



Committed to professional excellence

# IIBF VISION

Volume No. : 10

Issue No. : 4

November 2017

No. of Pages - 8

## 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****Fourth Bi-monthly Monetary Policy 2017-18**

The Reserve Bank of India (RBI) announced the fourth bi-monthly monetary policy 2017-18 on October 4, 2017. Key highlights of the monetary policy are:

- Statutory Liquidity Ratio (SLR) reduced by 50 bps from 20.0% to 19.50% of banks' net demand and time liabilities (NDTL) from the fortnight commencing October 14, 2017.
- Corporate borrowers having aggregate fund-based and non-fund-based exposure of ₹5 crore and above from any bank should obtain Legal Entity Identifier (LEI) registration and the same to be captured in the Central Repository of Information on Large Credits by banks.

**RBI specifies eligibility criteria, prudential norms for NBFC-P2P lenders**

The Reserve Bank of India (RBI) has issued guidelines comprising of eligibility criteria and prudential norms for all NBFC-Peer-to-Peer (NBFC-P2P) lenders. Accordingly, no NBFC-P2P shall commence or continue the business of a P2P lending platform without obtaining a Certificate of Registration (CoR) from RBI. Existing NBFC-P2Ps will have to apply for CoRs within the next three months. To be eligible as an NBFC-P2P, a company must have net owned funds of not less than ₹2 crore. NBFC-P2Ps will not be entitled to raise deposits or lend on their own. They cannot provide or arrange any credit enhancement or credit guarantee to borrowers. Secured lending linked to such platforms is also prohibited. NBFC-P2Ps will have to render services for recovery of loans originated on the platform. P2P lenders will have to maintain a leverage ratio not exceeding 2. The aggregate exposure of a lender to all borrowers at any point of time, across all P2Ps, shall be capped at ₹10 lakh. The exposure of a single lender to the same borrower, across all P2Ps, shall not exceed ₹50,000. The maturity of loans will be limited to 36 months.

**RBI launches third tranche of Gold Bonds this year**

The RBI has launched its third tranche of gold bonds this year, at ₹2,956 a gram. Online applicants paying digitally will get a ₹50 discount per gram between Monday and Wednesday of every week, starting from October 9 up to December 27. The 2.5% interest bearing bonds, which will be sold to resident Indians - individuals, trusts, charitable institutions and universities - will be capped for different category buyers. Individuals, jointly with another individual or a minor can buy up to 4 kgs of gold annually, whereas the ceiling for trusts and charities is 20 kgs. This ceiling excludes holdings as collateral by banks and other financial institutions.

**Linking Aadhaar to bank accounts mandatory**

RBI has made it mandatory to link the unique identity number Aadhaar with bank accounts, saying, these rules have statutory force and banks have to implement them without awaiting further instructions. Existing bank account holders have been asked to furnish the Aadhaar number issued by the Unique Identification Authority of India by December 31, 2017, failing which the account will cease to be operational.

**RBI sets up task force on public credit registry**

The RBI has set up a high-level task force on a Public Credit Registry (PCR) for India, to help improve ease of doing business and control delinquencies. The 10-member panel headed by Mr. Y. M Deosthalee, former

CMD of L&T Finance Holdings, will review the current availability of information on credit in India. RBI had been long considering setting up a transparent and comprehensive PCR with an extensive database of credit information accessible to all stakeholders.

## Banking Policies

### RBI facilitates interoperability between m-wallets, bank accounts

RBI has paved the way for achieving interoperability between mobile wallets and bank accounts. Interoperability shall be enabled in phases for Prepaid Payment Instruments (PPIs). In the first phase, PPI issuers - both bank and non-bank entities - shall make all Know Your Customer (KYC)-compliant PPIs issued in the form of wallets interoperable amongst themselves through Unified Payments Interface (UPI) within the next six months. The right to issue open system PPIs continues to rest exclusively with banks. Non-bank entities can only issue semi-closed PPIs, which do not allow withdrawal of funds.

