



Committed to professional excellence

# IIBF VISION

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## VISION

To be premier Institute for developing and nurturing competent professionals in banking and finance field.

## MISSION

To develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy / counselling and continuing professional development programs.



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**TOP STORIES****11 more batches to transfer funds via NEFT from July 10**

The RBI is introducing new batches for settlement of payments through the National Electronic Funds Transfer (NEFT), to enhance efficiency and ensure better service for customers. The additional 11 settlement batches at half-hourly intervals will be introduced from July 10, beginning from 8.30 am till 6.30 pm. With this, the total number of half-hourly settlement batches during the day will increase to 23. The starting batch at 8 am and closing batch at 7 pm will remain the same as hitherto. RBI has asked all banks to make the required changes in their Core Banking Solutions (CBS) to incorporate the additional batches.

**RBI moves forward for faster resolution of NPAs**

The RBI has moved to change norms aimed at timely implementation of Corrective Action Plans (CAP), decided by the Joint Lending Forums (JLF) consisting of a minimum of 60% of creditors by value and 50% of creditors by number. It has also cautioned banks that non-adherence to or delays in implementing decisions by the JLFs will attract monetary penalties for the banks.

**ARCs must have minimum net corpus of ₹100 crore by March 2019**

The government and RBI envisage a greater role for Asset Reconstruction Companies (ARCs) in resolving stressed assets, considering they are in the business of buying bad loans from banks to turn them around. In order to resolve this issue better, RBI has stipulated that all the existing ARCs must have a minimum net owned corpus of Rs.100 crore by March 2019.

**SEBI framework for MF, portfolio managers at International Financial Service Centre (IFSC )**

SEBI has allowed mutual funds, **alternate investment funds** and portfolio managers, operating in IFSCs, to invest in securities listed in such centres. They can also invest in securities issued by companies incorporated in IFSC, apart from investing in securities issued by firms incorporated in India or companies belonging to foreign jurisdiction. These investments are subject to conditions specified by RBI and government from time to time.

**Banking Policies****RBI: Lenders should have CFOs, CTOs**

Considering the rapid changes in the banking sector, the Reserve Bank of India (RBI) has urged banks to appoint qualified chiefs to head the critical finance and technology functions. In the same vein, RBI has issued new minimum qualifications for Chief Financial Officers (CFOs) and Chief Technology Officers (CTOs). A CFO and CTO in banks' management structure would play a crucial role in strengthening and sustaining the banks' risk governance framework.

**RBI issues norms for opening mini bank branches**

Banks have got a new freedom since RBI has started permitting mini branches with limited working hours and staff for all commercial banks, boosting the prospects for the newly formed small and payment banks. A branch will be considered a mini branch only if it is a fixed-point service delivery unit manned by bank staff or

business correspondents, providing acceptance of deposits, encashment of cheques, withdrawal or lending of money. A mini branch will have to be open for at least four hours a day for five days in a week; failing which, it will be considered as a part-time banking outlet with restricted functioning.

### **PCE eligibility: Two external agencies must rate corporate bonds**

RBI has revised its guidelines for banks providing Partial Credit Enhancement (PCEs) to corporate bonds. In order to be eligible for PCE from banks, corporate bonds would have to be rated by at least two external credit rating agencies. The initial and subsequent rating reports shall disclose standalone credit rating (rating excluding the effect of PCE) as well the enhanced credit rating (including the effect of PCE). If the standalone credit rating of a bond improves subsequently, the capital requirement may be recalculated on the basis of the reassessed standalone credit rating and the reassessed enhanced credit rating, without reference to the constraints of capital floor and difference in notches.

## **Banking Developments**

### **Paytm starts payments bank, offers 4% interest**

Following Airtel and India Post Payments Bank, Paytm has become the third entity to launch a payment bank in India. It offers the lowest annual interest rate of 4% on savings accounts against Airtel's 7.25% and India Post's 5.5%. Currently, Paytm Payments Bank saving account is available on invitation only. Users can request for an invite on its mobile app or website and the wallet balance will be transferred to bank account post-KYC. By offering 1% cashback to its first million customers, who deposit ₹ 25,000 in the payments bank account, Paytm has also become the first bank to offer cashbacks on deposits.

### **RBI lets all co-op banks with ATMs issue semi-closed pre-paid cards**

RBI has allowed all co-operative banks with their own ATM network to issue semi-closed pre-paid payment instruments, provided there are no curbs on acceptance or withdrawal of deposits from these banks. Semi-closed pre-paid payment instruments allow purchase of goods and services at certain merchant locations as per a contract with the issuer. These instruments can't be used for cash withdrawal or redemption by the holder.

