



Committed to professional excellence

IIBF VISION

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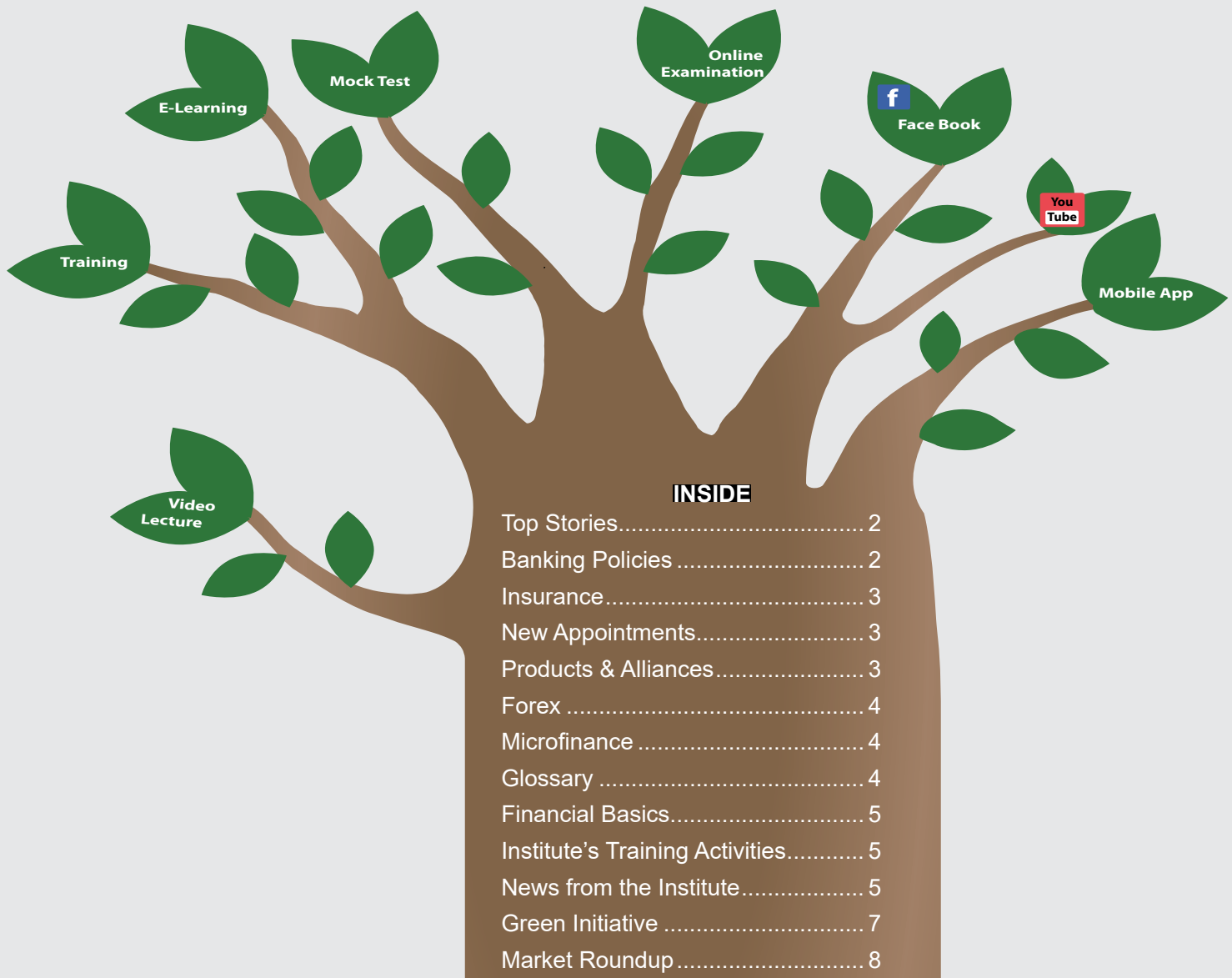
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VISION

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

Risk ratings: RBI for convergence

The Reserve Bank of India's (RBI's) Annual Report 2016-17 has mentioned its Risk Monitoring Department (RMD) launching a project along with the Inspection Department for developing a web-enabled risk reporting and analysis platform viz. Audit Management and Risk Monitoring Systems (AMRMS). With regards to government and bank accounts, the Empowered Committee of State Finance Ministers on Goods and Services Tax (GST) has finalized banking arrangements for GST, wherein RBI will be the aggregator for funds. The systems of agency banks are also being integrated with RBI's CBS (e-Kuber).