## Regulator's Speak

### Higher provisioning will accord resilience to balance sheets of banks

Stressing on the need for higher provisioning, Mr. N. S. Vishwanathan, Deputy Governor, RBI said that the required provisioning for the NPA (Non-Performing Asset) accounts referred for insolvency regulation, will make the balance sheets of banks more resilient. RBI has directed banks to set aside 50% of the loan amount as likely losses for all NPA accounts that it has referred to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code (IBC). The provisioning should be 100% in such of these cases that fail to get resolved under insolvency proceedings and are forced into liquidation.

### Bank recap plan is a monumental step

RBI Governor Dr. Urjit Patel has termed the bank recapitalization plan as a 'monumental step forward' in safeguarding India's economic future. In accordance with the recap plan, Finance Minister Mr. Arun Jaitley had announced that ₹2.11 lakh crore would be infused in PSU banks over two years, of which ₹1.35 lakh crore will be through recapitalization bonds. The remaining ₹76,000 crore would be from the budgetary support and market raising.

## New Appointments

Name	Designation/Organization
Mr. Rajnish Kumar	Appointed as Chairman of the State Bank of India (SBI)
Mr. Matam Venkata Rao	Appointed as Executive Director of Canara Bank
Dr. Rajesh Yaduvanshi	Appointed as Executive Director of Dena Bank
Mr. Jayant Rikhye	Appointed as Head of Strategy for the Asia-Pacific Region of HSBC Bank

## Forex

Foreign Exchange Reserves		
Item	As on October 29, 2017	
	₹ Bn.	US\$ Mn.
	1	2
1 Total Reserves	26,021.2	399,921.0
1.1 Foreign Currency Assets	24,387.5	374,908.0
1.2 Gold	1,388.2	21,240.5
1.3 SDRs	97.6	1,499.6
1.4 Reserve Position in the IMF	147.9	2,272.9

Source: Reserve Bank of India (RBI)

Benchmark Rates for FCNR(B) Deposits applicable for November 2017					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	1.62600	1.79900	1.91220	1.99660	2.08500
GBP	0.63940	0.8509	0.9498	1.0310	1.1048
EUR	-0.25000	-0.189	-0.069	0.063	0.209
JPY	0.02750	0.050	0.065	0.090	0.116
CAD	1.79000	1.794	1.899	1.977	2.037
AUD	1.80000	1.950	2.078	2.363	2.440
CHF	-0.60750	-0.543	-0.413	-0.324	-0.214
DKK	-0.12780	-0.0470	0.0805	0.2304	0.3870
NZD	2.02160	2.160	2.323	2.484	2.635
SEK	-0.42500	-0.230	-0.023	0.180	0.380
SGD	1.27000	1.470	1.640	1.780	1.910
HKD	1.28000	1.550	1.740	1.860	1.960
MYR	3.53000	3.610	3.650	3.730	3.780

Source: www.fedai.org.in

## Glossary

### Public Credit Registry (PCR)

Credit registries are generally developed to support the state's role as a supervisor of financial institutions. Where credit registries exist, loans above a certain amount must, by law, be registered in the national credit registry. Credit registries tend to monitor loans made by regulated financial institutions. One of the main differences in comparison with credit bureaus is that credit registries tend to be public entities and are usually managed by central banks or bank supervision agencies.

## Financial Basics

### Priority Sector Lending Certificates (PSLCs)

Priority Sector Lending Certificates (PSLCs) are a mechanism to enable banks to achieve the priority sector lending target and sub-targets by purchase of these instruments in the event of shortfall and incentivizes surplus banks as it allows them to sell their excess achievement over targets thereby enhancing lending to the categories

under priority sector. Under the PSLC mechanism, the seller sells fulfilment of priority sector obligation and the buyer buys the obligation with no transfer of risk or loan assets.

## Institute's Training Activities

### Training Programmes for the month of of November / December 2017

Name of the Programme	Dates	Location
Post Examination Class room Learning for Certified Credit Officers	15 <sup>th</sup> - 19 <sup>th</sup> November	Mumbai
Bank Executives Programme	20 <sup>th</sup> - 24 <sup>th</sup> November	Mumbai
Recovery Management	4 <sup>th</sup> to 6 <sup>th</sup> December	Mumbai
Treasury Management for Co-operative Banks and RRBs	11 <sup>th</sup> to 13 <sup>th</sup> December	Mumbai
First Time Branch Manager	13 <sup>th</sup> - 18 <sup>th</sup> November	Chennai
Programme on Credit Monitoring	22 <sup>nd</sup> to 24 <sup>th</sup> November	Chennai
SME Financing	11 <sup>th</sup> to 15 <sup>th</sup> December	Chennai
Trainers Training Programme	4 <sup>th</sup> to 8 <sup>th</sup> December	Kolkata
Balance Sheet Reading and Ratio Analysis	13 <sup>th</sup> to 14 <sup>th</sup> November	Delhi
KYC / AML / CFT	4 <sup>th</sup> to 6 <sup>th</sup> December	Delhi

## News from the Institute

### Capacity Building in banks

RBI vide its notification dated 11th 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.

