A Monthly Newsletter of Indian Institute of Banking & Finance (Rs. 40/- per annum)

(ISO 9001 : 2008 CERTIFIED ORGANISATION)

Committed to professional excellence

IIBF VISION

Volume No. : 6 Issue No. : 3 October 2013

Mid Quarter Monetary Policy Review - 20th Sept. 2013

- The Marginal Standing Facility (MSF) rate is reduced by 75 basis points from 10.25% to 9.5% with immediate effect;
- The minimum daily maintenance of the Cash Reserve Ratio (CRR) is reduced from 99% of the requirement to 95% effective from the fortnight beginning September 21, 2013, while keeping the CRR unchanged at 4.0%; and
- The policy repo rate under the Liquidity Adjustment Facility (LAF) is increased by 25 basis points from 7.25% to 7.5% with immediate effect.
- The reverse repo rate under the LAF stands adjusted to 6.5% and the Bank Rate stands reduced to 9.5% with immediate effect.
- WPI inflation, which had eased in Q1 of 2013-14, has started rising again as the pass-through of fuel price increases has been compounded by the sharp depreciation of the rupee and rising international commodity prices. The negative output gap will exercise downward pressure on inflation, and the process will be aided as supply side constraints, especially relating to food and infrastructure, ease. However, the current assessment is that in the absence of an appropriate policy response, WPI inflation will be higher than initially projected over the rest of the year.
- Weakening domestic saving, subdued export demand and the rising value of oil imports - most recently due to geopolitical risks emanating from the Middle East - have led to a larger Current Account Deficit (CAD). Concerns about funding the CAD, amplified by capital outflows precipitated by anticipated tapering of asset purchases by the US Federal Reserve, increased volatility in the foreign exchange market. More recently, as these concerns have been mitigated after steps taken by the Government and Reserve Bank to contain the CAD and improve the environment for external financing, the focus has turned to internal determinants of the value of the rupee, primarily the fiscal deficit and domestic inflation.

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."

INSIDE

Banking Policies

Curbs on UCBs for making donations

Reserve Bank of India (RBI) has prohibited Urban Co-Operative Banks (UCBs) from giving donations to Trusts and Institutions where directors and / or their relatives hold position or are interested in. This ban applies even on the normal donations within the permissible ceiling of 1% of the published profits of the bank for the previous year. Such donations, together with those that may be made to national funds and other funds recognized / sponsored by the Central / State Government during a year, should not exceed 2% of the published profits of the bank for the previous year.

RBI issues norms to use dollar-rupee swap window

RBI has introduced a US dollar-rupee swap window for fresh Foreign Currency Non-Resident (banks / FCNR) dollar funds, mobilized for a minimum tenor of 3 years and above. The swap window will be operational between September 10 and November 30.While the swap facility will be available to all scheduled commercial banks (excluding Regional Rural Banks i.e. RRBs) for fresh FCNR (B) deposits mobilized in any permitted currency for the minimum tenor of 3 years, the swap facility with RBI will be available in US dollars only. While the window will be operated on a daily basis on all working days, a particular bank can avail of the facility only once a week. Under the swap arrangement, a bank can sell US dollars in multiples of 1 million to RBI and simultaneously agree to buy the same amount of US dollars at the end of the swap period. The swap will be undertaken at a fixed rate of 3.5% per annum.

UCBs can now lend more for house repairs

RBI has enhanced the ceiling on loans extended by UCBs to individuals for carrying out repairs / additions / alterations to their dwelling units. The new ceiling on such loans will be ₹2 lakh (₹1 lakh earlier) in rural and semi-urban areas and ₹5 lakh (₹2 lakh earlier) in urban areas. Loans granted under the enhanced limits will also be eligible for classification under priority sector. The exposure limit of UCBs to housing and commercial real estate loans continues at 10% of their total assets. This ceiling can be exceeded by an additional 5% of total assets for granting up to ₹25 lakh housing loans to individuals, which are covered under priority sector.

