



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

RBI to issue fourth tranche of Gold Bonds

The Reserve Bank of India (RBI) issued the fourth tranche of sovereign gold bonds on August 5, 2016. This is the first gold bond issue under the Sovereign Gold Bond Scheme, which can be purchased on both the National Stock Exchange of India Limited and Bombay Stock Exchange. The applications for the bonds were accepted between July 18-22, 2016.

Banking Policies

Basel III Framework on Liquidity Standards

Banks will be permitted to reckon government securities held by them up to another 1% of their Net Demand and Time Liabilities (NDTL) under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) within the mandatory Statutory liquidity ratio (SLR) requirement as level 1 High Quality Liquid Assets (HQLA) for the purpose of computing their Liquidity Coverage Ratio (LCR). Hence, the total carve-out from SLR available to banks would be 11% of their NDTL. For this purpose, banks should continue to value such reckoned government securities within the mandatory SLR requirement at an amount no greater than their current market value.

RBI eases norms for individual investor's access to G-Sec market

Reserve Bank of India (RBI) has decided to allow Demat Account Holders of National Securities Depository (NSDL) and/or Central Depository Services (India) (CDSL) to put through trades in Government Securities on the Negotiated Dealing System – Order Matching (NDS-OM) platform through their respective Depository Participant (DP) bank which is an Subsidiary General Ledger (SGL) Account Holder and a direct member of NDS-OM and the Clearing Corporation of India Limited (CCIL).

Banking Developments

RBI moots better collateral management to curb bad loans

In its Financial Stability Report, the RBI has observed that the jump in stressed assets in the banking sector (especially Public Sector Banks) has exposed certain weaknesses in the collateral management frameworks of these banks. An IT-enabled integrated collateral management framework, including a robust centralized database on collaterals, may help banks in not only monitoring the collaterals on an on-going basis but also detect incipient cases of frauds in time.

RBI eases ECB norms

RBI vide its notification RBI/2015-16/440 dated 30th June 2016 addressed to AD Category I Banks has stated that with a view to rationalizing and expediting the process of giving approval, it has been decided that External

Commercial Borrowings (ECB) proposals received in the RBI above a certain threshold limit (refixed from time to time) will be placed before the Empowered Committee. The RBI will take a final decision in the cases taking into account the recommendation of the Empowered Committee.

Select RBI offices to accept old notes

RBI will accept pre-2005 bank-notes only at select branches from 1st July 2016 as the majority of the old series banknotes have been withdrawn. The Reserve Bank has also clarified that these pre-2005 banknotes will continue to remain legal tender. The Reserve Bank of India has stated that it is a standard international practice not to have currency notes from multiple series remaining in circulation at the same time.

RBI to banks: Exchange up to 20 soiled notes for free

In an effort to improve customer service, RBI has asked banks to exchange up to 20 pieces of soiled currency notes with a maximum value of ₹5,000/- over-the-counter free of charge. The facility of exchanging mutilated or imperfect notes is available at designated bank branches and also non-chest branches. If notes are presented in bulk (where the number exceeds 20 pieces or ₹5,000 in value per day), banks will accept them, against receipt, for value to be credited later.

RBI panel to study Fin Tech and Digital Banking

RBI has set up an inter-regulatory Working Group to study the entire gamut of regulatory issues relating to Financial Technology and Digital Banking in India. The Financial Stability and Development Council - Sub Committee (FSDC - SC) at its meeting held on April 26, 2016 had decided to set up such a Working Group to look into and report on the granular aspects of Fin Tech and its implications so as to review and appropriately reorient the regulatory framework and respond to the dynamics of the rapidly evolving Fin Tech scenario.

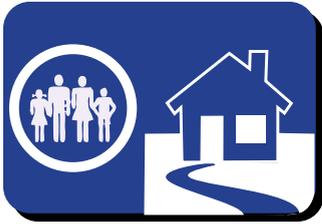
Now, non-competitive bidding facility in T-Bills for individuals

RBI has stated that the Government of India, in consultation with Reserve Bank of India, has extended the non-competitive bidding facility in [Treasury Bills \(T-Bills\)](#) to the individuals. For retail investors, the allocation will be restricted to a maximum of 5 percent of the aggregate nominal amount of the issue, within the notified amount as specified by the Government of India, or any other percentage determined by the Reserve Bank of India. The bills will be issued for a minimum amount of ₹10,000 and in multiples of ₹10,000 thereof.

Regulator's Speak

RBI asks banks to be sympathetic to calamity-hit farmers

In view of the difficulties faced by farmers in areas affected by natural calamities, RBI advised banks to act with empathy and consider restructuring and granting fresh loans without waiting for the receipt of the insurance claims, in cases where there is reasonable certainty of receipt of the claim.