All P2P lending firms to be classified as NBFCs

RBI has mandated that all non-bank players engaged in the business of peer-to-peer (P2P) lending would be classified as non-banking financial companies (NBFCs). In India, three broad categories of fintech lenders operate – those who connect individual lenders to borrowers; those who help institutional lenders identify suitable borrowers for their products; and those who disburse loans off their own books. The third category of lenders already qualifies as NBFCs.

Banking Policies

Masala bonds to be treated as ECBs

Relaxing the norms for issuance of rupee-denominated overseas bonds aka masala bonds, RBI has announced that, from October 3 onwards, masala bonds will be treated as external commercial borrowings (ECBs), thereby freeing up more investment by foreign portfolio investors (FPIs). Currently, the limit for investment by FPIs in corporate bonds is ₹2,44,323 crore. This covers insurance of masala bonds by resident entities of ₹44,001 crore including ones in the pipeline. From October 3, masala bonds will not form part of the limit for FPI investments in corporate bonds.

RBI allows banks to invest in PE, venture debt funds but limits exposure of banks to REITs, InvITs at 10% of unit capital

RBI has allowed banks to invest in Category II Alternative Investment Funds (AIFs), which includes private equity and venture debt funds. The amendment of RBI's May 2016 order permits this investment and maintaining the cap at 10% of the capital of VC, PE and venture debt funds. Earlier, banks could invest in the paid-up or unit capital of Category I AIFs, which include venture capital (VC). However, investment in REITs and InvITs to be not more than 10% of the unit capital of a REIT or an InvIT, subject to an overall ceiling of 20% of its net worth.

RBI raises FPIs' limit in Government bonds

W.e.f. 3 October 2017, RBI has increased FPIs' limit on investment in government bonds by an aggregate ₹14,200 crore for the October-December period. Foreigners can own 5% outstanding of central government bonds and 2% of outstanding state loans.



Insurance

Open e-insurance accounts within 15 days of selling policies

The Insurance Regulatory and Development Authority of India (IRDAI) has specified that all insurers opening electronic insurance accounts (e-IAs) for policies sold on the self-networking platform (ISNP) have to open an e-IA within 15 days of a sale. All insurers, insurance intermediaries and insurance repositories will need to validate a one-time password (OTP) permit for opening an e-IA as an alternative to e-signatures.

IRDAI panel to help implement RBC regime by 2021

IRDAI has formed a 10-member steering committee to help implement the new risk-based capital (RBC) regime that will also enhance protection to policy-holders by March 2021. A shift in regime is felt because the current solvency based rules do not help in assessing whether the capital held is adequate enough for the risks inherent in the insurance business. RBI Governor, Dr. Urjit Patel, has asked banks to take a haircut for resolution of current stressed assets, for which they will require higher capitalization. The success and credibility of all resolution efforts would be critically contingent on the strength of PSBs' balance sheets to absorb costs.

New Appointments

Name	Designation/Organization
Mr. Ajay VipinNanavati	Appointed as Chairman of Syndicate Bank
Mr. P.R. Seshadri	Appointed as Managing Director & CEO of KarurVysya Bank
Mr. K.V. Rama Moorthy	Appointed as Managing Director & CEO of Tamilnad Mercantile Bank
Mr. Govind Kshirsagar	Appointed as Vice Chairman of Cosmos Co-operative Bank Ltd.,
Mr. Sambamurthy	Appointed as Interim Chairman of National Payments Corporation of India (NPCI)



Products & Alliances

Organization	Organization tied up with	Purpose
Bank of Baroda	FinolexPlasson Industries Pvt. Ltd.	To finance farmers for installation of Micro Irrigation System in their fields through their network of branches across India
Yes Bank	Samsung	To enable Yes Bank's credit card holders use the tap and pay option at merchant outlets
Paytm Payments Bank	National Payments Corporation of India (NPCI)	To launch a RuPay-powered digital debit card

