A Monthly Newsletter of Indian Institute of Banking & Finance (Rs. 40/- per annum)

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Committed to professional excellence

IIBF VISION

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Top Stories

BCs to enter mobile payment services

The rush for mobile money has now caught the fancy of firms acting BCs for banks. These entities help banks to provide financial services in rural centres. With $350 billion of payments and banking transactions expected to flow through cell phones in India by 2015, many of these companies are now in the process of introducing their own mobile transaction services. According to Boston Consulting Group (BCG), it is far less expensive to offer banking and payment services using mobile technology than setting up bank branches in remote parts of the country. "In India, electronic payments are in their infancy. Today, withdrawals through automated teller machines, rather than payments, account for more than 90% of all card transactions."

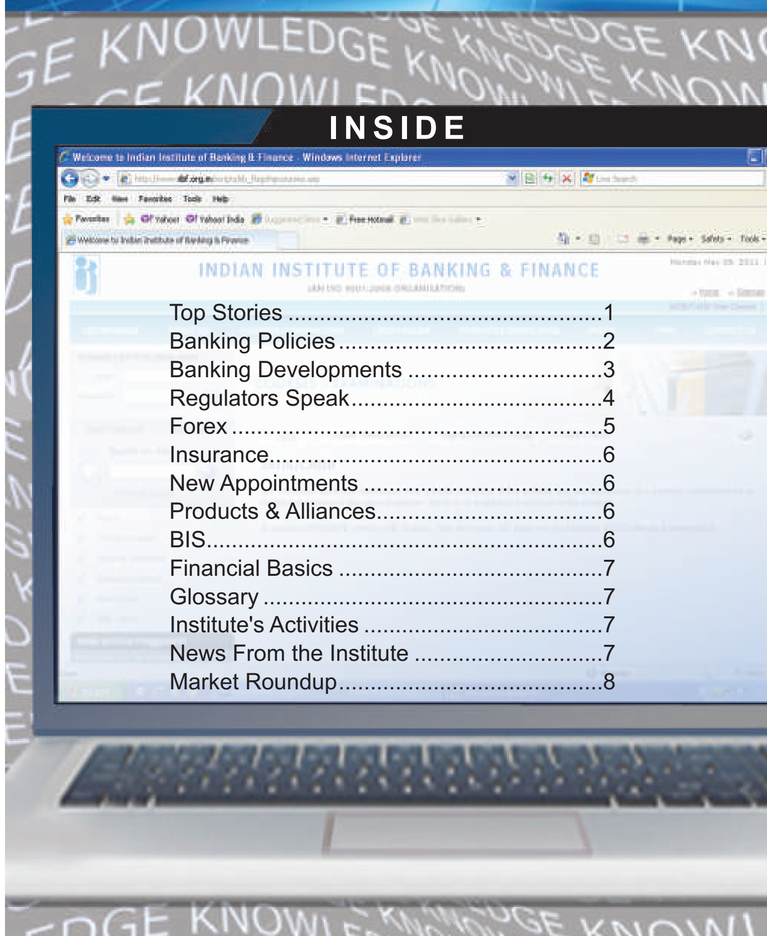
Bank branches detecting fake notes better

Counterfeit banknotes detected during FY 2010-11 were higher in magnitude at 435,607 pieces; against 401,476 in the previous year, on account of heightened awareness amongst banks and increased use of Note Sorting Machines (NSMs). Almost 90% of the identified counterfeit notes (i.e. 390,372 pieces) were detected at bank branches, reflecting an increased use of NSMs. As on April 2011, banks have installed 4,091 NSMs in the branches having average daily cash receipts of ₹50 lakh and above. Further, they have also arranged for issue of machine processed notes for another 1,823 branches. With banks accelerating the use of NSMs, the detection of counterfeit notes at the RBI's end has come down to 45,235 pieces, against 52,620 pieces last year.

Banks set first common exam for clerical staff in November 2011

The first ever Common Written Exam (CWE) for clerical positions in 19 public sector banks (PSBs) will be conducted by the Institute of Banking Personnel Selection (IBPS) in November this year. The online registration

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."