## **New Appointments**

<b>Name</b>	<b>Designation/Organization</b>
Mr. R Subramaniakumar	Appointed as Managing Director & CEO, Indian Overseas Bank
Mrs. Usha Ananthasubramanian	Appointed as Managing Director, Allahabad Bank
Mr. Sunil Mehta	Appointed as Managing Director, Punjab National Bank
Mr. Dinabandhu Mohapatra	Appointed as Managing Director & CEO, Bank of India
Mr. N Kamakodi	Appointed as Managing Director & CEO, City Union Bank
Mr. Raj Kumar	Appointed as full-time Director of LIC Mutual Fund



## Products & Alliances

Organisation	Organisation tied up with	Purpose
Bank of Baroda	IFFCO	Launched co-branded debit card for farmers with an in-built overdraft facility of ₹ 2,500/- with one month interest-free period.

## Forex

Foreign Exchange Reserves		
Item	As on May 26	
	₹ Bn.	US\$ Mn.
1 Total Reserves	24,453.4	3,78,763.5
1.1 Foreign Currency Assets	22,896.6	3,54,542.2
1.2 Gold	1,312.5	20,438.9
1.3 SDRs	95.1	1,472.2
1.4 Reserve Position in the IMF	149.2	2,310.2

Source: Reserve Bank of India (RBI)

Benchmark Rates for FCNR(B) Deposits applicable for June, 2017					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
<b>Currency</b>	1 Year	2 Years	3 Years	4 Years	5 Years
USD	1.35600	1.50170	1.65000	1.76600	1.84200
GBP	0.34870	0.5175	0.5797	0.6568	0.7400
EUR	-0.22820	-0.159	-0.067	0.044	0.163
JPY	0.04750	0.059	0.063	0.079	0.100
CAD	1.15000	1.075	1.180	1.273	1.351
AUD	1.72300	1.770	1.860	2.110	2.220
CHF	-0.64250	-0.624	-0.545	-0.451	-0.350
DKK	-0.04180	0.0302	0.1455	0.2515	0.3822
NZD	2.05000	2.235	2.418	2.588	2.728
SEK	-0.47000	-0.318	-0.128	0.052	0.247
SGD	1.13000	1.335	1.522	1.683	1.818
HKD	0.99000	1.200	1.390	1.520	1.630
MYR	3.55000	3.600	3.650	3.700	3.750

Source: [www.fedai.org.in](http://www.fedai.org.in)

## Glossary

**Alternate Investment Fund (AIF)** means any fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors.

## Financial Basics

**Potential future credit exposure** is determined by multiplying the notional principal amount of a contract, irrespective of whether the contract has a zero, positive or negative mark-to-market value, by the relevant add-on factor prescribed by RBI, according to the nature and residual maturity of the instrument.

## Institute's Training Activities

Training Programmes for the month of June /July 2017

Name of the Programme	Dates	Location
First time Branch Managers	12 <sup>th</sup> - 17 <sup>th</sup> June 2017	Mumbai
KYC/AML/CFT	19 <sup>th</sup> - 21 <sup>st</sup> June 2017	Mumbai
Post Examination Classroom Learning for Certified Bank Trainers	21 <sup>st</sup> - 25 <sup>th</sup> June 2017	Mumbai
Achieving Excellence in Customer Service	28 <sup>th</sup> - 29 <sup>th</sup> June 2017	Mumbai
IT Security and Prevention of Cyber Crime	3 <sup>rd</sup> - 4 <sup>th</sup> July 2017	Mumbai
Credit Appraisal	10 <sup>th</sup> - 14 <sup>th</sup> July 2017	Mumbai
Risk Management in Banks	19 <sup>th</sup> - 21 <sup>st</sup> July 2017	Mumbai
Recovery Management	19 <sup>th</sup> - 21 <sup>st</sup> July 2017	Chennai
KYC/AML/CFT	10 <sup>th</sup> - 12 <sup>th</sup> July 2017	Kolkata
SME Financing	17 <sup>th</sup> - 21 <sup>st</sup> July 2017	Delhi

## News from the Institute

### Capacity Building

RBI vide its notification dated 11<sup>th</sup> August 2016 has mandated that each bank should have a Board approved policy to deploy staff with adequate qualification/certification in key areas of operations. To begin with, they have identified following areas:

1. Treasury Management: Dealers, mid-office operations.
2. Risk Management: credit risk, market risk, operational risk, enterprise-wide risk, information security, liquidity risk.
3. Accounting: Preparation of financial results, audit function
4. Credit Management: credit appraisal, rating, monitoring, credit administration.

