town India is warming up to foreign banks; with the effect that banks like Citi and Stanchart are making inroads in towns like Kanchipuram, Panipat, and Kolhapur. Banks in India are not allowed to open branches without a license from the RBI. Foreign banks are at a disadvantage compared to their private and public sector counter-parts, since RBI is not obliged to permit more than 12 foreign bank branches a year.

SEBI takes investor education to schools

In order to promote financial literacy, SEBI is taking lessons in investor education for Class 8 and 9 students at 26 schools all over India. The optional three-month course teaches students the importance of money, how to manage it and concepts of budgeting and saving. SEBI feels catching them young is the only way to increase the number of households investing in the equity market. SEBI is implementing the financial literacy programme through the National Institute of Securities Markets (NISM). Mr. Mahesh Vyas, MD & CEO, CMIE, opines: "It is imperative to take basic financial services to the masses; only 40% of the population between the age of 25 and 75 years is 'financially included' *i.e.* has a bank account or an insurance policy or a demat account or a debit / credit card.

Banks take country roads in search of wealthy clients

In a bid to increase the private banking market, banks are now targeting the rich people from smaller towns. The growth in these towns is much higher as markets

are under-penetrated. Increasingly, banks have been concentrating on their private banking business - a personalized banking service which targets the top end of retail banking. Services include investments, wealth management, estate management, tax planning and also concierge services. Typically, a private banking customer needs to have an investible surplus ranging from Rs.1.5 crore to Rs.5 crore.

Banks go for bulk deposits to shore up resources

With liquidity expected to tighten over the next few weeks, banks have begun chasing bulk depositors through large certificates of deposit (CD) issuances. Till date, more than Rs.7,000 crore of CDs has been issued by various banks including Canara Bank, PNB, Allahabad Bank and Corporation Bank. These banks have alone risen more than Rs.4,800 crore through CD floats. Reportedly, part of the resource mobilization efforts were partly roll-over maturing CDs - both short and long term funds floated last year. Funds parked into CDs were mostly from large corporate including petroleum refining companies, public and private sector. That a liquidity tightening appeared imminent was evident from the firming up of CD rates.

Financial Basics

Teaser Rate : An initial rate on an adjustable-rate mortgage (ARM). This rate will typically be below the going market rate, and is used by lenders to entice borrowers to choose ARMs over traditional mortgages. The teaser rate will be in effect for only a few months, at which point the rate will gradually climb until it reaches the full indexed rate, which will be a static margin rate plus the floating rate index to which the mortgage is tied (usually the LIBOR index).

Glossary

Provision coverage ratio (PCR)

PCR is the ratio of provisions to gross non-performing assets and indicates the extent of funds a lender keeps aside to cover loan losses. Technical or prudential write-offs are the amount of non-performing loans in the books of the branches, but yet to be written off at the head office.

National Electronic Funds Transfer (NEFT)

National Electronic Funds Transfer (NEFT) is a nationwide system that facilitates individuals to electronically transfer funds from any bank branch to any other bank branch in the country.



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News From the Institute

10th Bank HR Conference held

The Institute had organised its 10th Bank HR Conference in Mauritius between 15th February and 18th February 2010. The theme of the conference was “Talent Management and HR Practices for Contemporary Banking.” The inaugural address was given by Ms. Aisha Timol, Chief Executive, Mauritius Banker's Association and the key note address was delivered by Prof. Y. K. Bhushan, Governing Council Member, IIBF. Around 35 participants attended the conference.

Launch of E-learning for JAIIB

Shri O. P. Bhatt, Chairman, State Bank of India and President, IIBF launched the E-learning package for all the papers of JAIIB exam at a well attended function on 20th February 2010 at WTC, Mumbai. The E-learning is open to all the candidates of JAIIB and is in addition to other study supports like books, workbooks, etc. For more details please visit our website www.iibf.org.in.

LIVE Virtual classes

The Institute has arranged LIVE Virtual classes (Live Interactive Virtual Education) for those who are preparing for the forthcoming JAIIB / DB&F / CAIIB examinations. Classes would commence from 26th April to 13th May 2010. 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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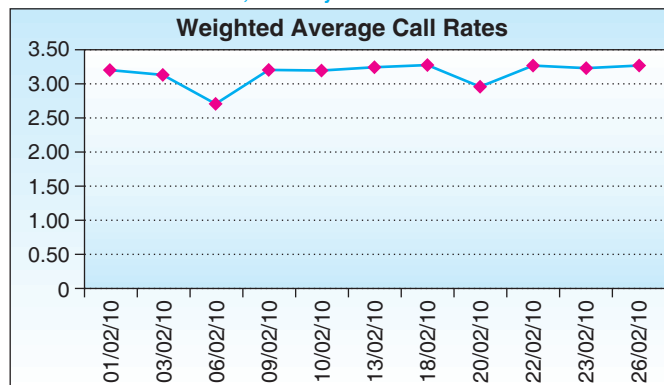
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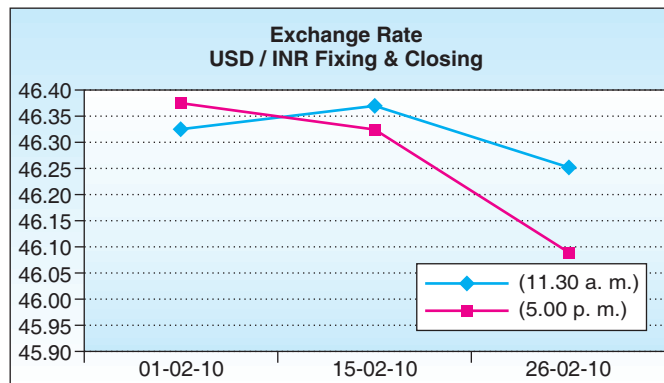
Markets Roundup

| Market Snapshot (Amount in Rs. Mn.) | | | | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Indicators | Feb. 05, 2010 | Feb. 12, 2010 | Feb. 19, 2010 | Feb. 26, 2010 |
| Inflation (%) | 7.31% (Jan. 2010) | 7.31% (Jan. 2010) | 8.56% (Jan. 2010) | 8.56% (Jan. 2010) |
| Avg. LAF Rev. Repo Vol. | 10,45,370 | 8,90,313 | 66,490 | 64,308 |
| Avg. LAF Repo Vol. | 0 | 0 | 0 | 0 |
| Avg. Repo Rates (%) | 2.68 | 2.96 | 3.09 | 2.52 |
| 10-yr G-Sec Yield(%) | 7.7462 | 7.9108 | 7.9454 | 7.9006 |
| 1-10 yr spread (bps) | 296 | 312 | 313 | 321 |
| 6 Month Forward Premia (%) | 2.82 | 2.80 | 2.44 | 2.72 |
| 6 month USD LIBOR (%) | 0.39 | 0.39 | 0.38 | 0.39 |

Source : CCIL Newsletters, February 2010



Source : CCIL Newsletters, February 2010



Source : Fedai

To,