

Committed to
professional excellence

IIBF VISION

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**Important Notice to the Candidates on the
CAIIB Examination (Refer Page No. 8)**

Top Stories

ICICI Bank, BoR boards clear merger proposal

The boards of ICICI Bank and Bank of Rajasthan (BoR), have cleared the merger proposal between the two; shareholders' approval will be issued out at an extraordinary general meeting (EGM) on June 21. This will be ICICI's Bank's third acquisition of an old private sector bank.

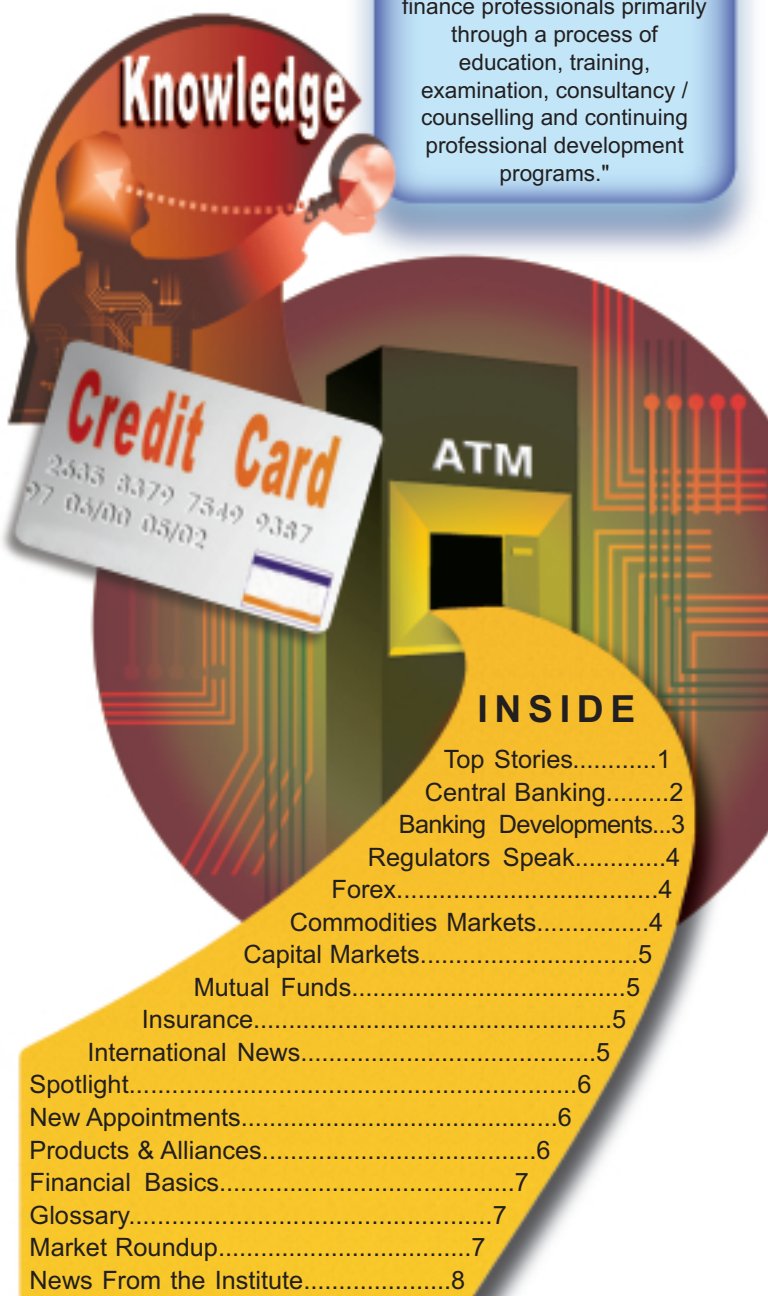
Govt. banks to be judged by rural drive

Public sector banks (PSB) will now have a financial incentive to open more no-frills savings account to bring the underprivileged into the banking fold. This year, the government has added 'financial inclusion' to the various parameters used to judge a PSB's performance. Until now, the parameters were largely related to the health of the bank and of the economy *viz.* net profits, growth in advances, growth of low-cost deposits, decline in bad loans etc. In keeping with the development, banks will now have to state the number of villages they will cover and the number of no-frill accounts they would open in this fiscal.