INSIDE

for the exam has commenced from August 25, 2011. Desirous candidates will have to register themselves before September 25, 2011. The score achieved by a candidate (to be valid for one year) would be used by banks while filling up vacant clerical positions to be announced in due course. They'll not need to attend any written test for jobs in participating banks again, but will directly be called for interview / personality test based on their score.

MFIs helped tackle poverty

According to a report released by the Micro-credit Summit Campaign, Micro Finance Institutions (MFIs) have helped almost 9 million households in India to overcome poverty in the last two decades by offering credit to them. About 45 million family members involved in micro finance saw their daily income rise above the threshold of $1.25 between 1990 and 2010.

Train business correspondents : RBI

As banks begin to increasingly implement financial inclusion programmes through the BC model, Dr. D. Subbarao, Governor, RBI has emphasised that the banks should train their BCs before they undertake assignments in unbanked areas. “Without adequate training most of the BCs will not be able to gain confidence among the locals. The training can be imparted by the banks through institutions like Indian Institute of Banking & Finance (IIBF) and the cost can be borne by the banks and NABARD.” The course fee for such training is estimated to be ₹4,000 per person and NABARD can refinance 75% - 100% of the fee under a special scheme being run by the institution.

Banking Policies

RBI revises bank derivatives sale norms

RBI has modified its guidelines for banks vis-a-vis offering derivative products to make them safer and user friendly. Now, the banks' compliance officer will need to submit a monthly report to its board of directors certifying that all the modified guidelines have been followed for all derivative transactions undertaken by the bank. As per the new guidelines, foreign banks operating in India can be market makers for specific products only if they have the ability to price the products locally in India. No bank can be a market maker in a product it cannot price independently. Before offering derivative products to clients, banks should obtain approval of board of the corporate authorising the concerned official of company to undertake derivative transactions on behalf of company.

LAF timing altered to curb volatility

From August 16, RBI has been conducting reverse repo auctions between 4.30 and 5 pm on all working days, except Saturdays. The move will help curtail volatility that emerged in the overnight money market after RBI discontinued its second Liquidity Adjustment Facility (LAF) in May. Banks would turn to the money market to deploy surplus funds or cover any borrowing needs, which used to result in unusual rise or fall in the rates in overnight call and the collateralised borrowing & lending obligations. Presently repo and reverse repo auctions under the LAF window are conducted between 9.30 am and 10.30 am. As per recommendations made by the Deepak Mohanty panel on LAF operations, the repo and reverse repo window open only once in the day.

RBI's operational guidelines for financial inclusion

RBI has issued operational guidelines for implementation of a transfer system for servicing low value accounts and extending banking infrastructure to under-served low income areas. The regulator has asked banks to follow the 'one district-many banks-one leader bank' model in villages whereby the designated bank under the financial inclusion plan and the fund transfer system varies. The state government shall designate the leader bank, in consultation with RBI's regional office and the state-level bankers' committee. The leader bank would secure funds from the state government and arrange to transfer funds through interbank transfer to other banks.

Banks told not to issue DD of over ₹50,000 against cash

RBI has cautioned banks not to issue demand drafts of ₹50,000 and above against deposit of cash. “Any violation of instructions will be viewed seriously” warns the apex bank, adding “The integrity of the financial system and the banking channels in particular, is of paramount importance. Thus, a breach of these guidelines will be considered a serious regulatory concern in view of the wide ranging ramifications.” RBI has ruled that demand drafts, mail transfers, telegraphic transfers and travellers cheque for ₹50,000 and above should be issued by banks only by debit to the customer's account or against cheques or other instruments tendered by the purchaser and not against cash payment. This applies even to retail sale of gold / silver / platinum.

Better customer service : RBI panel to banks

Bank customers may not be penalised for non-maintenance of the minimum balance, being charged for shifting home loans, or struggling to recover money after failed ATM transactions. A committee on customer services by banks, headed by Mr. M. Damodaran, ex-SEBI Chairman has suggested sweeping changes in banking practices to RBI. These include a toll-free common call centre number for all banks, which a customer could call and then be diverted to the bank concerned. On the deposits side, the panel has emphasised that all banks should offer plain vanilla savings accounts with certain privileges like cheque facility, ATM card, etc without prescribing a minimum balance; and also not auto-renew deposit accounts without written customer consent. Insurance cover for deposits has been suggested to be raised to ₹5,00,000 from ₹1, 00,000 now.