Forex

Foreign Exchange Reserves		
Item	As on September 29, 2017	
	₹ Bn.	US\$ Mn.
	1	2
1 Total Reserves	26,085.4	3,99,656.7
1.1 Foreign Currency Assets	24,513.8	3,75,186.4
1.2 Gold	1,324.6	20,691.9
1.3 SDRs	98.2	1,502.0
1.4 Reserve Position in the IMF	148.8	2,276.4

Source: Reserve Bank of India (RBI)

Benchmark Rates for FCNR(B) Deposits applicable for October 2017					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	1.54400	1.71200	1.82700	1.89900	1.97300
GBP	0.60140	0.8175	0.9257	1.0138	1.1000
EUR	-0.23000	-0.163	-0.043	0.096	0.241
JPY	0.02630	0.048	0.069	0.094	0.121
CAD	1.85000	1.917	2.026	2.097	2.155
AUD	1.88300	2.020	2.180	2.470	2.590
CHF	-0.60250	-0.495	-0.393	-0.283	-0.176
DKK	-0.12170	-0.0287	0.1150	0.2590	0.4140
NZD	2.05300	2.230	2.423	2.598	2.750
SEK	-0.39100	-0.175	0.048	0.248	0.455
SGD	1.19500	1.400	1.570	1.725	1.859
HKD	1.12000	1.390	1.570	1.700	1.810
MYR	3.52000	3.580	3.650	3.690	3.750

Source: www.fedai.org.in

Microfinance

MFIN releases code of conduct for MFIs

The Microfinance Institutions Network (MFIN), the self-regulatory organization for the `1,06,823 crore microfinance industry, has released a mutually agreed code of conduct for its members which will be applicable on all entities lending in the microcredit space. The aim of the code is to provide a uniform set of business conduct rules, which are sector-specific and entity-agnostic to ensure responsible lending and microfinance client protection. The codes are aimed at protecting microfinance borrowers from over indebtedness and safeguard their interests.

Glossary

Peer-to-peer (P2P)

A P2P lender is typically a fintech platform that helps lenders and prospective borrowers connect with each other. The term 'the business of a P2P lending platform' shall mean 'the business of providing under a contract,

the service of loan facilitation, via online medium or otherwise, to the participants who have entered into an arrangement with that platform to lend on it or to avail of loan facilitation services provided by it'.

Financial Basics

Convexity

This represents the rate of change of duration. It is the difference between actual price of a bond and the price estimated by modified duration.

Institute's Training Activities

Training Programmes for the month of October/November 2017

Name of the Programme	Dates	Location
KYC / AML / CFT	25 th - 27 th October	Mumbai
SME Financing	6 th - 10 th November	Mumbai
Certified Treasury Dealer	10 th - 12 th November	Mumbai
Credit Monitoring	13 th - 15 th November	Mumbai
Housing Finance	25 th - 27 th October	Chennai
First Time Branch Manager	13 th - 18 th November	Chennai
Certified Credit Officer	15 th - 22 nd October	Kolkata
Retail Loans	23 rd - 26 th October	Delhi
Certified Credit Officer	6 th - 10 th November	Delhi
Balance Sheet Reading and Ratio Analysis	13 th - 14 th November	Delhi

News from the Institute

Capacity Building in banks

IBA, vide its circular dated 26th April 2017, addressed to banks had identified 11 institutions for providing certification in the areas identified by RBI namely, Treasury Operations, Risk Management, Accounting & Audit and Credit Management.

IIBF, being one of the identified institutions, offers courses covering the areas of Treasury Operations, Risk Management, and Credit Management. The course on Accounting & Audit will be made available shortly.

In addition to the above courses, RBI, vide its letter dated 31st May 2017, addressed to IBA, has mentioned that the course offered by IIBF in association with FEDAI, on "Foreign Exchange Operations" will also be a mandatory qualification, for those who are working or desirous of working in the area of Foreign Exchange Operations, including Treasury operations.