RBI allows healthy co-op banks to open ATMs

The RBI has relaxed its rules on setting up offsite ATMs for healthy urban co-operative banks (UCBs) with strong corporate governance. Henceforth, banks with lower levels of bad loans, three consecutive years of profit and which have professionals on their board, no longer require prior approval from RBI for off-site ATMs. Accordingly banks need to contain their net non-performing assets (NNPAs) below 5% and have at least two professionals on their board to be eligible to set up ATMs without approval. A bank would be disqualified if it has ever defaulted on meeting its cash reserve ratio (CRR) or statutory liquidity ratio (SLR) requirement, or if its capital adequacy ratio (CAR) fell below 10% in the preceding year.

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."



RBI permits 926 branches to accept advance income tax

To ensure convenience for the income tax assesses, RBI has allowed 926 branches of public and private sector banks to collect advance income tax in Mumbai and Navi Mumbai. Till now, only RBI used to collect advance income taxes. Of the 926 branches, 862 belong to PSBs, 35 to HDFC Bank, 10 to ICICI and 19 to Axis Bank. Mumbai being headquarters of many corporate houses, gets the largest chunk of advance income tax.

Bank credit rises to Rs.13,030 crore

Indicating a steady pick-up in demand for credit, bank credit rose by Rs.13,030 crore to Rs.32,27,771 crore during the fortnight ended May 7, 2010. On year-on-year basis, credit increased 17.25%. Agriculture procurement is going up; as is the demand from the manufacturing sector. Hence, withdrawals from sanctioned credit are increasing. Credit pick-up is expected to improve further in Q1 unlike the situation in non-recessionary times when initial months see a low credit off-take.

India Inc rely more on CPs for fund flow

India Inc is increasingly relying on non-bank sources for funding. According to an analysis of RBI's data, the share of bank funds has dipped from 56.99% in FY08 to 48.8% in FY10. Corporates also raise funds through public issue of equities, private placements, corporate bonds, external commercial borrowings (ECBs) and foreign direct investment (FDI). Most of all, corporates have increased their reliance on **commercial paper (CPs)**, which is now a significant source of non-bank funding in addition to private placements of bonds and equities.

Central Banking Policies & Development

RBI rejects banks' proposal for borrower-specific base rates

The RBI has rejected a proposal by some banks for having borrower-specific base rates. It has also not allowed them to charge a negative premium while calculating the effective interest rate; for, it would have meant lending below the base rate. For instance, if a bank uses the marginal cost of one-year deposits as the benchmark for fixing the base rate, a negative premium will be charged for all loans with tenures of less than 12 months.

RBI eases ECB policy for infra financing companies

In order to ensure easy financing for the core sector, RBI has decided to modify the extant ECB policy *vis-a-vis* infra-structure finance companies (IFCs) and NBFCs categorised as IFCs by the central bank. Thus, IFCs will now be permitted to avail themselves of ECBs (including

the outstanding ones) up to 50% of their owned funds under the automatic route, subject to their compliance with the prudential guidelines already in place. ECBs by IFCs above 50% of their owned funds would require RBI's approval and will, therefore, be considered under the approval route.

Funds in RBI reverse repo window drop; bankers expect hike in rates

The situation of falling liquidity is evident from the fact that banks' parking of funds with the RBI's reverse repo window has substantially dipped in recent times. The amount of money parked by banks in its liquidity adjustment facility (LAF) has reduced to an average of Rs.30,000-50,000 crore during the last two weeks as against an average of Rs.75,000-1,30,000 crore in the last two months. Mr. Hitendra Dave, Head of Global Markets, HSBC Bank, says "The recent hike in CRR has sucked out liquidity from the system. However, it is looking comfortable for now. We can expect LAF subscriptions to stay between Rs.30,000-50,000 crore till June."

Liquidity is comfortable, RBI steps pre-emptive

Bankers do not see too much liquidity pressure in the face of an expected Rs. 1 lakh crore cash outgo due to the huge 3G licence fees, and advance tax payment, even as RBI allowed lenders to borrow more funds from it through a new window. "It is a pre-emptive measure by the RBI to ease any perceived liquidity pressure," says SBI CFO Mr. S. S. Ranjan. CRISIL's principal economist Mr. D. K. Joshi opines that the RBI measures were aimed at easing liquidity, although there would not be much pressure on the banks. However, Bank of Baroda (BoB) ED Mr. R. K. Bakshi says, banks face liquidity pressure on account of the huge 3G spectrum licence fees and advance tax payouts to the government.