Uniform rates for old, new borrowers

The above committee headed by Mr. M. Damodaran ex-SEBI Chairman has stated that "In a floating interest rate scenario, when an entire class of borrowers has the same characteristic and risk level, the point of entry in time should not create discrimination in interest rate offered to the customers (old & new)." The panel further says that banks should not impose exorbitant penal rates towards foreclosure of home loans to facilitate switching over to other banks or financial entities. "A policy should be devised to ensure that the customer is not denied the enhancement of his economic welfare by making choices such as switching to other banks / financial entities to enjoy the benefits conferred by market competition."

Only e-payments by PSBs from September 1

The Union Finance Ministry has now mandated all state owned banks and financial institutions to make payments only electronically. The move is aimed at checking corruption in transfer of funds through cheques and making the entire process transparent and faster. From September 1st , no cheque payments are being accepted by any of the 35 banks. The ministry is also asking insurance companies to extend the scope of e-payment to all their payees. As a part of its e-governance initiative, the ministry has asked these bodies to go for paperless fund transfer so that irregularities in payments through cheques to various parties, such as employees, vendors, customers and social sector schemes can be checked.

RBI proposal could hit lending against equities

Equity related lending for banks could get prohibitively costly (in terms of provisioning) if they opt for RBI stipulated risk weights prescribed in its draft paper on Internal Rating Based (IRB) approach for credit risk. Such stringent risk weightage is to ensure that banks curb their exposure to equity and focus on their core business of accepting deposits and lending. RBI has spelt out two approaches to calculate risk weights for equity - *viz.* the market based approach and the Probability of Default / Loss Given Default (PD / LGD) approach. Banks using the first approach have to set a 300% risk weightage for listed equity and 400% for unlisted equity if they use the "simple approach". A variant of the first model (internal models method) brings down the weightage component to 300% and 200% respectively for listed and unlisted equity. The PD / LGD model pegs the risk weight to be assigned at 1,250% for equity exposures. Indian banks' equity trading book is on an average less than 5% of their total investment book.

Banking Developments

Credit growth dips to 18.5%; deposits up 17.25%

The growth in bank advances continued to decline, owing to a rise in lending rates. Along with corporate credit, there is a slowdown in retail credit as well. As per recent RBI data, credit growth declined to 18.5% on an annual basis as on July 29, compared with 19.33% a fortnight before. Bank advances fell by ₹9,000 crore over the fortnight ended July 29.

Banks see big gains in small loans

In view of the rising cost of funds; pressure on margins; and large companies increasingly resorting to external commercial borrowings (ECBs), banks are changing track in their lending operations. They are laying more thrust on lending to the micro, small and medium enterprises (MSMEs). Although such lending entails higher risk, banks want to get more exposure to this segment as they fetch higher margins.

RBI doubles reserves for contingencies

RBI has more than doubled its reserves for contingencies this fiscal amid fears of financial instability due to the worsening European sovereign crisis and flagging US economic recovery. Financial market troubles had eroded the profitability of RBI's international transactions in its last fiscal as interest rates on safe treasury securities, such as the US and the UK, remained at record low levels. Dr. D. Subbarao, Governor, RBI has been warning of a likely instability in the global financial markets as Greece, Portugal and other peripheral nations struggle to raise funds due to high government debt. The downgrade rating of the US by Standard & Poor's has added fresh dimension to the looming global financial crises. The provisions made for contingencies reserves increased to ₹12,167.27 crore, from ₹5,168 crore a year ago.