Dr. Raghuram Rajan promises to chart a new course

Dr. Raghuram Rajan, Governor, RBI has started his tenure by announcing a series of measures that will cheer markets, banks, corporate and households. To begin with, RBI will now allow exporters and importers to re-book cancelled forward exchange contracts to the extent of 50% and 25% of the value, respectively. Currently, only exporters are allowed to do so; not importers. Further, to improve forex inflows, RBI will open a special concessional window for swapping FCNR deposits. Banks will be allowed to borrow 100% of their unimpaired Tier-I capital from overseas. These borrowings can be swapped with RBI at a concessional rate of 100 bps below the ongoing swap rate. To encourage capital flows, RBI has decided to allow 7-year borrowing (External Commercial Borrowings i.e. ECBs) by companies under the approval route from foreign equity holder company. However, the ECB can be tapped subject to the foreign lender holding a minimum of 25% of the paid-up equity of the Indian company. For FDIs, the earlier cap of 400% of net worth will apply, instead of the present limit of 100%.

RBI relaxes trade credit norms

RBI has relaxed the norms to raise funds from abroad. Now all types of companies can get trade credit facility from overseas for import of capital goods. The maximum trade credit available will be $20 million up to a maximum period of 5 years for import of capital goods as classified by Director-General of Foreign Trade (DGFT). Earlier, only companies in the infrastructure sector were allowed to raise such trade credits. Further, the ab-initio contract period of 15 months for all trade credits has been relaxed to six months.

Scheduled bank status to UCBs

RBI has allowed UCBs with total deposits of over ₹750 crore to graduate to scheduled bank category. If UCBs fulfil certain listed criteria, they will be eligible for inclusion in the second schedule. All the PSBs, RRBs, Private Sector Banks, and Foreign Banks are part of the second schedule. According to the Government's notification, w.e.f. April 1, 2013, only those primary co-operative banks whose Net Demand and Time Liabilities (NDTLs) are not less than ₹750 crore would be treated as a 'financial institution' eligible for inclusion of UCBs in the Second Schedule of the Reserve Bank of India Act, 1934. UCBs desirous of seeking inclusion in the schedule should fulfill certain other criteria including continuous net profit for the previous three years, capital adequacy ratio of 12 per cent and gross non-performing assets of less than 5 per cent.

RBI relaxes norms for non-resident investors

RBI has allowed non-resident investors to acquire shares of listed Indian Companies through stock exchanges under the FDI scheme. Such investment will be allowed only if the non-resident investor has already acquired and continues to hold control according to the Securities and

Exchange Board of India i.e. SEBI (Substantial Acquisition of Shares and Takeover) Regulations.

Banking Developments

Banks are free to open branches in Tier-1 cities

Banks have been given freedom to open branches in Tier-1 cities without RBI's prior approval in each case. However, the freedom is conditional *vis-à-vis* the number of branches a bank would open in an un-banked or under-banked centre. The number of branches opened in Tier-I centres cannot exceed the total number of branches opened in Tier-II to Tier-VI centres and all centres in the North Eastern States & Sikkim. Similarly, banks that are unable to open branches in Tier-II to Tier-VI centres during the financial year will have to necessarily rectify the shortfall in the next financial year. As per the earlier guidelines, all SCBs were allowed to open branches in Tier-II to Tier-VI centres without taking RBI's permission in each case.

RBI nod needed to review base rate methodology after 5 years

RBI has stated that banks will need its approval to review their base rate methodologies after 5 years of finalization. Base rate is the minimum rate at which a bank can lend. The implication is that a bank would be able to consider a revision in methodology after 2015, subject to RBI's approval.

Banks to bear card fraud cost in the absence of security features

RBI said that banks will have to bear the cost of fraudulent card transaction made through Point Of Sales (POS) that do not have prescribed security features. In this context, if a cardholder approaches the card-issuing bank for any fraudulent POS transaction in India occurring after September 30, 2013, the bank should claim the amount paid by it to the customer from the respective bank which acquired the POS transaction in question. The card issuing bank would ascertain, within three working days from the date of the cardholder approaching the bank, whether or not the respective POS terminal is compliant with the mandated security features.

RBI offers relief to borrowers on export credit limits

RBI has directed banks to compute the export credit limits of borrowers such that exporters would be insulated from the depreciating rupee. Banks extend export credit facilities in rupees as well as foreign currency, according to their internal lending policies. While the overall export credit limits are fixed in rupees, the foreign currency component of the credit facility depends on the prevailing exchange rates. With the rupee weakening in recent months, the un-availed foreign currency component of export credit was reduced for exporters. And, if the foreign currency component was availed of, it was revalued at a higher value in terms of the rupee. Exporters were asked to reduce their exposure by part payment. If the export credit limit wasn't fully disbursed, the available limit for borrowers was reduced and exporters were deprived of funds. RBI suggests that banks should calculate the overall export credit limits on an on-going basis, (say, monthly) based on the prevalent position of current assets, liabilities and exchange rates, and reallocate the limit towards export credit in foreign currency. This may result in increasing or decreasing the rupee equivalent of the foreign currency component of export credit.

