



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

Second Bi-monthly Monetary Policy Statement, 2019-20

The 2nd Bi-monthly Monetary policy 2019-20 was held on 6th June 2019. The Monetary Policy Committee (MPC) cut the policy rate by 25 bps and changed its stance from neutral to accommodative. The policy repo rate has been reduced to 5.75% from 6.00%. The rate cut was to accommodate growth concerns by supporting efforts to boost aggregate demand and, especially reinvigorate private investment activity, while remaining consistent with the flexible inflation.

RBI issues revised norms to deal with stressed assets

After RBI's revised framework for resolution of stressed assets was quashed by the Supreme Court in April, the apex bank issued a prudential framework for resolution of stressed assets. The new framework gives lenders a leeway to review a borrower account within 30 days of default (as opposed to the earlier 1-day rule). However, it stipulates additional provisions in case of delayed implementation of the resolution plan (RP). The revised circular is also applicable to small finance banks, systemically important NBFCs, and deposit-taking NBFCs. In cases where the RP is to be implemented, all lenders will have to enter into an inter-creditor agreement (ICA) for the resolution of stressed assets during the review period, to provide for ground rules for finalization and implementation of the RP in respect of borrowers with credit facilities from more than one lender. If the implementation of an RP crosses the stipulated 180 days from the end of the review period, the lenders have to make additional provision of 20% of the outstanding loan. If this timeline exceeds 365 days, they have to make a further provision of 15%. These additional provisions are over & above the provisions already held, or the provisions required to be made, as per the asset classification status of the borrower account.

RBI committee to review ATM Interchange Fee structure

The RBI has set up a six-member committee, headed by Mr. V.G. Kannan, Chief Executive, IBA, to review the ATM interchange fee structure, so as to give a fillip to ATM deployment in unbanked areas. The Committee will review the existing structure of costs, charges and interchange fees for ATM transactions. It will also review the overall patterns of ATM usage by cardholders, and assess the impact on charges and inter-change fees. The Committee will assess the entire gamut of costs in the ATM ecosystem and make recommendations on the optimal charge/interchange fee structures and patterns.

FBA's should have ₹1-cr net worth and be incorporated in India

The RBI has mandated that Financial Benchmark Administrators (FBAs), administering significant benchmarks in the markets for financial instruments regulated by it, should be companies incorporated in India and maintaining a minimum net-worth of ₹1 crore at all times. In its Financial Benchmark Administrators (Reserve Bank) Directions, 2019, RBI said it will notify a benchmark as 'significant' after taking into consideration its use, efficiency and relevance in domestic financial markets. FBA means a person who controls the creation, operation and administration of significant benchmark(s).

RBI's customer-complaint processing goes digital

The RBI has launched a complaint management system (CMS), to allow members of the public to lodge their complaints (on its website) against any of the regulated entities with public interface, such as commercial banks, UCBs, and NBFCs, among others. The system will be accessible on desktop as well as on mobile devices and provides features such as acknowledgement through SMS/e-mail notification(s), status tracking through unique registration number, receipt of closure advises, and filing of appeals, where applicable. It also solicits voluntary feedback on the customer's experience.

New UPI category waives MDR for small merchants

The National Payments Corporation of India (NPCI) has created a new category of Unified Payments Interface (UPI) transactions to enable small offline merchants to accept such payments without having to pay merchant discount rate (MDR). This is being done to bring small merchants or vendors with low value ticket size into the digital framework. The new P2PM (Peer-to-peer & Merchant) category of payments will cater to small merchants and the unorganized retail sector. Merchants with expected inward UPI transactions worth up to ₹50,000 per month will be eligible for acquisition under the P2PM category. The acquiring bank or fintech will not be allowed to charge MDR from these merchants.

Banking Policies

RBI relaxes norms for basic account holders

The RBI has relaxed several norms for Basic Savings Bank Deposit (BSBD) accounts aka no-frills accounts. As a result, banks will now provide cheque books and other facilities to the BSBD account holders, without demanding them to maintain a minimum balance in lieu of such facilities or levying extra charges. The RBI has stipulated that getting such value-added services beyond the minimum facilities, will not make it a non-BSBD account, as long as the prescribed minimum services are provided free of charge. The value-added services may be chargeable in a non-discriminatory manner, as per the bank's discretion.