RBI's income rises 12.73%

RBI's balance sheet has expanded significantly during the year, mainly reflecting the impact of liquidity management operations undertaken by the same. The income from foreign assets declined for the second successive year, reflecting the low interest rates in international markets. This income was however more than offset by earnings from domestic assets which have expanded. The rate of earning on foreign currency assets and gold was lower at 1.74% in 2010-11 as compared with 2.09% in 2009-10. While RBI's gross income increased by 12.73% to ₹37,070.12 crore in 2010-11, there was a 3% increase in total expenditure to ₹8,655.22 crore. The surplus transferable to the government for the year 2010-11 amounted to ₹15,009 crore. This included ₹1,322 crore payable to the government towards the interest differential on special securities converted into marketable securities. However, the earnings from domestic sources increased by ₹8,138.84 crore from ₹7,781.59 crore in 2009-10 to ₹15,920.43 crore in 2010-11, registering a growth of 104.59%.

Infrastructure loans bear ALM risk

RBI has observed that credit extended by commercial banks to infrastructure is constrained by the risk of asset-liability mismatch (ALM). The share of bank credit to infrastructure has risen from 2.2% of gross bank credit from end-March 2001 to around 13.4% at end-March 2011. Globally, the corporate bond market plays a significant role in financing infrastructure development. In India, the corporate bond market is underdeveloped and the stock of listed non public sector debt at 2% of GDP is significantly lower vis-a-vis that of other emerging market economies such as Malaysia, Korea and China.

Base Rate system more responsive to policy rate hikes

There has been a greater convergence amongst banks in fixing the Base Rate over time vis-a-vis under the earlier Benchmark Prime Lending Rate (BPLR) system. As a result, the Base Rate system is found to be more responsive to hikes in policy rates compared with the BPLR system, said Reserve Bank of India's Annual Report 2010-11. This has been reflected in the average increase in the Base Rate by public and private sector banks since July 2010. The pace of increase in policy rate was initially slow but picked up momentum during December, 2010 - February, 2011. Also, the number of days taken by these banks to raise their Base Rates went down during this period. However, following gradual moderation in the growth of non-food credit, the pace of increase in Base Rate relative to that of the repo rate slowed down from February 2011 onwards, while the number of days taken to raise the Base Rate also increased. Banks have also become more responsive to increase in policy rates by RBI, post the Base Rates. As a result, the assessment of the transmission of monetary policy has strengthened under the new system, from that under the BPLR system.

Basel-III not enough for global play

According to a study by Boston Consulting Group (BCG), Indian banks need a more enabling regulatory environment to be at par with global standards, "Basel-III is not enough. RBI needs to create a centre for excellence in risk management," says Mr. Saurabh Tripathi, Partner & Director, BCG. The study recommends a regulatory shift where RBI will define a new paradigm going beyond Basel-III. BCGs recommendations include sponsoring a risk management centre for research and training; encouraging mobile technology to achieve low cost financial inclusion; and introducing productivity metrics in mandatory reporting by banks.

Banks favour three-month CDs

The short-term Certificates of Deposit (CD) market has seen a spike in coupons, with banks preferring to borrow only for the near term hoping that interest rates will soften going forward. "Banks are issuing CDs for a three-month tenure rather than borrowing for a longer term as they don't want to lock in at higher rates at this point" says Mr. T. S. Srinivasan, GM treasury, IOB. Since demand for credit is slow, there is not much pressure on banks to mobilise resources.

Regulators Speak...

Keeping liquidity in deficit mode necessary, but not easy

According to Mr. Deepak Mohanty, Executive Director, RBI, keeping systemic liquidity in a deficit is a challenge for effective transmission of monetary policy "Our empirical evidence suggests that the transmission of policy signals to the operating target and other short-term market interest rates is most effective under deficit liquidity conditions." Since May, RBI has moved towards a single policy rate. The past three months' experience has suggested that the overnight interest rate was more stable, following implementation of the new procedure.

No trade-off between growth, inflation

RBI has indicated that economic expansion may be slower due to the tight monetary policy in the short term, but there is no question of a long-term trade-off between the two. "The long-term picture shows that a sustained period of high growth is typically correlated with sustained period of low inflation," says Dr. Subir Gokarn, Deputy Governor, RBI. He defends the RBI's stand of aggressive rate rises, saying inflation would have spiralled out of control if left unchecked. RBI has given priority to controlling inflation over maintaining growth.