Mahila Bank to have pay-per-use IT infra model

Being the country's first women's bank is not the only factor that sets Bharatiya Mahila Bank apart from other lenders. It is set to become a trendsetter by adopting a technology infrastructure model based on per-usage payment system - the first time by an Indian bank. According to the terms and conditions, the selected service provider will own the hardware and software of the entire bank and will be paid on per-branch-per-month basis.

Talk to bank's customer-service executive - now a paid service

Customers calling call centres of banks and preferring to talk to customer care executives for issues that can be resolved through the recorded options, should now be ready to pay for it. Some banks have started charging a small fee for this personalized service. Banks are looking at new ways to augment their fee income through service charges on customers for various services.

Banks use RBI window to mitigate bond losses, book arbitrage gains

To mitigate losses in the bond market, banks are booking arbitrage gains by borrowing under RBI's Marginal Standing Facility (MSF) and investing in short-term debt instruments like Commercial Paper (CP) and treasury bills (T-bills). Besides CPs and T-bills, many banks are in need of other short-term instruments to repay deposits maturing in the near future. These banks are issuing Certificates of Deposit (CDs) where the coupon rate is at least 125 bps above the MSF rate (10.25%). This is also an avenue for making gains. The borrowings under MSF have been rising since August. The daily average borrowing under MSF by banks has been a little over ₹37,000 crore in August, *vis-à-vis* ₹4,800 crore in July 16-31. The MSF rate was increased to 10.25% from

July 16 by 300 bps above the repo rate (7.25%), to tighten liquidity in the system and arrest the depreciating rupee. The borrowing under RBI's Liquidity Adjustment Facility (LAF) was also capped.

Foreign banks can open zero-balance accounts

RBI has now allowed foreign banks with branches in India to open zero-balance accounts. RBI says that Basic Savings Bank Deposit Account (BSBDA) guidelines are applicable to all scheduled commercial banks in India, including foreign banks having branches in India. Under the BSBDA scheme, any individual, including those from weaker sections of society, can open zero-balance accounts in any bank. Banks are required to provide ATM card facilities to such account holders and are advised not to impose restrictions such as age and income criteria for opening BSBDA. Free services under the scheme include deposit and withdrawal of cash, receipt / credit of money through electronic payment channels or deposit / collection of cheques at bank branches, as well as ATM cards.

Passport enough for foreign students to open bank accounts

RBI has made it easier for foreign students to open bank accounts in the country, under the Non-Resident Ordinary (NRO) account category. Apart from the passport (with appropriate visa and immigration endorsement), an admission letter from the educational institution will be needed. The students will have to submit local address proof within 30 days of opening the account.

Jalan Panel to screen bank applicants

Dr. Bimal Jalan, former RBI Governor, will head an external committee to screen applications for new banking licences, which would be issued by the end of January 2014. RBI has received 26 applications to set up new banks, and is also contemplating 'on-tap' issue of licences. The Jalan committee will make recommendations to Governor and Deputy Governor in charge of the process. They will then put forward a final short-list to a committee of the RBI Central Board. To ensure competition in the banking system and financial inclusion, the Governor has also proposed to allow well-run domestic SCBs to set up bank branches without seeking RBI approval, effectively deregulating branch licensing. However, those banks will have to ensure that 25% of their branches are in un-banked rural centres.

Banks priority sector lending target last fiscal

Agriculture, Micro And Small Enterprises (MSEs), education and housing are among the sectors under the priority lending. Domestic banks are required to tender 40% of their advances towards priority sector, while for foreign banks the limit is at 32% of their total advances. As on March 2013, priority sector advances by PSBs was at 36.2% at ₹12.82 lakh crore; private sector banks was at 37.5% at ₹3.27 lakh crore and the priority sector lending by foreign banks was at 35.1% at ₹84,854 crore. However, during 2012-13, the lending to agriculture sector remained higher than the target of ₹5.75 lakh crore at ₹6.07 lakh crore, which formed 105.6% of the target at the end of March 2013. The credit to the SME sector by banks registered a growth of 29.8% in 2012-13 over the previous year. All banks having shortfall in lending to priority sector target are allocated amounts for contribution to the Rural Infrastructure Development Fund.