Subsequently on the direction of RBI, IBA had constituted an Expert Group for identifying suitable institutions and courses that can provide the necessary certifications. The Group, which submitted its report in March 2017, was considered by RBI and based on the advice of RBI, IBA vide its letter dated 26<sup>th</sup> April 2017 has advised the member banks the names of the institutions eligible for providing certification in the areas indicated above by the central bank.

IIBF is one of them and the only institution offering certification in three out of the four areas identified by RBI. For your immediate perusal, the courses offered by IIBF, considered by RBI and communicated by IBA to banks for certification are tabulated below:

Sr. No	Areas where certification has been identified by RBI	Course offered by IIBF identified by RBI / IBA for offering the certification
1	Treasury operations – Dealers, mid-office operations	Certified Treasury Dealer (blended course – on line examination and training)
2	Risk management – credit risk, market risk, operational risk, enterprise-wide risk, information security, liquidity risk.	Risks in Financial Services in collaboration with Chartered Institute for Securities & Investment (CISI), London
3	Credit management – credit appraisal, rating, monitoring, credit administration.	Certified Credit Officer (blended course – on line examination and training).
4	Accounting – Preparation of financial results, audit function.	IIBF will be introducing a course shortly

The examinations for the above subjects are normally held by the Institute once in six months through online mode at more than 130 centres across the country. However, for the benefit of banks and candidates, an additional examination on the three courses will be held as per schedule indicated below:

Examination	Examination Date	Open period of Registration
Risk in Financial Services	30-07-2017 (Sunday)	05-06-2017 to 20-06-2017
Certified Treasury Dealer and Certified Credit Officer	29-10-2017 (Sunday)	15-8-2017 to 14-9-2017

### Founder Member of Global Banking Education Standards Board (GBESTB)

The 22<sup>nd</sup> World Conference of Banking Institutes (WBCI 2017) was hosted by the Chartered Institute of Bankers of Nigeria (CIBN) at Lagos from 24<sup>th</sup> April to 28<sup>th</sup> April 2017. The theme of the conference was “**Rethinking the future of Banking and Finance and Life Long Learning**”. As a part of the conference, the establishment of the Global Banking Education Standards Board (GBESTB) was formally announced in which the Institute shall be one of the Founder Members.

The major objective of the GBESTB is to develop clear, internationally agreed standards for the education of Professional Bankers. It is expected that the GBESTB will provide, via its standards, the foundations on which the global banking industry can rebuild and sustain the high standards of ethical professionalism on which its future must be based. The aim of the GBESTB is to enhance ethics and professionalism in banking worldwide.

### 6<sup>th</sup> Advanced Management Programme (AMP) launched

The Institute conducts an "Advanced Management Programme" (AMP) in Banking & Finance for working executives from the Banking / Financial sector. This is an eight-month long weekend programme. IIBF has tied up with Indian Institute of Management, Calcutta, to conduct a 30-hour Management Development Programme (MDP) at their campus in Kolkata. The Programme by IIM Calcutta will form an integral part of the AMP. The course is scheduled to commence from 9<sup>th</sup> July 2017. The programme has been designed keeping in mind the changing requirements of the banking sector and will help bankers in their career progression.

### New Courseware on NBFCs

The Institute launched its new courseware on Non Banking Financial Companies (NBFCs) on 29<sup>th</sup> April 2017. The book was released by industry experts from the banking fraternity.

### Examination at Institute’s own Test Centres at Mumbai & Kolkata

The Institute presently conducts examination on the 2<sup>nd</sup> and 4<sup>th</sup> Saturday of every month for three of its courses namely, Micro, Small & Medium Enterprises (MSME), Customer Service and AML/KYC at its own Test Centres at Mumbai & Kolkata. Online registration for the examinations has started from 8th May 2017 for examinations to be conducted from June to August 2017. Candidates can select the examination date and centre of his/her choice. Registration will be on first come first serve basis. The schedule of the examinations for the said courses is available on our website [www.iibf.org.in](http://www.iibf.org.in).

