



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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Banking Policies

RBI to allow standalone primary dealers in term-repo auctions

With a view to addressing the expected tightening of liquidity conditions in March on account of advance tax payments by corporates and in order to provide flexibility to the banking system in its liquidity management towards March-end 2016, the Reserve Bank of India (RBI) will inject adequate additional liquidity using a combination of appropriate instruments, while continuing with its normal Liquidity Adjustment Facility (LAF) operations. RBI said that as a special case, Standalone Primary Dealers will be allowed to participate along with other eligible participants in four regular term repo auctions to be conducted during the fortnight starting from March 19, 2016 within the usual notified amount.

RBI allows additional 3% of NDTL under FALLCR

RBI has allowed banks to reckon Government securities (G-secs) held by them up to another 3% of their NDTL under the Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) within the mandatory SLR requirement as level one [High Quality Liquid Assets \(HQLA\)](#) for computing the Liquidity Coverage Ratio (LCR).

Banking Developments

Only online filing of FDI forms

RBI has mandated Authorized Dealers (AD) category-I banks to file Advanced Remittance Form (ARF), Foreign Collaboration General Permission Route (FC-GPR) and Foreign Collaboration Transfer of Shares (FC-TRS) only through the online mode on e-Biz portal, starting February 8, 2016. Physical filing of these forms will be discontinued thereafter.

RBI panel for interest rate options

The Technical Advisory Committee (TAC) of the Reserve Bank of India on Financial markets, at its meeting held on April 21, 2015 had constituted a Working Group (Chairman: Prof P.G. Apte) to comprehensively look into all relevant issues and give recommendations on the framework for introduction of Interest Rate Options in India. The working group recommends to begin with, simple call and put Options, caps, floors, collars and swaptions. Complex structures may be introduced subsequently.

RBI buys Rs.10,000 crore via OMOs

To ease liquidity in the bond market, RBI has purchased Rs.10,000 crore of bonds through its Open Market Operations (OMOs).

Small Savings Scheme aligned to market rate of Govt. securities

Interest rate of Small Savings Scheme will be recalibrated w.e.f. 1.4.2016 on a quarterly basis. The Finance Ministry has announced a new interest rate regime for small savings schemes that will be aligned to the yield on government securities. The return on short-term small savings schemes has been cut by 25 bps. The objective of making the operation of National Savings Scheme market oriented is in the interest of social objective and promoting long term savings.

RBI issues fresh directions to banks on new accounting standards

RBI has issued new directives to banks on implementation of International Financial Reporting Standards-converged Indian Accounting Standards (Ind AS). Banks will need to submit proforma Ind AS financial statements to the RBI from the half year ended September 30, 2016, onwards.

Regulator's Speak...

Performance-linked capital infusion will add value to banks

Mr. R. Gandhi, Deputy Governor, RBI, said “the move to link budgetary capital allocation with performance needs to be seen as a serious attempt to convey the right signals to all banks to introspect and, if necessary, redefine their business strategies. In other words, in the long run, the new norms will be value enhancing for the public sector banks”.

Balance-sheet clean-up hits banks for long-term good

Dr. Raghuram Rajan, Governor, RBI has said, “while the profitability of some banks may be impaired in the short run, the system, once cleaned, will be able to support economic growth in a sustainable and profitable way. The economic assets of our public sector banks, such as the trust they are held in by the population, their knowledgeable employees, their location and reach, and the low-cost funding they have access to, can then be fully realized”.

Speedy bankruptcy code to level playing field for small firms: Dr. Rajan

Dr. Raghuram Rajan, Governor, RBI opines that an operational and speedy bankruptcy code will level the playing field for small firms. He has also asserted that a basic safety net focused on individuals rather than firms will aid the proliferation of free enterprise. The Governor pointed out that India has come a long way in encouraging free enterprise and graduates increasingly want to start business or work for start-ups rather than go to an established consultancy or bank.



Insurance

Insurers can't restrict purchase of policy: IRDAI

To prevent unhealthy market practices, the IRDAI has clarified that there shall be no restriction whatsoever on sourcing/servicing of motor insurance business (including personal accident policies, wherever applicable) by any agent/intermediary or insurer/insurance office on the ground that they have tie-up with any motor dealers/manufacturers etc.

Economy

RBI's professional forecasters' survey sees growth at 7.8%

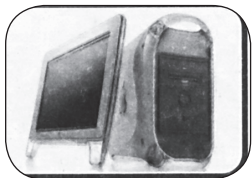
RBI's Professional forecasters' survey says that the country's Gross Value Added (GVA) economic growth will be at 7.4% in 2015-16 and at 7.8% in 2016-17.

CSO pegs 2015-16 growth at 7.6%

According to the Central Statistics Office (CSO), the growth in Gross Domestic Product (GDP) during 2015-16 is estimated at 7.6 per cent as compared to the growth rate of 7.2 per cent in 2014- 15.