Regulator's Speak...

New CPI narrow for monetary policy

According to Dr. D. Subbarao, former RBI Governor the new series of Consumer Price Index (CPI) is not enough for a robust statistical analysis of prices. It has an excess focus on food prices, which has a 50% weight. house rents, which account for 10%, are also a cause for concern following the doubts over efficacy of the prices. The new CPI has only 19 data points which is not sufficient for a statistically robust analysis. As for a possibility of shifting focus to CPI, Dr. Subbarao said that even in case of such an eventuality, RBI will not abandon the Wholesale Price Index (WPI) as a tool to monitor producer prices.

Can finance CAD without depleting reserves

Dr. Raghuram Rajan, Governor, RBI affirms that RBI will be able to finance the country's Current Account Deficit (CAD) this fiscal without substantially depleting its forex reserves. More than $1.4 billion have flowed into the apex bank's forex kitty since September 4 when it introduced new measures to boost deposits and borrowings by banks. This, however, may not be enough to feed the CAD, which touched a record 4.8% of Gross Domestic Product (GDP) in the year to March. India has received $466 million through FNCR-(B) deposits and $917 million through the swap facility, taking the total forex inflows to nearly $1.4 billion.

Forex

Rupee recovery boosts markets

RBI has allowed the three state-owned oil companies to buy dollars from itself. These companies are the biggest buyers of dollars, requiring $8-8.5 billion every month for the import of an average 7.5 million tonnes of crude oil. The rupee, which closed at a historic low of 68.80, recovered and quoted at 67.30. The 30-share Sensex opened higher and stayed in positive territory until it settled at 18,401.04; a rise of 404.89 points i.e.2.25%. The gain was the most since August 22, when the index climbed 407 points, i.e. 2.27%. The broader Nifty index on the National Stock Exchange added 124.05 points, i.e. 2.35% to 5,409.05. The SX40 index on the MCS-SX closed at 10,849.51, up 219.46 points i.e. 2.06%.

Benchmark Rates for FCNR(B) Deposits applicable for the month of October 2013					
LIBOR / SWAP For FCNR(B) Deposits					
	LIBOR	SWAPS			
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.62940	0.478	0.767	1.155	1.526
GBP	0.87469	0.8292	1.1150	1.4447	1.7140
EUR	0.46929	0.567	0.770	1.000	1.241
JPY	0.40786	0.256	0.293	0.344	0.410
CAD	1.49000	1.473	1.731	2.006	2.236
AUD	2.52140	2.790	3.080	3.390	3.610
CHF	0.23640	0.193	0.333	0.515	0.730
DKK	0.66100	0.8220	1.0410	1.2960	1.5430
NZD	2.92000	3.453	3.870	4.150	4.373
SEK	1.32600	1.561	1.822	2.105	2.225
SGD	0.38500	0.580	0.900	1.248	1.550
HKD	0.52000	0.670	0.960	1.310	1.670
MYR	3.28000	3.400	3.480	3.590	3.750

Source : FEDAI

Foreign Exchange Reserves		
Item	As on 20th September 2013	
	₹Bn.	US$ Mn.
	1	2
Total Reserves	17,359.2	277,381.5
(a) Foreign Currency Assets	15,512.2	249,220.8
(b) Gold	1,446.3	21,724.1
(c) SDRs	275.4	4,423.9
(d) Reserve Position in the IMF	125.3	2,012.7

Source : Reserve Bank of India (RBI)

Insurance

IRDA has complete autonomy to supervise insurers

Mr. T. S. Vijayan, Chairman, Insurance Regulatory & Development Authority (IRDA) has notified that IRDA asserts its complete autonomy on the supervision and regulation of insurance sector in general and insurance companies & intermediaries in particular. The enforcement powers are being strengthened in the proposed Insurance Laws (Amendment) Bill. Mr. Vijayan expressed satisfaction on the present risk-mitigation system, given the high-level of solvency at 150% required to be maintained by insurers at all times. However, in order to facilitate a risk-based oversight, IRDA is looking to establish an Early Warning System (EWS) for the systemically important insurance groups, for which it is working closely with other financial sector regulators.