The examinations for the above subjects are normally held by the Institute once in six months in the on line mode at more than 130 centres across the country. However, for the benefit of banks and candidates, additional examinations for some of the courses will be held as per schedule indicated below. Please visit the website www.iibf.org.in for examination registration and more details.

Examination Name	Examination Date
Certified Credit Officer	29/10/2017; 25/11/2017; 23/12/2017; 07/01/2018; 24/02/2018; 24/03/2018
Certified Treasury Dealer	29/10/2017; 28/01/2018
Certificate in Risk in Financial Services	21/01/2018
Certificate course in Foreign Exchange	28/01/2018

“Banking Chanakya” Quiz

“Banking Chanakya” is a Quiz contest open to all staff members currently employed in any bank, located anywhere in India. For details logon to <http://www.bankingchanakya.com/>. The registration window is open from 1st October 2017 to 7th November 2017. This contest is divided into three parts.

- The first preliminary round is a zone wise on-line contest. The Teams can participate in the preliminary round from the comfort of their office/home.
- The second part is the on-ground event consisting of Zonal level events. Four on-ground events in four different Zones (North, South, East and West)
- The third part is the National Finale with the winning teams from each Zone which will also be telecast on a National TV Channel.

Bankers’ Meet& Outreach Program

To commemorate entry into the 90th year, the Institute organised Bankers’ Meet & Outreach Program in Ahmedabad, Bhubaneshwar and Kochi. A panel discussion on “Role of NCLT in Recovery Management in Banks” was held in Bhubaneshwar and Ahmedabad. In Kochi, Managing Director & CEO, Federal Bank Ltd, Mr. Shyam Srinivasan delivered the Keynote address. Senior bankers and Insolvency professionals participated in the meet.

Mutual Recognition Agreement with the Chartered Banker Institute, Edinburgh, U.K

The Institute is delighted to announce the signing of a Mutual Recognition Agreement with The Chartered Banker Institute, Edinburgh. Under this agreement, “Certified Associates of the Indian Institute of Bankers” (CAIIB) from India will have their qualifications recognised by the Chartered Banker Institute, and will be able to become Chartered Bankers by studying the Institute’s Professionalism, Ethics & regulation Module, and successfully completing a reflective assignment.

MoU with Small Industries Development Bank of India (SIDBI)

The Institute entered into a partnership with SIDBI on 11th July 2017 to take forward the Certified Credit Counsellor (CCC) program for MSMEs. Eligible candidates, interested in becoming CCCs, have to pass a certificate examination on MSMEs conducted by IIBF. On successful completion of the examination and after due diligence conducted by SIDBI, a certificate shall be issued to the candidate as Certified Credit Counsellor for MSMEs.

New Courseware on NBFCs

The Institute launched its new courseware on Non-Banking Financial Companies (NBFCs) on 29th April 2017. The book was released by industry experts from the banking fraternity. The first exam on the subject will be held during January 2018.

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

The Institute presently conducts examination on the 2nd and 4th Saturday of every month for three of its courses namely, Micro, Small & Medium Enterprises (MSMEs), 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.

Bank Quest Themes for coming issues

The themes for upcoming issue of “Bank Quest” for October – December 2017 is **Micro Research Papers 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 31st 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 30th 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.

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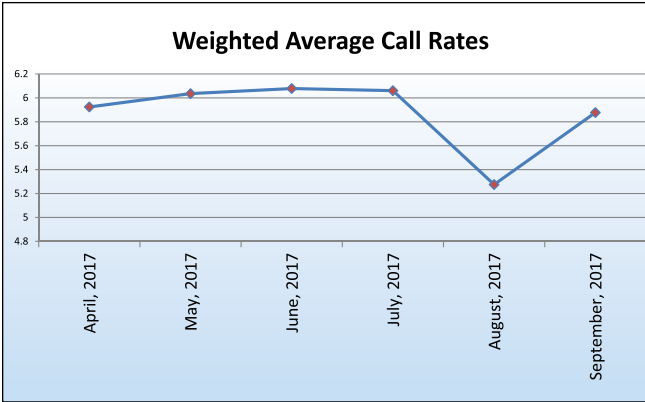
I, Dr. J. N. Misra, hereby declare that the particulars given above are true to the best of my knowledge and belief.