Dollar loans are risky

Dr. K. C. Chakrabarty, Deputy Governor, RBI has discouraged Indian corporates from raising dollar denominated borrowings due to associated risks. He is also concerned over the volatility of rupee against dollar. “In any efficient market, the currency you borrow does not change your cost of funds. However, in some currencies, if the cost is lower the risk will be more. The successive rise in domestic interest rates and the consistent appreciation of rupee against dollar seems to be encouraging companies to opt for raising dollar denominated funds. We do not encourage this, as cheaper loans only attract higher risks. If the risk manifests then the companies are out of business.”

RBI not to intervene in forex market

Dr. Subir Gokarn, Deputy Governor, RBI has elucidated that, presently, RBI has no plans to intervene to prevent the movement of the rupee which is essentially a market-determined currency. Rather, RBI's immediate concern is that of the liquidity since “we do not want the market to be disrupted by constraints of liquidity. The two factors that would 'shape our stance' in the coming months are domestic demand pressure and commodity prices. Commodity prices had softened a bit in May-June. But by the time we started our July process, they had stabilised. Now if this is the beginning of a softening trend, it clearly will have some impact on our stance.”

Cost of financial services to poor is 'exceedingly large'

According to Mr. Anand Sinha, Deputy Governor, RBI, the transaction costs of financial services to the poor are 'exceedingly large' in comparison to their revenue generation potential in the short term. Mr. Sinha remarks that “the existing banking business model is unable to adequately address challenges like high transaction costs. From the demand side too, there is financial illiteracy and the consequent fear of approaching formal institutions. More than 50% of adult population - including many of the lower income categories of urban population - still remains excluded from the financial sector, due to the way in which supply of financial services is organised.”

Forex

Overseas borrowings up 25% at $3.33 billion in June

Going by the data on foreign currency borrowings, India Inc. appears to be accessing overseas markets more frequently given the relative high interest rates in the home market. Data relating to ECBs and foreign currency convertible bonds (FCCBs) have shown a sharp rise of 25% to $3.33% billion in June. The amount is way higher than over the $2.65 billion mopped up by corporates in May. Bankers back home are worried of losing out on business from top corporates who would prefer to access the overseas markets for their requirements. “These days corporates don't want rupee denominated credit. Instead, they are asking for a guarantee so that they can access 3-year loans from overseas markets,” stated Mr. Pratip Chaudhuri, Chairman, SBI, after RBI recently upped the key policy rate to 8%.

Forex reserves decline by $621 million to $316 billion

For the second week in a row, the country's foreign exchange reserves declined by $621 million to $316.605 billion during the week ended August 12. In the earlier week, the reserves had declined by $1.864 billion to $317.226 billion. The decline is mainly due to currency revaluation.

Benchmark Rates for FCNR(B) / NRE Deposits applicable for month of September 2011

LIBOR / SWAP For NRE Deposits					
Currency	LIBOR	SWAPS			
	1 Year	2 Years	3 Years		
USD	0.79811	0.5100	0.6690		
LIBOR / SWAP For FCNR(B) Deposits					
Currency	LIBOR	SWAPS			
	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.79811	0.510	0.669	0.952	1.276
GBP	1.64719	1.2800	1.4400	1.6690	1.9030
EUR	2.05375	1.539	1.708	1.910	2.132
JPY	0.55375	0.340	0.356	0.396	0.461
CAD	1.66000	1.157	1.317	1.514	1.724
AUD	5.10375	4.303	4.460	4.670	4.810

Source : FEDAI

Foreign Exchange Reserves

Item	As on August 19, 2011	As on August 19, 2011
	₹Crore	US $ Mn.
Total Reserves	14,47,725	318,220
a)Foreign Currency Assets	13,01,030	285,251
b)Gold	1,11,940	25,349
c) SDRs	21,131	4,633
d) Reserve Position in the IMF	13,624	2,987