Further, RBI vide its letter dated 31<sup>st</sup> May 2017, addressed to IBA and copy endorsed to IIBF has stated that the Certificate Course in Foreign Exchange offered by IIBF in association with FEDAI will be a mandatory certification for all bank employees who are working or desirous of working in the area of foreign exchange operations including treasury operations.

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
5	Foreign Exchange	Certificate course in Foreign Exchange offered in association with FEDAI

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 Certified Credit Officer course is scheduled to be held monthly starting October 2017 to March 2018. Please visit the website [www.iibf.org.in](http://www.iibf.org.in) for examination registration and more details.

### “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 was open from 1<sup>st</sup> October 2017 to 7<sup>th</sup> 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

### 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.

### Call for Micro/Macro/Diamond Jubilee 2017-2018 proposals

The Institute invites Micro papers, Macro papers and application for Diamond Jubilee and CH Bhabha Banking

Overseas Research Fellowship (DJCHBBORF) 2017-2018. The last date for submitting the **Micro/Macro** papers and application for DJCHBBORF is **31<sup>st</sup> January 2018**. For more details visit [www.iibf.org.in](http://www.iibf.org.in).

### 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 (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](http://www.iibf.org.in).

### Bank Quest Themes for coming issues

The theme 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 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, THE NEWSLETTER OF INDIAN INSTITUTE OF BANKING & FINANCE

1. Place of Publication : Mumbai
2. Periodicity of Publication : Monthly
3. Publisher's Name : Dr. Jibendu Narayan Misra  
Nationality : Indian  
Address : Indian Institute of Banking & Finance  
Kohinoor City, Commercial-II, Tower-1, Kirol Road, Kurla (W), Mumbai-400 070.
4. Editor's Name : Dr. Jibendu Narayan Misra  
Nationality : Indian  
Address : Indian Institute of Banking & Finance  
Kohinoor City, Commercial-II, Tower-1, Kirol Road, Kurla (W), Mumbai-400 070.
5. Name of Printing Press : Onlooker Press, 16 Sasoon Dock, Colaba Mumbai - 400 005.
6. The name and Address of the Owners : Indian Institute of Banking & Finance  
Kohinoor City, Commercial-II, Tower-1, Kirol Road, Kurla (W), Mumbai-400 070.

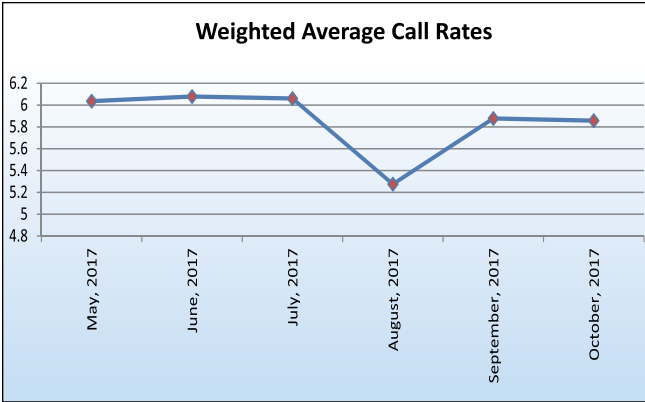
I, Dr. J. N. Misra, hereby declare that the particulars given above are true to the best of my knowledge and belief.