31.03.2017

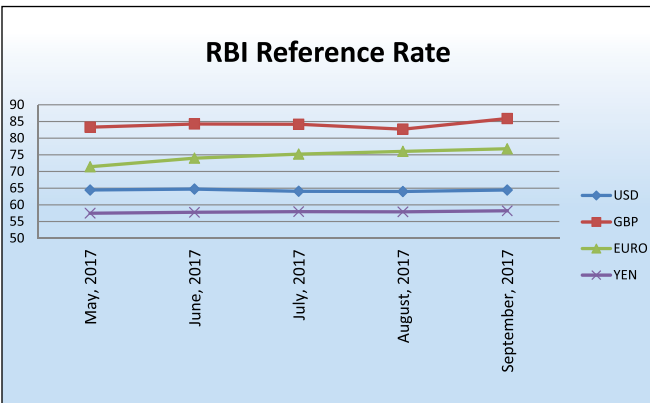
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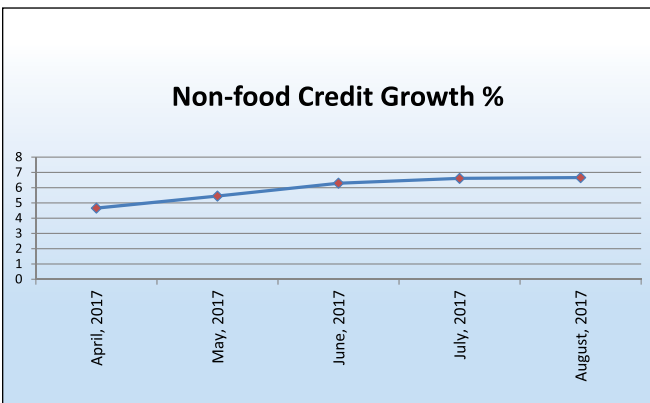
Market Roundup



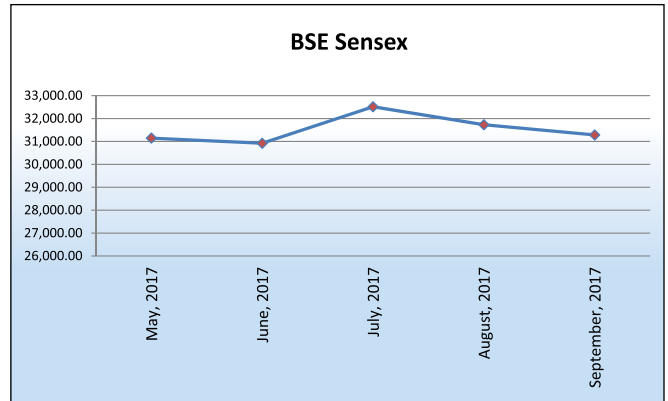
Source: CCIL Newsletter, September 2017



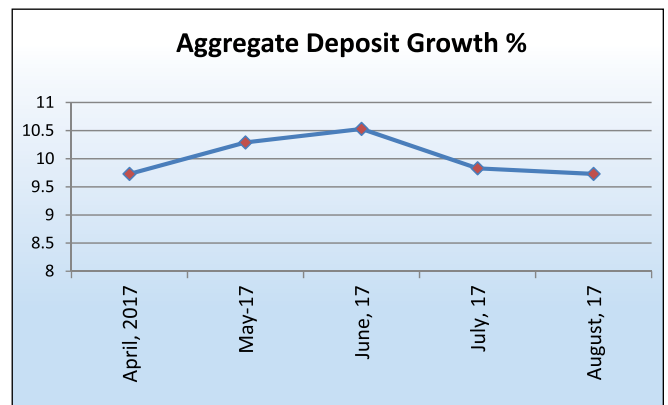
Source: Reserve Bank of India (RBI)



Source: Monthly Review of Economy CCIL, September 2017



Source: Bombay Stock Exchange (BSE)



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