Insurance

IRDAI directs insurers not to delay claims

Life Insurers may call for advance discharge vouchers in normal course at the time of making policy payments including free-look cancellation. The discharge voucher sent to policyholder/claimant should necessarily contain policy number and the nature of payment and amount of claim under different heads including deductions, if any, and other relevant details. Where the policyholder/claimant expresses unwillingness or reluctance or objection for any reason to execute the advance discharge voucher or to accept the amount, the Life Insurer should not insist on the discharge voucher or make it conditional for releasing the policy payment. In such an event the Life Insurer shall not withhold or delay the payment for this reason but make the policy payment to discharge its contractual obligations. Life insurer may preserve the proof of making the payment.

Economy

Asian Growth Steady despite weak Global Prospects; India on track

According to the Asian Development Bank (ADB), growth in 2016 and 2017, is led by South Asia, and India in particular, which continues to expand strongly. South Asia is expected to be the fastest growing sub-region, led by India, whose economy has shrugged off global headwinds and is on track to meet ADB's March fiscal year 2016 (year to March 2017) projected growth target of 7.4%, supported by brisk consumer spending and an uptick in the rural economy.

New Appointments

Name	Designation/Organisation
Mr. Sanjiv Misra	Additional Director and Non-Executive (Part-Time) Chairman, Axis Bank.
Mr. N.S. Vishwanathan	Deputy Governor, RBI.
Mr. Sudarshan Sen	Executive Director, RBI.
Mr. Puneethkumar R. Shetty	Managing Director, Abhyudaya Co-op. Bank Ltd.



Products & Alliances

Organisation	Organisation tied up with	Purpose
Nainital Bank	India First Life Insurance	For distribution of insurance products.
Axis Bank	SWIFT	For its global payments innovation initiative.
ICICI Bank		
State Bank of India	Reliance Industries Limited	For setting up a payments bank.
	World Bank	To support grid connected rooftop solar program in the country.
	IIT Bombay	To promote innovation by start-ups in the financial sector.
	Flipkart	To offer pre-approved EMI facility on purchases, to the bank's consumers
	IRCTC & Aditya Birla Group	For mobile payments.
Axis Bank	Vistara	To launch co-branded contactless credit cards.

Forex

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

Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.86600	0.94050	1.00400	1.06700	1.12800
GBP	0.36020	0.4895	0.4989	0.5299	0.5720
EUR	-0.17000	-0.190	-0.178	-0.155	-0.102
JPY	-0.03500	-0.071	-0.086	-0.093	-0.089
CAD	0.95000	0.966	0.975	0.994	1.023
AUD	1.80000	1.758	1.755	1.920	1.950
CHF	-0.68250	-0.718	-0.719	-0.693	-0.660
DKK	-0.00310	0.0125	0.0422	0.0895	0.1660
NZD	2.11960	2.080	2.095	2.133	2.184
SEK	-0.54600	-0.451	-0.335	-0.195	-0.048
SGD	1.37000	1.500	1.610	1.690	1.755
HKD	0.81000	0.900	1.020	1.090	1.170
MYR	3.38000	3.350	3.410	3.460	3.510

Source: www.fedai.org.in

Foreign Exchange Reserves		
Item	As on July 22, 2016	
	₹ Bn.	US\$ Mn.
Total Reserves	24,234.1	3,62,687.1
(a) Foreign Currency Assets	22,584.1	3,38,257.2
(b) Gold	1,391.3	20,576.4
(c) SDRs	99.1	1,476.3
(d) Reserve Position in the IMF	159.6	2,377.2

Source: Reserve Bank of India (RBI)

Glossary

Treasury Bills (T-Bills)

Treasury bill is a short-term money market instrument issued by the Government of India (GOI) through the RBI. The GOI issue T-Bills for tenures of 14 days, 28 days, 91 days, 182 days and 364 days. The T-Bill issuance calendar is announced for each half-year.

Financial Basics

Restructuring

A restructured account is one where the bank, grants to the borrower concessions that the bank would not otherwise consider. Restructuring would normally involve modification of terms of the advances/securities, which would generally include, among others, alteration of repayment period/ repayable amount/ the amount of installments and rate of interest. It is a mechanism to nurture an otherwise viable unit, which has been adversely impacted, back to health.

Institute's Training Activities

Sr. No.	Name of the Programme	Date	Location
1.	Programme on Credit Appraisal	5.9.16 - 9.9.16	Kolkata.
2.	Programme on Treasury Management for Co-operative Banks	7.9.16 - 9.9.16	Mumbai.
3.	Recovery Management	7.9.16 - 9.9.16	Mumbai.
4.	Programme for Compliance officers	15.9.16 - 17.9.16	Mumbai.

News from the Institute

Credit Appraisal Training Programme

The Institute conducted an in company Credit Appraisal Training programme for the Officers of TJSB Sahakari Bank Ltd. During 26th to 30th July, 2016. Thirty Officers of the Bank from controlling offices and branches attended this programme.