RBI notifies new safety measures for ATMs

Announcing a slew of new safety measures for ATMs, the RBI has said that cash replenishment in ATMs should be done only with digital one-time combination (OTC) locks. Further, by September 30, all ATMs shall be grouted to a structure (such as walls or pillars), except for those installed in highly-secured premises. The apex bank also wants banks to consider rolling out an e-surveillance mechanism to ensure timely alerts and quick response. The new measures are in addition to the existing instructions, practices and guidance issued by RBI and law enforcement agencies.

ARCs can acquire financial assets of peers

In a bid to accelerate timely resolution of stressed assets, the RBI has allowed asset reconstruction companies (ARCs) to acquire financial assets from other ARCs, subject to certain conditions. The transaction should be settled on a cash basis. The selling ARC should use the proceeds for the redemption of underlying security receipts. The date of redemption of security receipts and the period of realization will not extend beyond eight years from the date of acquisition of the financial asset by the first ARC.

Regulator's Speak

Remove regulatory arbitrage between NBFCs, banks: RBI governor

Speaking at the 15th annual convocation of the National Institute of Bank Management (NIBM) at Pune, Mr. Shaktikanta Das, Governor, RBI said, the conventional approach to NBFCs' regulation and supervision has been light-touch, so that they could complement banks with their diverse financial products for niche areas and reach a large cross-section of population through innovative service delivery mechanisms. However, in the light of recent developments, there is a case for having a fresh look at their regulation and supervision. Mr. Das explained that to improve the functioning of the PSB boards and to foster corporate governance, it is important to enhance their quality and stability through further streamlining appointment process, succession planning and compensation.

RBI Chief expects reversal of economic weakness

Mr. Shaktikanta Das, Governor, RBI expects a reversal of the current weaknesses in some of the indicators in the economy. Mr. Das has stated that while the global economy is still to re-embark on the pre-crisis growth path,



India has continued to grow robustly in the last three years, driven by consumption and investment demand. RBI will continue to monitor the activity and performance of NBFCs with a focus on major entities and their inter-linkages with other sectors. With financial stability being its primary goal, the RBI is also taking steps to improve commercial viability of Urban Co-operative Banks (UCBs). These include proposed establishment of an Umbrella Organisation, and a Centralised Fraud Registry for UCBs and governance reforms at the board level. RBI is also encouraging voluntary mergers and consolidation in the sector to help reduce operating costs, diversify risks, and economise on capital.

New Appointments

Name	Designation/Organization
Mr. Rabi N. Mishra	Appointed Executive Director of RBI

Forex

Foreign Exchange Reserves		
Item	As on June 28, 2019	
	₹ Bn.	US\$ Mn.
	1	2
1 Total Reserves	29,495.2	4,27,678.8
1.1 Foreign Currency Assets	27,560.5	3,99,902.1
1.2 Gold	1,602.6	22,958.7
1.3 SDRs	100.4	1,456.2
1.4 Reserve Position in the IMF	231.7	3,361.8

Benchmark Rates for FCNR(B) Deposits applicable for July 2019					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	1.99100	1.77600	1.71510	1.71610	1.75900
GBP	0.80380	0.8422	0.8494	0.8731	0.9040
EUR	-0.35470	-0.370	-0.345	-0.290	-0.220
JPY	-0.05380	-0.089	-0.109	-0.115	-0.105
CAD	2.10000	1.787	1.742	1.724	1.725
AUD	1.07600	1.040	1.050	1.160	1.220
CHF	-0.73000	-0.788	-0.756	-0.699	-0.626
DKK	-0.28280	-0.2935	-0.2589	-0.2010	-0.1334
NZD	1.44500	1.363	1.364	1.396	1.449
SEK	-0.06000	-0.059	-0.021	0.030	0.120
SGD	1.73500	1.648	1.644	1.671	1.710
HKD	2.03500	1.800	1.750	1.745	1.745
MYR	3.38000	3.390	3.420	3.460	3.490

Source: www.fedai.org.in

Glossary

Benchmark

Benchmarks mean prices, rates, indices, values or a combination thereof related to financial instruments that are calculated periodically and used as a reference for pricing or valuation of financial instruments or any other financial contract.