E-insurance drive : 5 firms to operate as repositories

Digitization of insurance policies will now become a reality, with IRDA having five firms *viz.* NSDL Database Management Ltd., Central Insurance Repository Ltd., CAMS Repository Services Ltd., SHCIL Projects Ltd., and Karvy Insurance Repository Ltd., to operate as insurance repositories till July 31, 2014. Insurers can now tie up with any one or more of these entities, to enable policyholders to keep their policies in the electronic mode. The e-insurance accounts would be maintained with a unique number. Records of e-insurance policies will be issued and converted back into physical form; and an index of policyholders will also be created, among others.

Repositories will enable KYC : IRDA

An e-insurance account holder under the insurance repository system will not need to submit additional 'Know Your Customer' (KYC) details each time a policy is taken. Presently, for every new insurance cover, a customer has to submit fresh KYC since insurers do not share this information amongst themselves. But now, insurance repositories have been launched to hold policies in digital form. These licensed repositories will enter into an agreement with the insurers to share the electronic data pertaining to the insurance policies with the repositories.

Microfinance

Most MFIs saw lending rise last fiscal

Over 70% of NBFC-MFIs saw their gross loan portfolios grow between the first and last quarters of 2012-13. According to data released by the Microfinance Institutions Network (MFIN), the gross loan portfolio of MFIs stood at ₹2,013 crore as on March 31, 2013, registering a 17% growth over the first quarter figures of the same financial year. The top five States - Andhra Pradesh, West Bengal, Tamil Nadu, Karnataka and Maharashtra - accounted for 60% of clients and 59% of the portfolio of MFIs.

New Appointments

Name	Designation / Organisation
Smt. Arundhati Bhattacharya	Chairperson, State Bank of India
Mr. S. R. Bansal	Chairman & Managing Director, Corporation Bank
Mr. Melwyn Rego	Deputy Managing Director, IDBI Bank
Mr. B. S. Rama Rao	Executive Director, Vijaya Bank
Mr. Mahesh Kumar Jain	Executive Director, Indian Bank
Mr. Atul Agarwal	Executive Director, Indian Overseas Bank

Products & Alliances

Organisation	Organisation tied up with	Purpose
Union Bank of India	Religare Health Insurance	Union Bank of India as corporate agent to sell Religare Health Insurance products through its 3,500 plus branches.
SBI Cards	Air India	To launch a co-branded travel credit card. The card allows a customer spending ₹5 lakh a year to earn up to 3 Delhi-Mumbai return tickets on Air India.

Basel III - Capital Regulations

Continuing the discussion of Basel III, we enumerate the information on capital requirement :

Regulatory adjustments / deductions

The regulatory adjustments / deductions / filtering which will be applied to regulatory capital both at solo and consolidated level are as under :

a) Goodwill and all other intangible assets are required to be deducted from the Common Equity component of Tier-1.

b) Under Basel III, Deferred Tax Assets (DTA) which relies on future profitability of bank, only such DTAs are to be deducted from Common Equity. However, as per the RBI guidelines, banks in India will be required to deduct all DTAs irrespective of their origin from Common Equity Tier-1 capital as a prudent measure.

c) The amount of cash flow hedge reserve which relates to hedging of items that are not fair valued in the balance sheet (including projected cash flows) should be derecognized in the calculation of Common Equity Tier-1.

d) Shortfall of stock of provisions to expected losses under the Internal Ratings Based (IRB) approach should be deducted in the calculation of Common Equity Tier-1 capital.

e) Other areas such as Gain-on-Sale Related to Securitisation Transactions, defined benefit pension fund liabilities, Investment in a bank's own shares, etc. are to be deducted appropriately from Common Equity Tier-1 capital, etc.

The Basel III framework will continue to offer the three distinct options for computing capital requirement for credit risk and three other options for computing capital requirement for operational risk, albeit with certain modifications / enhancements. These options for credit and operational risks are based on increasing risk sensitivity and allow banks to select an approach that is most appropriate to the stage of development of bank's operations. The options available for computing capital for credit risk are :

a) Standardised Approach,

b) Foundation Internal Rating Based Approach; and

c) Advanced Internal Rating Based Approach.

The options available for computing capital for operational risk are :

a) Basic Indicator Approach (BIA),

b) The Standardised Approach (TSA); and

c) Advanced Measurement Approach (AMA).