RBI makes a case for Rupee as global currency

RBI has mooted the idea of floating the Rupee as a global currency, but only after the government carefully assesses the pros and cons of such an action - as it may increase volatility in forex markets. The idea was mooted after the global financial crisis and weakening of the US Dollar triggered a debate about an alternative global currency. The study titled 'Internationalization of Currency: The case of the Indian Rupee and the Chinese Renminbi', however also finds it unlikely that the Dollar will lose its pre-dominance as the global reserve currency in the foreseeable future.

RBI tightens norms for cross-border dealings

The pricing norms for sale of equity shares by an Indian entity to non-resident entity and vice-versa under the FDI

route have been modified by the RBI. Accordingly, now when a resident entity is selling shares of a listed Indian company to a non-resident, the price of the transferred shares should not be less than the price at which a preferential allotment of shares can be made under the SEBI Guidelines. According to SEBI guidelines, the issue of shares on a preferential basis can be made at a price not less than the average weekly high and low of the closing prices over a six-month period or the average weekly high and low of the closing prices over a two-week period, whichever is higher. Under the earlier guidelines, residents could transfer shares to non-residents at a price not less than the current market price quoted on the stock exchange.

RBI issues currency authentication & fitness norms

The RBI has finalized the guidelines on Note Authentication and Fitness Sorting Parameters. The guidelines may be implemented with immediate effect. Vis-a-vis authenticity check, the RBI has said that the authorized machines shall perform authenticity check with reference to the features of genuine notes as disclosed by itself from time to time. Any note which is not found to be having all the features of a genuine note shall be classified by the machine as suspect.

Current Account Liberalization :

- The RBI has said that banks can now allow its customers to draw foreign exchange for payment of royalty and lump sum payment under technical collaboration agreements without the approval of the commerce ministry. Earlier, ministry's approval was needed for drawing foreign exchange where payment of royalty exceeded 5% on local sales and 8% on exports, and lump-sum payment exceeding \$2 million.
- Authorised Dealers are now permitted to sell foreign currency notes and coins up to USD 3000 or its equivalent out of the overall foreign exchange released.
- The limit for credit of salary in a foreign currency a/c with a bank outside India is enhanced from 75% to 100% for the foreign national who is resident in India, being an employee of a foreign company or a citizen of India who is employed outside India.

Banking Developments

Limited appeal for NHB's reverse mortgage plan

The reverse mortgage loan scheme introduced by National Housing Bank (NHB) has evinced surprisingly limited interest. "So far, only 7,029 senior citizens have availed of the loan and Rs.1,408 crore has been

sanctioned as of March 31, 2010, since September 2008," said Mr. K. R. Das, General Manager, RBI. About 23 banks offer the reverse mortgage loan product.

FIEO chief pitches for fixed exchange rate

The Federation of Indian Export Organisation (FIEO) has voiced concern over the volatility of the Rupee against currencies of its major trading partners the European Union and the US, thus impacting the exporters' earnings adversely. FIEO President, Mr. A. Sakthivel, feels that like its competitors China and Bangladesh, India should also maintain fixed exchange rate mechanism with US Dollar at least for a year, on an experimental basis so that the exporters reeling from under-recoveries of operations can get a breather. The fixed parity rate with the US dollar would help India, as the Euro has weakened against the rupee, putting exporters in Euro receipt at a disadvantage.

After special housing rates, SBI sweetens its farm loan

The country's largest lender, State Bank of India (SBI) has revived a scheme wherein irrigation and crop loans are available to farmers at cheap rates. The concession is aimed at supporting farmers during the upcoming kharif season and the Rabi season later. SBI has marginally increased its lending rates for the special scheme that was introduced to help farmers hit by weak monsoons and drought conditions last year. This was done on account of the bank's cost of funds that increased in the period. However, rates still remain lower than normal floating rates loans.