Source : RBI

Insurance

IRDA tightens stake transfer in insurance

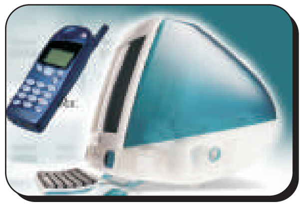
Insurance Regulation & Development Authority (IRDA) aims to control transfer and dilution of ownership in insurance companies to prevent financial investors from flipping investments for short-term gains that may hurt long-term prospects. It has proposed a series of measures including mandatory prior approval for anyone wanting to raise stake beyond 5% and anyone keen to buy 1% or more. Also, any change in the structure of shareholding pattern of an insurance company will require explicit approval of the regulator. IRDA's attempts to tighten transfers among shareholders and fresh equity investments come ahead of announcing new rules for initial public offerings (IPOs) by insurers.

IRDA draws up ALM and Stress testing norms

IRDA has laid down the framework for asset liability management (ALM) and stress testing to guard investment activities of insurance companies against fall in the equity market and movement in the interest rate market. IRDA asserts that ALM is relevant to, and critical for sound management of finances of insurers who invest to meet their future cash flow needs and capital requirements. Insurance companies will have to confirm compliance to this requirement within 45 days. To make sure that investment activities and asset positions are in line with their liability, risk profiles and their solvency positions, insurers will have to put in place procedures for monitoring and managing their asset liability positions. IRDA has asked insurers to submit investment details in case of fall of 30% in equity values and 100 bps falls in yield on fixed interest securities. Also, insurers will have to inform at the time of adverse deviation of 10% in mortality, morbidity, expenses, withdrawal, lapse rates and 25% increase or decrease in new business volumes. They will have to keep in mind scenarios risk, based on these factors while investing.

New Appointments

- Mr. M. Bhagavantha Rao has been appointed as Managing Director of State Bank of Hyderabad.
- Mr. Sonu Bhasin has been appointed as Group President of Branch Banking at YES Bank.
- Mr. A. K. Gupta has been appointed as the Executive Director of Canara Bank.



Products & Alliances

Organisation	Organisation tied up with	Purpose
Indusind Bank	Cathedral Model of United Nations	A programme in which school children from the sub continent, including Pakistan and Nepal participated. Bank strongly believes in imparting knowledge through unusual learning experiences.
Canara Bank	Canara HSBC Oriental Bank of Commerce Life Insurance Company	Micro-Insurance product will be offered on the smart cards that it provides in its financial inclusion initiative. At a premium of ₹100, the insurance will offer a cover of ₹22,500.
Kotak Mahindra Bank	Malaysia's CIMB group	Offering services of NRI banking and corporate finance in their respective countries.
IIFCL	IDBI	Takeout financing is a procedure under which loans made by banks to infrastructure firms are sold to other institutions so that banks recover their much needed funds ahead of the payment schedule under the loan agreement.

Bank for International Settlement (BIS)

In the previous issues of "Vision" we have provided inputs on BIS history, Basel Committee on Banking Supervision (BCBS), its constitution and organization and in the recent issue we have attempted to delineate the role of BIS in ensuring monetary and financial stability. It is our desire to introduce BIS to bankers with hitherto 'not very well-known' facts. We earnestly hope that the information being provided is of interest to our readers. We welcome valuable feedback on our efforts from our readers.

Continuing our forays further into unexplored terrains of BIS, in the current issue, we provide BIS initiatives to various global financial crises that appeared during the last five years.

Basel Committee's response to the financial crisis	
8 Jan. 2010	Review of the Differentiated Nature and Scope of Financial Regulation released by the Joint Forum
11 Jan. 2010	Group of Central Bank Governors and Heads of Supervision reinforces Basel Committee reform package