### Bank Quest Themes for coming issues

The themes for upcoming issues of “Bank Quest” during 2017 are identified as:

- Challenges in Infrastructure Financing: April-June, 2017
- Influences/Challenges for Banks post Demonetization: July – September, 2017
- Micro Research Papers 2017: October – December, 2017

### Cut-off date of guidelines /important developments for examinations

The Institute has a practice of asking some questions in each exam about the recent developments / guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments / guidelines from the date the question papers are prepared and the dates of the actual examinations. In order to address these issues effectively, it has been decided that:

- (i) In respect of the exams to be conducted by the Institute for the Period from February 2017 to July 2017, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31<sup>st</sup> December, 2016 will only be considered for the purpose of inclusion in the question papers.
- (ii) In respect of the exams to be conducted by the Institute for the period from August 2017 to January 2018, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30<sup>th</sup> June, 2017 will only be considered for the purpose of inclusion in the question papers.

## Green Initiative

Members are requested to update their e-mail address with the Institute and send their consent to receive the Annual Report via e-mail.

**STATEMENT ABOUT OWNERSHIP AND OTHER PARTICULARS OF IIBF VISION,  
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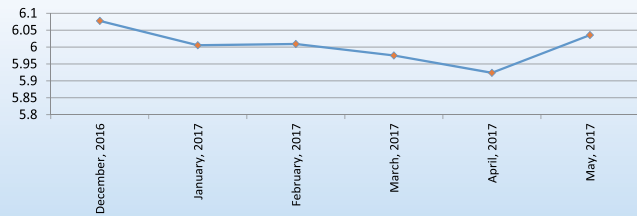
I, Dr. J. N. Misra, hereby declare that the particulars given above are true to the best of my knowledge and belief.  
31.03.2017

Dr. J. N. Misra  
Signature of Publisher

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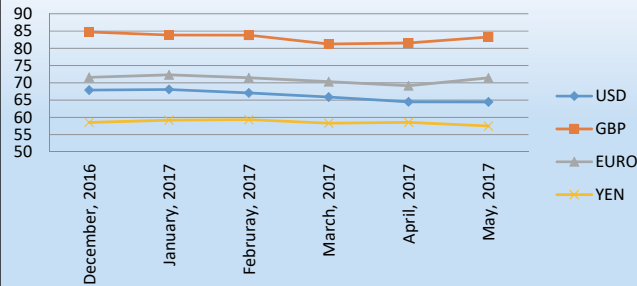
# Market Roundup

## Weighted Average Call Rates



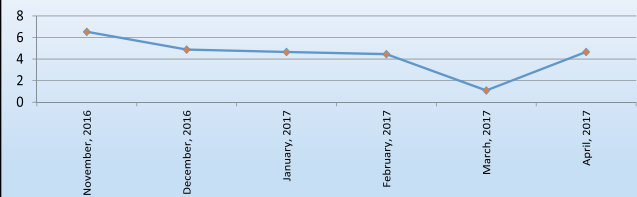
Source: CCIL Newsletter, May 2017

## RBI Reference Rate



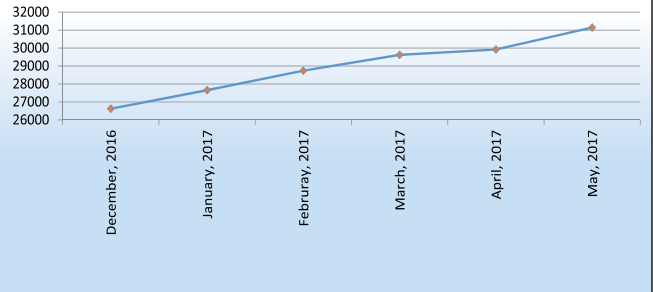
Source: Reserve Bank of India (RBI)

## Non-food Credit Growth %



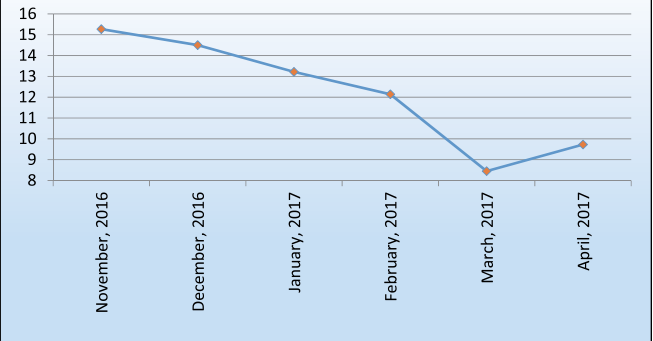
Source: Monthly Review of Economy CCIL, May 2017

## BSE Sensex



Source: Bombay Stock Exchange (BSE)

## Aggregate Deposit Growth %



Source: Monthly Review of Economy CCIL, May 2017

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