Use interest rate swaps to hedge long-term loans

The Reserve Bank of India (RBI) has rejected a proposal submitted by banks to ease the norms on securitization. RBI says that the originator should hold the securitized paper for at least nine months and should retain at least 5% of the securitized amount on its book. In October 2009, RBI had indicated that it would tighten the securitization norms, following which; volumes shrunk 22% in 2009-10 over the previous year.

PSU banks step up focus on personal loans to boost margins

Amid signs of rising economic growth and improved job market, a host of PSBs plan to pamper customers with personal loans once again to boost interest rate margin and profitability. Many of these banks had stopped offering personal loan products after the economic slowdown, fearing default. Personal loans generally yield more returns than any other loan products. Allahabad Bank, UCO Bank, Union Bank of India and United Bank of India have all devised strategies to sell their high-yielding personal loan products to retail customers. These

banks typically have a lower-than-industry average of retail loan share (around 12-14% *vis-a-vis* the industry average of 20-22%).

Banks invest 25% more in commercial papers in '09-10

Total investments by banks in commercial papers (CPs) have gone up by almost 25% to Rs.24,874 crore in 2009-10 from Rs.20,001 crore in 2008-09. Investments in CPs have increased with corporate flocking to gain from the low rates, as the overall rates didn't fall as expected after RBI reduced the key rates substantially in the aftermath of global financial crisis. Bank of India (BoI) ED Shri. M. Narendra says that as long as there is sufficient liquidity in the market and top-rated corporates need funds at cheaper costs, the CP market will continue to flourish. Even when the base rate system comes into force since July 1, CPs will continue to attract a host of corporates seeking better pricing.

PNB focuses on overseas markets

PNB is aggressively looking at enlarging its global footprint by opening more branches and representative offices overseas. The bank would be opening its representative office in Sydney (Australia) and branches in Canada and Norway during this financial year. It already has presence in nine countries with branches in Kabul, Dubai and Hongkong and representative offices in Almaty, Dubai, Shanghai and Oslo.

Regulators Speak...

Fresh road map soon for capital a/c convertibility

The RBI is likely to issue a third road map for bringing in capital account convertibility after the time-table set in the earlier two reports was abandoned following the financial crisis. The Governor also hinted that flexible exchange rates could be disadvantageous for India if trading partners or competitors (eg. China) adopted a fixed rate. "We will continue to move towards liberalizing our capital account, but we will revisit the road map to reflect the lessons of the crisis," said RBI Governor Dr. Subbarao. He added that "the economy should traverse towards capital convertibility along a gradual path recalibrated on a dynamic basis in response to domestic and global development." Governor's comments assume significance at a time when the country faces a deluge of Dollars due to which it has to grapple with a strong Rupee, which in turn hurts the exporters' interest. He noted that in FY 10, the Rupee appreciated by 13% in nominal terms but by as much as 19% in real terms because of the inflation differential between India and the trading partners. This has implications for India's external

competitiveness at a time when world trade is recovering and concerns about protectionism are resurfacing.

RBI to prepare road map for vibrant bond markets

The government and financial sector regulators are finally moving on to reform and develop the corporate bond market. The High Level Co-ordination committee on Financial Markets (HLCCFM), comprising regulators and senior finance ministry officials, has discussed a schedule for the oft proposed reforms, in the pipeline for several years. RBI will now present a working paper to the HLCCFM, but no time frame has been fixed for the same. The paper would address the issues raised by a host of expert committees. While lowering of stamp duty by state governments is often cited as a big impediment, the expert committees have also identified other roadblocks.

Assess capital needs based on internal rating : RBI to banks

RBI has told banks to be ready with advanced internal rating based (AIRB) approach a new methodology to assess a bank's capital requirement. As of now, banks are following the standardized approach, wherein they assign risk to the asset, based on the rating given by external rating agencies. All banks are required to have a minimum 9% CAR and therefore the model followed by banks to assess the capital is significant. Most banks prefer to hold at least 12% CAR at all times because a lower CAR increases their cost of resource. AIRB approach takes banks a step closer to becoming a Basel-II compliant institution. However, only those institutions which comply with supervisory standards prescribed in the Basel-II accord can implement AIRB, which places more importance on the bank's internal rating mechanism.