Basel Committee's response to the financial crisis	
22 Jan. 2010	Basel Committee publishes assessment methodology for compensation practices
16 Mar. 2010	Principles for enhancing corporate governance issued by Basel Committee
18 Mar.	Recommendations for strengthening cross-border bank resolution frameworks - final paper issued by Basel Committee
18 June 2010	Adjustments to the Basel-II market risk framework announced by the Basel Committee
16 Jul. 2010	Countercyclical capital buffer proposal - consultative document
26 Jul. 2010	The Group of Governors and Heads of Supervision reach broad agreement on Basel Committee capital and liquidity reform package
18 Aug. 2010	Assessment of the macroeconomic impact of stronger capital and liquidity requirements
19 Aug. 2010	Basel Committee proposal to ensure the loss absorbency of regulatory capital at the point of non-viability
12 Sep. 2010	Group of Governors and Heads of Supervision announces higher global minimum capital standards
4 Oct. 2010	Principles for enhancing corporate governance - final document
12 Oct. 2010	Good Practice Principles on Supervisory Colleges - final document
14 Oct. 2010	Range of Methodologies for Risk and Performance Alignment of Remuneration - consultative paper
19 Oct. 2010	The Basel Committee's response to the financial crisis : report to the G20
26 Oct. 2010	Calibrating regulatory minimum capital requirements and capital buffers : a top-down approach
9 Nov. 2010	Basel-III and Financial Stability
17 Dec. 2010	Assessing the macroeconomic impact of the transition to stronger capital and liquidity requirements - Final report
19 Jul. 2011	Global systemically important banks : Assessment methodology and the additional loss absorbency requirement - consultative document

Financial Basics

No Cash-Out Refinance

The refinancing of an existing mortgage for an amount equal to or less than the existing outstanding loan balance plus an additional loan settlement cost. It is done primarily to lower the interest rate charge on the loan and/or to change the term of the mortgage. A no cash-out refinance is also known as a 'rate and term refinance'.

Glossary

Probability of default

Probability of default (PD) is a parameter used in the calculation of economic capital or regulatory capital under Basel-II for a banking institution. This is an attribute of a bank's client. The probability of default (also call Expected default frequency) is the likelihood that a loan will not be repaid and will fall into default. PD is calculated for each client who has a loan (for wholesale banking) or for a portfolio of clients with similar attributes (for retail banking). The credit history of the counterparty / portfolio and nature of the investment are taken into account to calculate the PD.

Loss Given Default

Loss Given Default or LGD is a common parameter in Risk Models and also a parameter used in the calculation of Economic Capital or Regulatory Capital under Basel-II for a banking institution. This is an attribute of any exposure on bank's client. Exposure is the amount that one may lose in an investment.

Institute's Activities

Training Activities at Leadership Centre

- A half day workshop on Information Technology and Cyber Security was organised by the Institute on 20th August 2011 and the same was attended by 15 senior IT officials from the Banking sector.
- The Institute had organised two back to back Leadership Development Programme of 3 days each in collaboration with Australian Institute of Management, Western Australia from 29th August to 3rd September 2011. Each program was attended by 23 participants.
- TOPSIM- Universal Banking : Institute has announced a two day program on TOPSIM - Universal Banking on 20th and 21st October 2011 in collaboration with Tata Interactive Systems. For details visit www.iibf.org.in.

News From the Institute

5th R. K. Talwar Memorial Lecture

The 5th R. K. Talwar Memorial Lecture was delivered by Mr. N. Vaghul, Former Chairman, ICICI Bank on 07/09/2011 at SBI Auditorium, Nariman Point on "The Future of Finance in India". Speech is available at www.iibf.org.in.

Webex classes : Institute is organising web classes for JAIIB / DB&F and CAIIB candidates The access to the sessions will be provided to all candidates who register for November / December 2011 examinations. For details visit www.iibf.org.in.

Diamond Jubliee and CH Bhabha Banking Overseas Research Fellowship

Institute invites proposal for Diamond Jubliee and CH Bhabha Banking Overseas Research Fellowship for the year 2011-12. For details visit www.iibf.org.in.

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Mock Test

The Institute will be offering Mock Test facility to DB&F / JAIIB / CAIIB candidates with effect from 1st October 2011. For details visit www.iibf.org.in.

Project Finance

Institute is organising the 16th Certificate Course in Project Finance in collaboration with IFMR, Chennai. The campus training for the batch is scheduled from 21st November to 26th November 2011. For details visit www.iibf.org.in.