31.03.2017

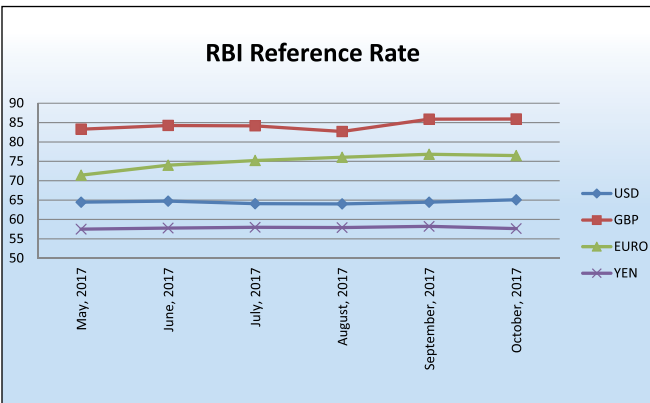
Dr. J. N. Misra  
Signature of Publisher

• Registered with Registrar of Newspapers Under RNI No. : 69228/1998

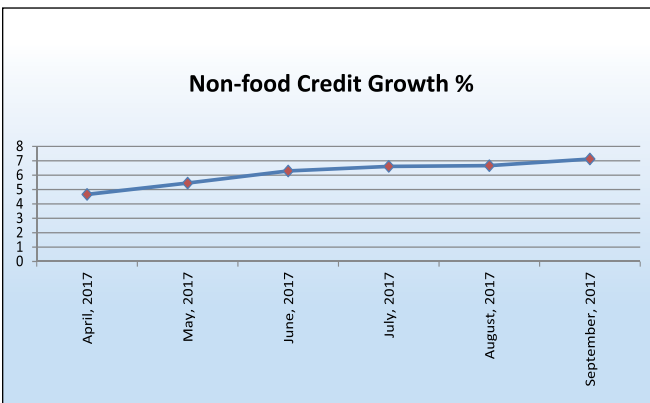
# Market Roundup



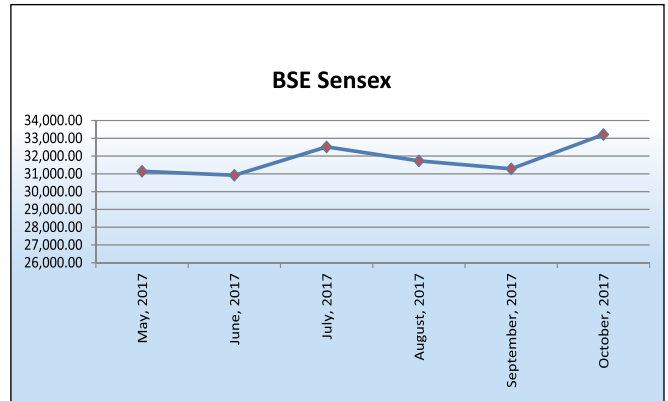
Source: CCIL Newsletter, October 2017



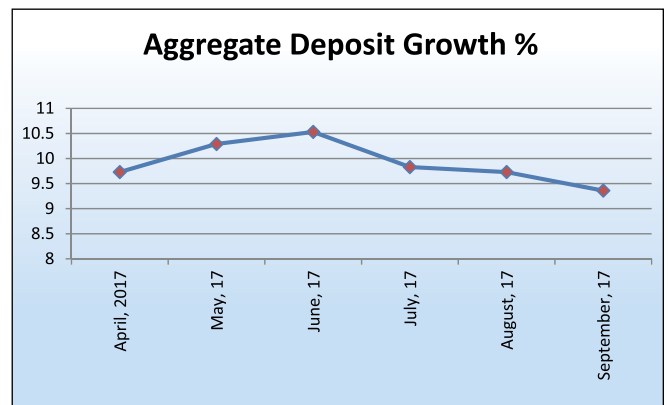
Source: Reserve Bank of India (RBI)



Source: Monthly Review of Economy CCIL, October 2017



Source: Bombay Stock Exchange (BSE)



Source: Monthly Review of Economy CCIL, October 2017

**Printed by** Dr. J. N. Misra, **Published by** Dr. J. N. Misra on behalf of Indian Institute of Banking & Finance, and **printed at** Onlooker Press 16, Sasoon Dock, Colaba, Mumbai - 400 005 and **published from** Indian Institute of Banking & Finance, Kohinoor City, Commercial-II, Tower-I, 2nd Floor, Kirol Road, Kurla (W), Mumbai - 400 070.  
**Editor :** Dr. J. N. Misra

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