Forex

'Cable' and 'Loonie' are the nicknames for British Pound (GBP) and Canadian Dollar coin (CAD)

Forex Reserves of the country as on May 28, 2010 US \$271.97 bn

Commodities Markets

Hedge against sovereign risk drives gold towards \$1,180/oz

Gold prices rose towards \$1,180 an ounce in Europe and hit record highs in Euro and Swiss franc, as investors' worried that the Greek-style debt problems would spread elsewhere in the Euro zone. Gold is becoming increasingly attractive as a hedge against sovereign risk and the resulting

volatility in the foreign exchange markets. Spot gold was bid at \$1,177.25 an ounce, versus \$1,174.20 late in New York. Investment demand for bullion was strong, with the world's largest gold-backed exchange traded fund, New York's SPDR Gold Trust, reporting a 7-tonne rise in its holdings to a record 1,166.002 tonnes.

Capital Markets

Bonds put up their best show

Government bonds posted one of the best rallies in recent months. Traders flocked to the safety of debt when shares faltered amidst hopes that foreign funds, battered by the ongoing European crisis, would continue to pump money into Indian assets. A fall in yields not only helps investors but also the government, since it brings down its cost of market borrowings. Dealers are calling the rally impressive because as per the Clearing Corporation of India, it happened with strong volumes of close to Rs.17,500 crore in all the bonds put together.

Bank arbitrage narrows currency spread

Arbitrage by banks is narrowing down the spread between exchange-traded currency futures and over-the-counter (OTC) forwards. The differential between the Dollar Rupee rate in futures and the OTC forward market has narrowed down from as high as 26 paise, 18 months ago to around 3 paise. Although volumes in currency futures are driven by retail investors who account for 70-80% of \$7-8 billion daily volumes, it is the banks, which are able to straddle both markets and book profits through arbitrage. It is the efficient market hypothesis coming into play. Whenever there is an arbitrage opportunity, money will flow into the market ensuring that spreads disappear over time.

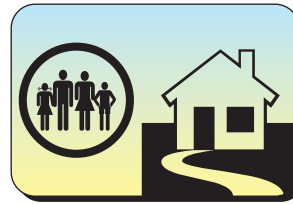


Mutual Funds

Zero Trail Commission for transferred MF accounts

The Association of Mutual Funds in India (AMFI) has banned charging of trail commissions from customers who have transferred their account to another distributor, as stated by Mr. H. N. Sinor, Chief Executive, AMFI. After the Securities and Exchange Board of India (SEBI) allowed customers to change distributors without a no-objection certificate from the current distributor, there has been a sharp rise in such requests. Now, fund houses need not pay trail commission to either the old or the

new distributor. Instead, the amount should be kept in a separate account and used for investor education.



Insurance

Banks may get to deal in more than one insurance brand

Banks may be allowed to sell insurance products of more than one company - a move that will help insurance companies increase their reach and reduce costs. IRDA Chairman Mr. Hari Narayan has requested the finance ministry to facilitate easing of norms and take up the matter with RBI. Currently, banks are allowed to sell insurance products of one company each in life and non-life segments.

Switching of insurers

Portability in health insurance is likely to become a reality soon. The General Insurance Council has recently submitted its revised format for portable health covers to the IRDA. Insurers will be able to sell health covers with the same benefits retained once they have bought this cover. Theoretically, a portable health insurance policy refers to the ability to switch health cover providers at will, yet retain bonuses accrued and have pre-existing diseases covered.

International News

Forex reserves down \$3.4 billion on weak Euro

India's foreign exchange reserves fell \$3.39 billion to \$276.24 billion in the week up to May 7, as investors spooked by the sovereign debt crisis in Greece hammered the Euro. The weakening of the Euro has resulted in a fall in the value of the country's non-Dollar denominated reserves, which are estimated at about 25% of the total foreign exchange kitty. This is the sharpest weekly fall in reserves since January 23, 2009. In the week up to May 7, the Euro fell 2.63% against the Dollar to 0.78%. Over the period the Rupee fell from 44.54 against the Dollar to 45.4.