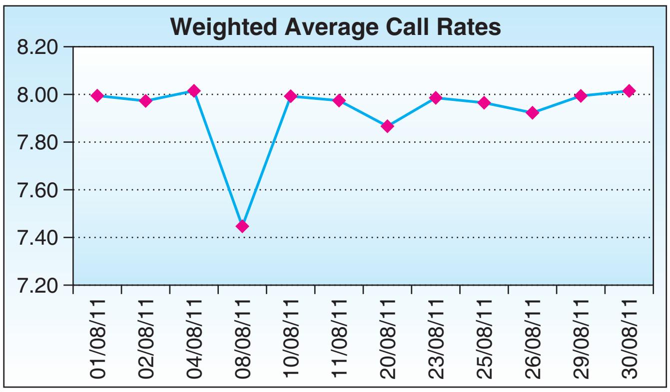
Contact classes

Contact classes will be conducted by the Zonal Offices for the forthcoming JAIIB and CAIIB examinations. For details visit www.iibf.org.in.

Additional Reading Material for IIBF examinations

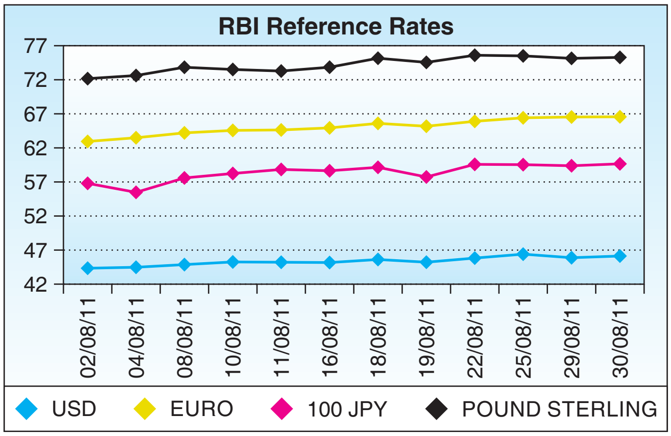
The Institute has put on its portal additional reading material for candidates taking various examinations culled out from the Master Circulars of RBI (For details visit site : www.iibf.org.in).

Market Roundup



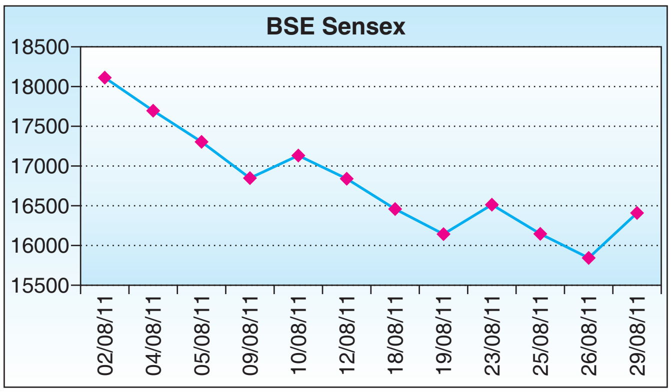
Source : CCIL Newsletters, August 2011

- Call rates during the month hovered around levels slightly below repo rate ie 8%.
- On 8th, the call rates touched a low of 7.45% indicating a liquid market.
- Market remained range bound without much volatility.



Source : Reserve Bank of India (RBI)

- The Rupee ended at 44.5450 / 5550 per dollar, 0.5% weaker than its 44.31/32 close on 3rd.
- At the end of first week, Rupee hits 5-week low, yields drop.
- On 8th, The Rupee fell to its lowest level in six weeks after the Central Bank said downside risks to growth may have increased following Standard & Poor's downgrade of the US credit rating.
- Mid month, The Rupee ended at 45.4050 / 4150 per dollar after weakening to as low as 45.4625 during trade.
- During the month, the rupee weakened against almost all major currencies, registering 4% decline against dollar.
- The rupee weakened 5.90% against Euro.
- Rupee registered decline of 4.94% and 4.62% against JPY and Sterling Pound respectively.



Source : Reserve Bank of India (RBI)

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