Financial Basics

Translation Exposures

Translation Exposures arise from the need to “translate” foreign currency assets or liabilities into the home currency for the purpose of finalising the accounts for any given period.

Institute’s Training Activities

Training Programmes in July 2019		
Programme	Dates	Location
Post Examination Virtual Training for Certificate course on Risk in Financial Services	30 th July to 1 st August 2019	Virtual
Post Examination Classroom Learning for Certificate course on Risk in Financial Services	24 th to 26 th July, 2019	Kolkata
Program for IT & Cyber Security for GM/DGM/AGMs	25 th to 26 th July 2019	Mumbai
Post Examination Classroom learning for Certified Credit Professional training Programme	24 th to 26 th July 2019	Chennai
Post Examination Virtual learning for Certified Credit Professional training Programme	23 rd to 25 th July 2019	Virtual
Post Examination Classroom learning for Certified Credit Professional training Programme	18 th to 20 th July 2019	Hyderabad
Post Examination Classroom Learning for Certificate course on Risk in Financial Services	15 th to 17 th July 2019	New Delhi
Post Examination Classroom learning for Certified Credit Professional training Programme	11 th to 13 th July 2019	Mumbai

News from the Institute

Self-paced E-learning (SPeL) Courses

The Institute is pleased to announce Self-Paced E-learning courses for two of its certificate courses viz Digital Banking and Ethics in Banking. The objective of this self-paced e-learning is to provide a more conducive training environment to professionals employed in the banking & finance sectors. Under the self-pace e-learning mode, a candidate will have the flexibility to register for the exam, learn at his/her own pace and finally take an examination from his/her own place. Online registrations for the two courses has commenced from 9th April 2019. For more details, please visit the link <http://www.iibf.org.in/documents/SPeL-notice.pdf>.

Launch of 8th Advanced Management Program (AMP)

The Institute conducts Advanced Management Programme (AMP), a management course for working Officers and Executives from the Banking / Financial Sector. The sessions are conducted at IIBF’s Leadership Centre at Kurla, Mumbai and are held on weekends / Bank Holidays. The 8th batch is scheduled to commence from 21st

July 2019. For more details, please visit www.iibf.org.in.

Mandatory certification of Business Correspondents

The Reserve Bank of India, has revised the guidelines on BC certification mandating all Business Correspondents to be certified by IIBF. This is to ensure uniformity in standards and future mobility of BCs. The timelines for BC certification have been laid down. To cater to the completion of BC certification requirement for SCBs, three different models have been designed for conducting the examination.

Change in Rule for Collecting Examination Fees

With effect from 1st July 2017, Institute has switched over to Goods & Service Tax (GST) regime from Service Tax. The earlier rule of collecting examination fees for Associate, Diploma and Blended courses stipulates that candidates have to pay examination fee for two attempts together. In order to comply with GST provisions and to simplify administration of payment of tax, the rule of collecting fees has been re-structured. Institute will now collect examination fee for each attempt separately from the candidates. Therefore, candidates have to register for each attempt separately.

Capacity Building in banks

The Institute offers courses in the five key areas of operations identified by RBI i.e. Treasury Management, Risk Management, Accounting, Credit Management, Foreign Exchange. These are blended in nature with an online examination followed by training for such of those candidates who have successfully cleared the online examination. 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. Please visit the website www.iibf.org.in for examination registration and more details.

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.

Virtual Classroom Solution

The Institute has acquired a software for conducting training through the Virtual Classroom mode. This will enable the Institute to disseminate the training inputs to a larger audience without diluting quality. Virtual training for Certificate in Risk in Financial Services, Certified Treasury Professional and Accounting & Audit have also been introduced. For more details, please visit our website www.iibf.org.in.