In uncertain times, US treasuries are a safer bet

Amid the crisis in the Eurozone, central banks across the world have flocked to the dollar by investing in US government bonds or treasuries, thereby reversing a four-month trend of pulling out of the greenback. Central banks across the globe have hiked their exposure in US government bonds to \$2,708.8 billion in March from \$2,676.5 billion in February. Total foreign holdings of treasuries, including investments by other entities such

as corporate and commercial banks rose by around 3.5% to \$3884.6 billion in March from \$3752.2 billion, in May. This is the highest monthly rise in holdings since the sub-prime crisis deepened in September 2008 after the collapse of Lehman Brothers.

Europe back in focus

With the trouble in Greece's public finances having taken the Euro area by storm, the entire focus of the global financial market has now shifted to Europe. In debt terms, the Greek situation is not wildly different from much of the rest of Eurozone. Even the debts of Italy and Belgium are more than 100% of their respective GDP. Average maturity of debt too is not significantly different at between five and seven years. However, what separates the 'basket cases' from the rest as far as the market is concerned is the combination of debt and deficit (also private debt).



Spotlight

Banks should check antecedents of building prior to loan : NDMA

In order to implement disaster resistant compliance measures while constructing new houses, the National Disaster Management Authority (NDMA) has suggested the RBI to make a policy for banks to check the antecedents of a construction before extending loan for the same. "Many places are in earthquake zone areas and any new construction in such areas should be able to withstand it. For attaining this we have explained to the RBI to make it a policy that banks giving housing loans should also see that all borrowers have adhered to measures to have a disaster resilient house," says Mr. N. C. Vij, Vice Chairman, NDMA.

NBFCs rise in loan securitization market

NBFCs have boosted up their presence in the structured finance market in 2009-10. While banks, cramped by RBI guidelines fell behind, an improvement in the credit environment over the year made it easier for NBFCs to increase the volume of securitized loans. Banks, on the other hand, expect to see a further reduction in their share in the structured finance market, with RBI proposing to tighten securitization norms. According to estimates by rating agency ICRA, the largest player in the securitization market in 2009-10 was commercial vehicle lender Shriram Transport Finance. It securitized loans worth Rs.8,750 crore in 2009-10. Specialising in

loans for used commercial vehicles it had securitized loans worth Rs.3,000 crore in 2008-09.

New Appointments

PFRDA Chairman

The Centre has appointed IDBI Bank CMD Mr. Yogesh Agarwal as Chairman of the interim Pension Fund Regulatory Development Authority (PFRDA), for a tenure of five years.

SEBI's Executive Director

Mr. Ajanta Barua has been appointed Executive Director of SEBI. Prior to this, he was Legal Adviser, Legal Affairs department at SEBI.



Products & Alliances

SBI forms JV for POS terminals

SBI has selected a consortium of Visa International and Elavon as partners for a joint venture (JV), to set up six lakh point of sales (POS) terminals - swipe machines for registering payments through credit and debit cards. Last year, ICICI had sold its POS terminal network to First Data Corporation for \$80 million (around Rs.365 crore). ICICI Bank has been an early mover and the bank already had an installed base of 1.5 lakh machines at the time of the sale. SBI has incorporated a JV, SBI Payments Services, where the two partners will pick up stake at a significant premium.

Bajaj Allianz ties up with Dena Bank

Bajaj Allianz Life Insurance signed an agreement with Dena Bank for the distribution of Bajaj Allianz's group life insurance product 'Sarva Shakti Suraksha' through its branches.

Jet Airways in pact with SBI Credit Card

Jet Airways has tied up with SBI card, the joint offering from SBI and GE Capital, to offer its guests a unique travel option. This arrangement is aimed at making air travel more affordable for guests across India. Under the offer, SBI credit cardholders would be able to choose an option to convert their ticket purchases on jetairways.com into a 0% EMI with tenure of six months.

SBI rolls out mobile banking service

On successful completion of mobile banking service on pilot basis, SBI has finally launched its mobile banking

service, 'State Bank Freedom'. Some of the services being provided by the bank through the new initiative include phone top-up and utility bill payment. Also, one can transfer fund upto Rs.50,000 if one's cell-phone is application based. Otherwise, one will be allowed fund transfer upto Rs.1,000 only. Some of the other facilities available through the new initiative include balance enquiry, mini statement for last five transactions, order for the issuance of a cheque book and fund transfer within the bank. The bank is reportedly in talks with 'Grahak' to provide some other facilities such as purchase of tickets for train, airline or even a movie.