Keeping in view Reserve Bank's goal to have consistency and harmony with international standards, as also capital efficiency likely to accrue to the banks by adoption of the advanced approaches, a time schedule was laid down in 2009 that all commercial banks in India (excluding LABs & RRBs) may switch over to Internal Rating Based Approach (Both Foundation as well as Advanced Internal Rating Based Approach) for credit risk and Advanced Measurement Approach for operational risk by 31/03/2014. Accordingly, banks were advised to undertake an internal assessment of their preparedness for migration to advanced approaches and take a decision with the approval of their Boards / RBI, whether they would like to migrate to any of the advanced approaches. Banks may choose a suitable date to apply for implementation of advanced approach.

Banking Case Laws

Bank Guarantee :

- A complaint was filed alleging deficiency in service in not paying the amount of bank guarantee on demand. The defense plea was that the demand was not in accordance with terms of guarantee. It was held that where bank guarantee provided conditions for its invocation then Bank would not be deficient in service in not making payment under the bank guarantee if conditions were found not fulfilled. [M. P. Minerals Ltd Vs. Bank of India & ors - 2003 (1) CPR 96 (NC).]

(Source : www.rbi.org.in)

Financial Basics

Value at Risk (VAR)

VAR is a single number (currency amount) which estimates the maximum expected loss of a portfolio over a given time horizon (the holding period) and at a given confidence level. VaR is defined as an estimate of potential loss in a position or asset / liability or portfolio of assets / liabilities over a given holding period at a given level of certainty. The following are the three main methodologies used to calculate VaR : Parametric Estimates - Estimates VaR using parameters such as volatility and correlation. Accurate for traditional assets and linear derivatives, but less accurate for non linear derivatives. Monte Carlo simulation - Estimates VaR by simulating random scenarios and revaluing positions in the portfolio. Appropriate for all types of instruments, linear and nonlinear. Historical simulation - Estimates VaR by reliving history; takes actual historical rates and revalues positions for each change in the market.

Glossary

FCNR Deposits

Foreign Currency Non Resident [FCNR] accounts as the name suggests are deposits designated in foreign currency. The same can be opened and maintained by a Non-Resident Indian who may be an Indian citizen or a Foreign citizen of Indian Origin residing outside India. The accounts are convertible / repatriable and are maintained in foreign currency in the form of fixed deposits. Presently, FCNRs can be maintained in US$, GBP, EURO, Japanese Yen, Australian $ and Canadian $. Provisions as regards eligibility, types of accounts, permitted debits / credits, rate of interest, Loans against the security of funds held in FCNR account, repatriation of funds by NRI nominee, and miscellaneous matters such as joint holding, operations by POA etc. are quite similar to NRE accounts as provided herein.

Institute's Activities

Training Programme Schedule for the month of Oct. 2013

Sr. No.	Programme	Date
1.	4th Programme on Housing Finance	9th to 11th October 2013
2.	8th Programme on Credit Appraisal (Industrial and Commercial Advances)	21st to 25th October 2013
3.	3rd Programme on KYC / AML / CFT	21st to 23rd October 2013

Training activities completed during the month of Sept. 2013

Sr. No.	Programme	Date
1.	4th Programme on Marketing and customer care	16th to 20th September 2013
2.	Programme on treasury management for co-operative banks	23rd to 25th September 2013

News From the Institute

Regulatory Guidelines

Candidates may please note that in respect of the exams to be conducted by the Institute during November / December and May / June of a particular year, instructions / guidelines issued by the regulator(s) up to 31st July and 31st January respectively of that year will only be considered.

E-learning for JAIIB / DB&F & CAIIB

The Institute continues its E-learning for all the candidates of JAIIB / DB&F & CAIIB. For details visit www.iibf.org.in.

Micro / Macro Research

Macro Research proposals and Micro Research Papers for the year 2013 are invited by the Institute. For details visit Institute's web site.

Contact classes for JAIIB / DB&F and CAIIB

The Institute has announced contact classes for JAIIB / DB&F and CAIIB courses. The schedule for the contact classes are uploaded on the website. The Institute will also offer contact classes in select centers for the Compliance and Bank Trainers' Courses. For details visit Institute's web site.

Additional Reading Material for Institute's examination

The Institute has put on its web site additional reading material, for various examinations, culled out from the Master Circulars of RBI. These are important from examination view point. For details visit Institute's web site.