90 Hours Preparatory Classes For JAIIB/DB&F and CAIIB November/December 2016, Professional Development Centres – Northern Zone, Eastern Zone & South Zone

Professional Development Centres – Northern Zone, Eastern Zone & South Zone will be commencing 90 Hours Preparatory Classes for JAIIB/DB&F and CAIIB for November/December 2016 Examinations. For details visit www.iibf.org.in

Acceptance of Subscription in Online Mode for Bank Quest and IIBF Vision

The Institute has decided to collect subscription for Bank Quest and IIBF Vision in online mode through SBI Collect and discontinue accepting subscription through Demand Draft with effect from 1st July 2016. Subscription will be accepted only for one year. Third party payment would not be accepted. Domestic Subscribers/Organisations are requested to pay subscription directly through online mode. There is no change in mode of application of subscription for foreign subscribers. Foreign subscribers may write to Publication Department at publications@iibf.org.in for application form. Domestic Subscribers/Organisations for payment of subscription in online mode may kindly visit “Online Registration/Services” page on IIBF Website : www.iibf.org.in

The new rate of service tax

The Ministry of Finance, Department of Revenue has notified levying of 0.5% Krishi Kalyan Cess, on any or all the taxable Services w.e.f. 01st June 2016. The effective rate of Service Tax would be 14% +0.5% (Swachh Bahart Cess)+0.5% (Krishi Kalyan Cess) = 15.00%. Accordingly, the Institute has incorporated the change in all fees.

Bank Quest Themes for next issues

The themes for next 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 is holding the Certificate Examinations in AML/KYC & Customer Service Examinations on a quarterly interval from April 2016 onwards. 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.

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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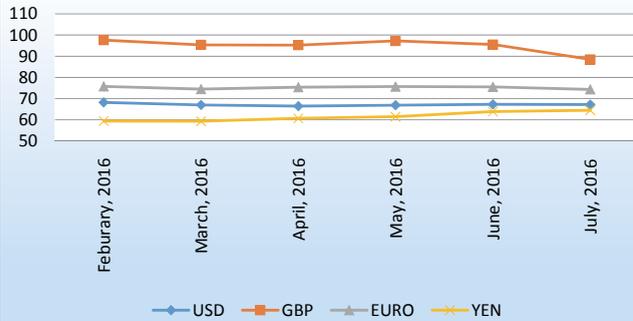
Market Roundup

Weighted Average Call Rates



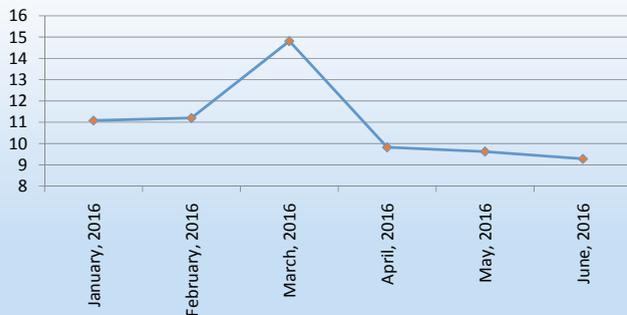
Source: CCIL Newsletters, 2016

RBI Reference Rate



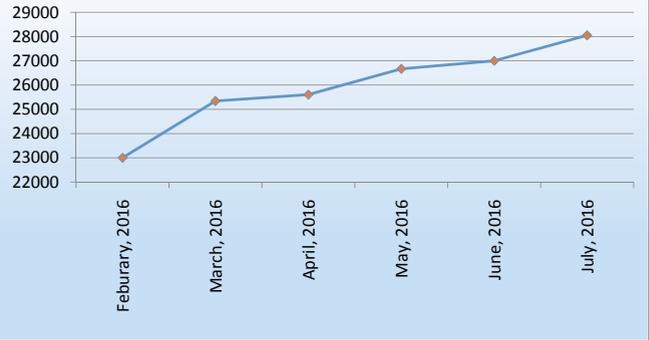
Source: Reserve Bank of India (RBI)

Non-food Credit Growth %



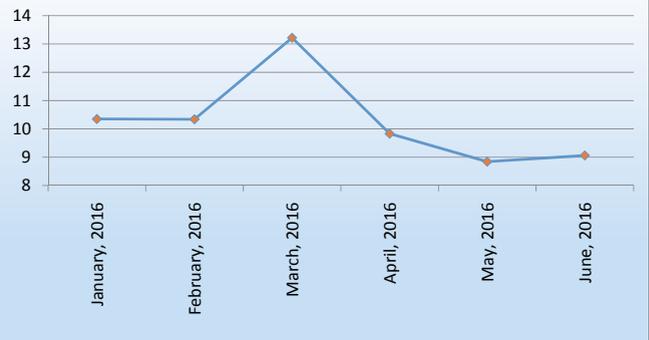
Source: Monthly Review of Economy, CCIL, July 2016

BSE Sensex



Source: Bombay Stock Exchange (BSE)

Aggregate Deposit Growth %



Source: Monthly Review of Economy, CCIL, July 2016

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