SSLL, SBI in pact to give farm loans

Agri-Logistics player, Shree Shubham Logistics (SSLL) has entered into an agreement with SBI to offer loans to farmers against warehouse receipts. Farmers can secure post-harvest credit facilities by keeping their produce in SSLL owned and controlled warehouses to avoid distress-selling of the same and can avail loans from SBI against the receipts.

Financial Basics

Depository Transfer Check

A check used by a designated collection bank for depositing the daily receipts of a corporation from multiple locations. Depository transfer checks are one method of ensuring better cash management for companies that collect cash at multiple locations. A third-party information service first transfers data on the day's receipts from the facility manager at each location to a concentration bank. Based on that data, the concentration bank then creates DTCs for each deposit location and enters them into the check-processing system. A DTC is also known as a "depository transfer draft."

Glossary

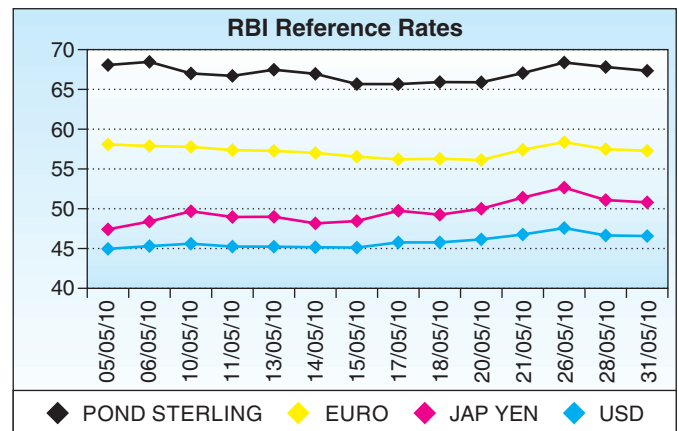
Commercial Paper

CPs are short-term debt instruments, which are issued by the corporate to institutional investors, typically for financing of accounts receivable, inventories and meeting short term liabilities. The tenor can range from seven days to even up to a year. Typically, CPs tend to be more popular when the market is flush with funds and institutional investors are looking at avenues to deploy short-term money. From the investor's perspective, CPs are liquid instruments as they are tradeable in the secondary market. The debt is usually issued at a discount, reflecting prevailing market rates.

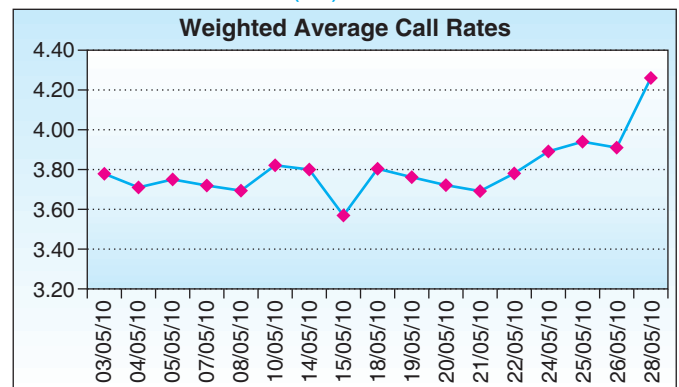
Reverse Mortgage

A type of mortgage in which a homeowner can borrow money against the value of his or her home. No repayment of the mortgage (principal or interest) is required until the borrower dies or the home is sold. After accounting for the initial mortgage amount, the rate at which interest accrues, the length of the loan and rate of home price appreciation, the transaction is structured so that the loan amount will not exceed the value of the home over the life of the loan. Often, the lender will require that there can be no other liens against the home. Any existing liens must be paid off with the proceeds of the reverse mortgage.