New Appointments

Name	Designation/Organisation
Mr. Ramesh S. Singh	Executive Director, Dena Bank.
Mr. Mayank K. Mehta	Executive Director, Bank of Baroda.
Mr. Vinod Kathuria	Executive Director, Union Bank of India.
Mr. J.K. Garg	Managing Director & Chief Executive Officer, Corporation Bank
Mr. R. Subramania Kumar	Executive Director, Indian Bank.
Mr. Manoj Mittal	Deputy Managing Director, Small Industries Development Bank of India (SIDBI).
Mr. A.S. Rajeev	Executive Director, Indian Bank.
Mr. Ajay Kumar Kapur	Deputy Managing Director, Small Industries Development Bank of India (SIDBI).
Mr. Dina Bandhu Mohapatra	Executive Director, Canara Bank.



Products & Alliances

Organisation	Organisation tied up with	Purpose
State Bank of India (SBI)	Thomas Cook India	To offer Holiday Savings Account (HAS) to its customers in association with Thomas Cook.

Forex

Benchmark Rates for FCNR (B) Deposits applicable for the month of March, 2016

Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.73900	0.84350	0.94200	1.02310	1.14500
GBP	0.60260	0.7287	0.7611	0.8162	0.8871
EUR	-0.18200	-0.203	-0.168	-0.096	-0.006
JPY	-0.07880	-0.160	-0.183	-0.163	-0.124
CAD	0.92000	0.812	0.822	0.851	0.906
AUD	2.11200	2.018	2.020	2.199	2.260
CHF	-0.83750	-0.901	-0.862	-0.781	-0.684
DKK	0.07000	0.0976	0.1588	0.2433	0.3650
NZD	2.45000	2.410	2.470	2.560	2.670
SEK	-0.51480	-0.415	-0.227	-0.007	0.215
SGD	1.81000	1.930	2.050	2.160	2.250
HKD	0.94000	1.140	1.200	1.300	1.430
MYR	3.71000	3.630	3.650	3.720	3.780

Source: www.fedai.org.in

Foreign Exchange Reserves

Item	As on February 26, 2016	
	₹ Bn.	US\$ Mn.
	1	2
Total Reserves	23,667.7	3,46,788.2
(a) Foreign Currency Assets	22,186.9	3,25,026.5
(b) Gold	1,201.2	17,696.7
(c) SDRs	101.8	1,479.9
(d) Reserve Position in the IMF	177.8	2,585.1

Source: Reserve Bank of India (RBI)

Glossary

High Quality Liquid Assets (HQLA)

Assets are considered to be High Quality Liquid Assets (HQLA) if they can be easily and immediately converted into cash at little or no loss of value. The liquidity of an asset depends on the underlying stress scenario, the volume to be monetised and the timeframe considered.

Financial Basics

Duration

Duration (Macaulay duration) measures the price volatility of fixed income securities. It is often used in the comparison of interest rate risk between securities with different coupons and different maturities. It is defined as the weighted average time to cash flows of a bond where the weights are nothing but the present value of the cash flows themselves. It is expressed in years. The duration of a fixed income security is always shorter than its term to maturity, except in the case of zero coupon securities where they are the same.

Institute's Training Activities

Training Programme Schedule for the month of April 2016

S.No.	Name of the Programme	Dates	Location
1.	Programme on Presentation Skills for the Trainers of IDBI Bank.	7th to 8th April 2016	Bhubaneswar
2.	Recovery Management	20th to 22nd April 2016	Mumbai
3.	Certified Credit Officers - Post Exam Training	25th to 29th April 2016	Mumbai
4.	Housing Finance	25th to 27th April 2016	Mumbai
5.	Certified Banking Compliance Professionals- Post Exam Training	25th to 29th April 2016	New Delhi
6.	Certified Credit Officers - Post Exam Training	25th to 29th April 2016	Chennai

News from the Institute

IIBF's Android Mobile App

IIBF's Android Mobile App is available on Google Play Store for download. After downloading the application, the user needs to provide basic information to get started (Member name, e-mail and mobile number). Using this application, candidate/member will be able to get information about the Institute, Membership, Examinations, Training, Books & Periodicals.

IIBF on Social Media

The Institute is on Facebook & YouTube. Feedback from members is requested.

Bank Quest Themes for next issues

The themes for next five issues of "Bank Quest" are identified as:

July-September, 2016: Stressed Account Management & Financial Stability

October-December, 2016: Digital Banking

January-March, 2017: Business Analytics

April-June, 2017: Challenges in Infrastructure financing

KYC/AML & Customer Service Examination

The Institute will hold the Certificate Examinations in AML/KYC & Customer Service Examinations on a quarterly interval from April 2016 onwards. For details visit www.iibf.org.in.

In addition, these examinations will be conducted at IIBF test centres at Mumbai and Kolkata on 2nd and 4th Saturdays in the month of August and September, 2016.

Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF)

The last date for submitting application for Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) – 2015-16 has been extended upto 31.03.2016. For details visit www.iibf.org.in

Cut-off Date of Guidelines /Important Developments for Examinations

In respect of the exams to be conducted by the Institute during May / June of a calendar year, instructions / guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December of the previous year will only be considered for the purpose of inclusion in the question papers.

In respect of the exams to be conducted by the Institute during November / December of a calendar year, instructions / guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June of that year will only be considered for the purpose of inclusion in the question papers.

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 and other sources. These are important from examination view point. For details visit www.iibf.org.in.

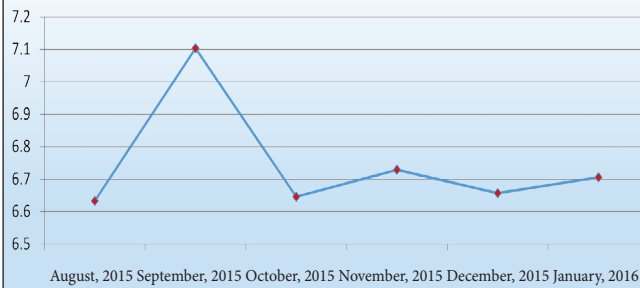
Green Initiative

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

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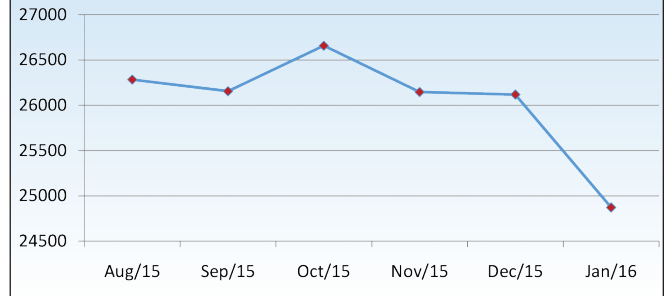
Market Roundup

Weighted Average Call Rates



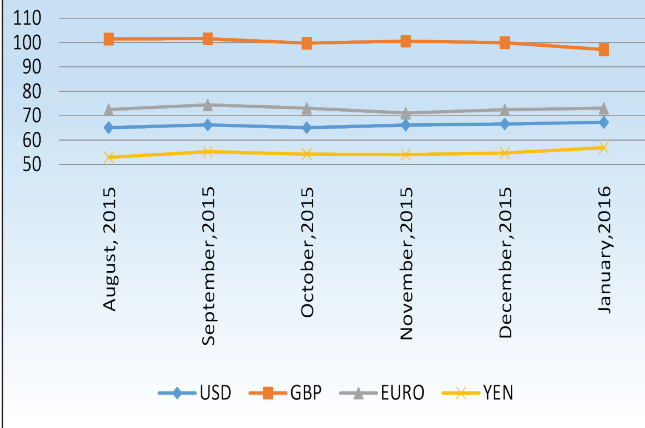
Source: CCIL Newsletters, 2015-16

BSE Sensex



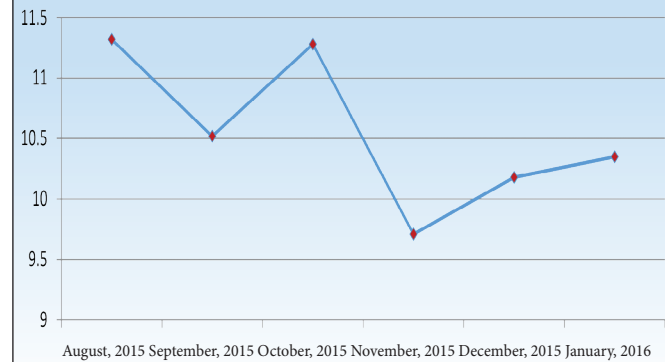
Source: Bombay Stock Exchange (BSE)

RBI Reference Rate



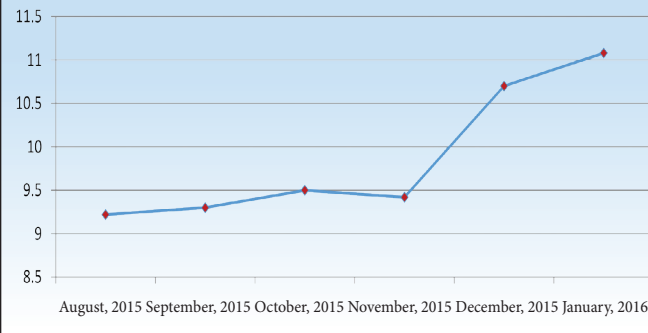
Source: Reserve Bank of India (RBI)

Aggregate Deposit Growth %



Source: CCIL, Monthly Economic Review, February 2016

Non-food Credit Growth %



Source: CCIL, Monthly Economic Review, February 2016

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