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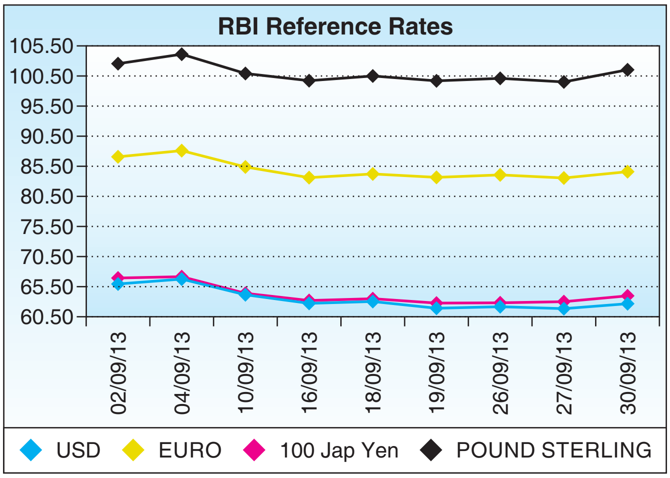
IIBF Vision via mail

The Institute has started emailing IIBF Vision to all the e-mail addresses registered with the Institute. Members who have not registered their e-mail ids are requested to register the same with the Institute at the earliest. IIBF Vision is also available for download from the IIBF's web site.

Green Initiative

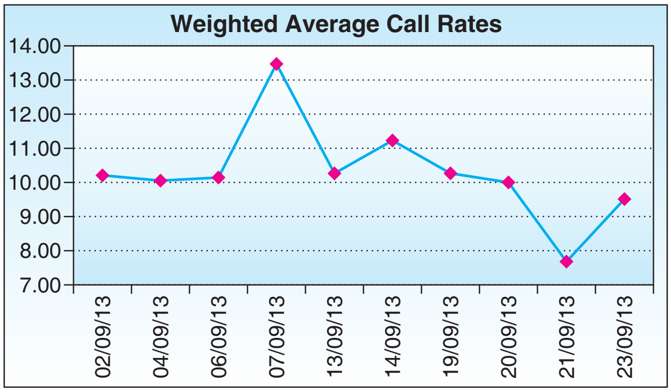
Members are requested to update their email address with the Institute to send the Annual Report via email in future.

Market Roundup



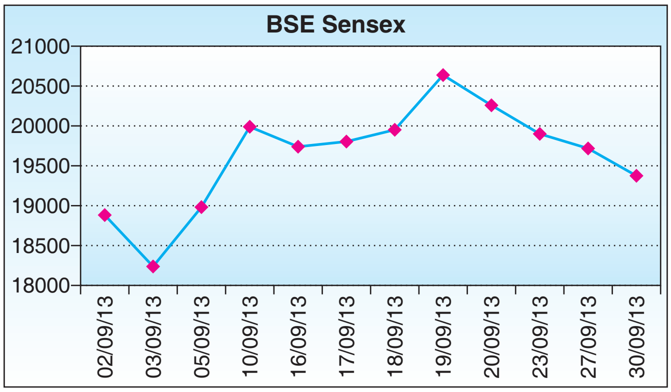
Source : Reserve Bank of India (RBI)

- In a panic reaction on rumours that US attacked Syria and on fears that oil prices are bound to look up, Indian rupee depreciated to 67.73 to a dollar on 3rd.
- The rupee closed on 4th at 67.06 against the dollar recovering from an intra-day low of 68.62close to its all-time low of 68.85 touched on August 28.
- Rupee recovered nearly 110 paise on 6th to close at 65.25 to a dollar, thanks mainly to the overwhelmingly positive vibe that accompanied the accession of Dr. Raghuram Rajan as Governor of RBI.
- The partially convertible rupee closed at 62.83 per dollar sharply above its close of 63.49 on 13th rising to one month high as Summers pulls out of Fed race.
- The rupee on 23rd followed the stock market to decline by 37 paise or 0.59% to close at 62.60 against the dollar on the back of month-end demand for the US currency from importers and concerns over a stimulus rollback by US Fed.
- Rupee closes at 62.51 to dollar on 30th losing some sheen.
- During the month, Rupee appreciated 4.70% against the dollar.



Source : CCIL Newsletter for September 2013

- For the first 20 days of the month, the call market experienced tight liquidity conditions with call rates moving between a low of 10.04% and a high of 13.48%.
- Towards end of the month liquidity conditions eased with rates recording a low of 7.675 on 20th.



Source : Bombay Stock Exchange (BSE)

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