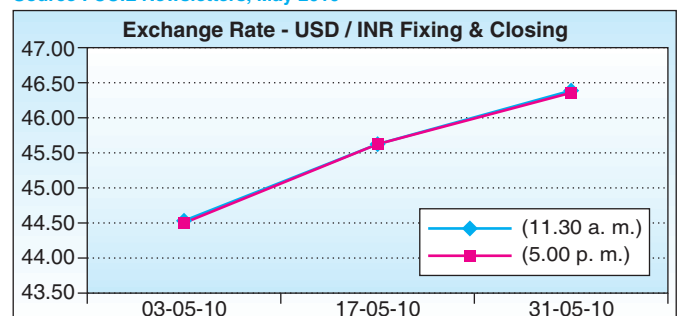
Market Roundup



Source : Reserve Bank of India (RBI)



Source : CCIL Newsletters, May 2010



Source : Fedai



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News From the Institute

Important Notice to the Candidates for the CAIB Examination

The Institute will be launching the modified structure for CAIB examination from December, 2010 onwards. For this purpose the Institute has completely revised and restructured the syllabus for the CAIB Examination in consultation with all its stake holders.

Revised (2010) Syllabus

Candidates to the new CAIB examination will have to write two compulsory papers and one optional paper. The list of compulsory papers and elective papers are given below. Among the eleven elective papers the candidate will have to choose one elective paper.

I. COMPULSORY PAPERS

1. Advanced Bank Management
2. Bank Financial Management

II. OPTIONAL PAPERS (Select one)

1. Corporate Banking
2. Rural Banking
3. International Banking
4. Retail Banking
5. Co-operative Banking
6. Financial Advising
7. Human Resources Management
8. Information Technology
9. Risk Management
10. Central Banking
11. Treasury Management

The course content has been carefully developed so as to be relevant to the modern banking workspace and SBUs of the banks particularly in an era of vertical based banking operations.

The details of the syllabus & course content, examination rules can be viewed at <http://www.iibf.org.in>.

Courseware for the compulsory and elective subjects are under print and will be published by end of July 2010. The translation of the courseware in Hindi is underway and in due course the candidate should be able to download the same from the Institute's portal.

January 2011 Exam

The revised syllabus is being introduced from Dec 2010 / Jan 2011 examination. Therefore both (a) Candidates enrolling first time for the CAIB examination and (b) candidates who desire to re-enroll for CAIB examination i.e. after

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having availed four (4) permissible consecutive attempts and not completing examination will have to submit their applications under the Revised (2010) Syllabus. These candidates cannot apply for the examination under previous syllabus. In fact the institute will not accept any new application under the old pattern. Accordingly the old pattern examination will cease to exist after Dec 2011.

It is recommended that candidates who had enrolled for CAIB for December 2009 examination and have completed two attempts in the CAIB examination as of June 2010 without passing any paper so far may consider applying under the new syllabus instead of enrolling for 2nd block of 2 attempts under the old syllabus.

For Candidates already enrolled for CAIB examination under old syllabus :

- The present time limit of four consecutive attempts for passing the examination will continue.
- Candidates can however move to the Revised Syllabus (2010) even before availing all four (4) permissible consecutive attempts.
- Candidates will not get credit for subject/s passed, if any, under the old syllabus as the course has been completely revamped and re-structured.
- No new candidate for the old syllabus will be enrolled effective from November 2010. New candidates necessarily need to enroll for revised syllabus only.

For those who have already passed CAIB.

In order to address the needs of continuous professional development, candidates, who are already CAIB, can appear for elective subjects of their choice. On passing the same the candidate will be given a certificate on the given elective as a post CAIB qualification. However as the Examination of all elective papers will be conducted simultaneously, candidates can apply for only one elective paper at a time. In due course the institute will link such additional qualifications for the award of its Associate Membership to the candidates.

For details of syllabus, application forms and dates of examination etc., visit <http://www.iibf.org.in>.

Certificate course in Project Finance

Enrollment is open for 11th batch of Certificate in Project Finance at IFMR campus, Chennai scheduled from 23rd August to 28th August 2010 (for details see website www.iibf.org.in)

Micro & Macro Research :

Micro & Macro Research proposals are invited. For details please visit website www.iibf.org.in.

To,

INDIAN INSTITUTE OF BANKING & FINANCE

'The Arcade', World Trade Center, 2nd Floor, East Wing, Cuffe Parade, Mumbai - 400 005.

Tel. : 2218 7003 / 04 / 05 ● Fax : 91-22-2218 5147 / 2215 5093

Telegram : INSTIEXAM ● Email : iibgen@bom5.vsnl.net.in

Website : www.iibf.org.in