Mock Test facility for Examinations

The Institute is offering mock test facility for three of its specialised courses, namely, Certified Treasury Professional, Certified Credit Professional and Risk in Financial Services, in addition to its flagship courses viz JAIIB & CAIIB. The mock test can now be taken by any bank staff.

Video Lectures now available on YouTube

The facility of video lectures, offered by the Institute for 3 compulsory papers of JAIIB and 2 compulsory papers of CAIIB, is now made available on the Institute’s official YouTube Channel. The link to the same is <https://www.youtube.com/channel/UCjffIKtvEh8yLb3vwxosGow/playlists>. The Video Lectures for the Business Correspondents have also been recorded both in Hindi and English and these lectures have been placed on the YouTube channel of the Institute.

Bank Quest Theme for upcoming issue

The themes of “Bank Quest” for July – September 2019 issue is “Emerging technological changes in Banking”

**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 2019 to July 2019, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December, 2018 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 2019 to January 2020, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June, 2019 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.

TRAINING**IIBF conducts Training programmes on different subjects and areas for the Officials of Commercial Banks/RRBs/Co-operative Banks and Financial Institutions.**

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

<ul style="list-style-type: none"> ✓ CREDIT MANAGEMENT ✓ CREDIT APPRAISAL ✓ CREDIT MONITORING ✓ RECOVERY MANAGEMENT ✓ ADVANCED CREDIT APPRAISAL 	<ul style="list-style-type: none"> ✓ INTEGRATED TREASURY MANAGEMENT ✓ RETAIL BANKING ✓ HOUSING FINANCE ✓ RISK BASED INTERNAL AUDIT
<ul style="list-style-type: none"> • GENERAL TRAINING PROGRAMMES ✓ BRANCH MANAGERS PROGRAMME ✓ TURNAROUND STRATEGIES FOR LOSS MAKING BRANCHES ✓ LEADERSHIP DEVELOPMENT PROGRAMMES ✓ TRAINERS TRAINING PROGRAMME ✓ KYC/AML/CFT ✓ COMPLIANCE 	<ul style="list-style-type: none"> • Customised Training Programmes including induction training programmes for Banks/FIs based on their requirements

- Experienced and qualified Faculty-Trainee oriented methods
- State-of-the-art Training facilities
- Environment encouraging learning
- Training facilities at Professional Development Centers at Chennai, New Delhi and Kolkata
- Customised Training programmes are conducted for the Banks/FIs as per their requirements including Induction Training Programmes.

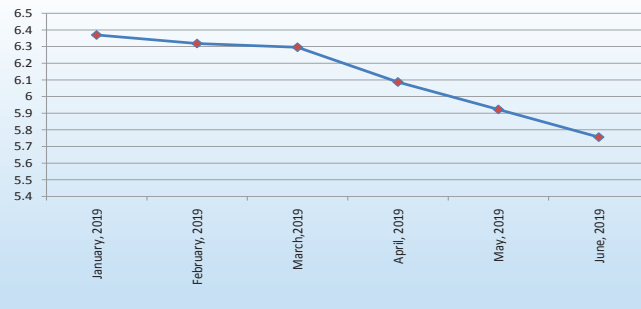
FOR FURTHER DETAILS, PLEASE CONTACT:

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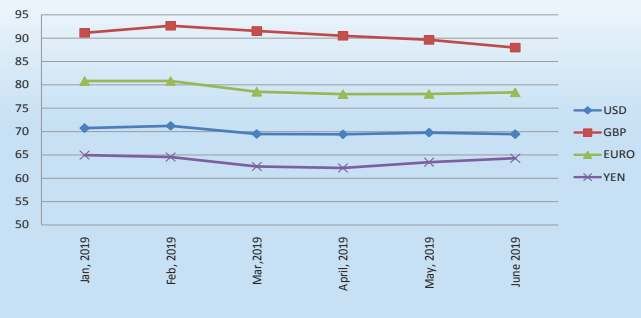
Market Roundup

Weighted Average Call Rates



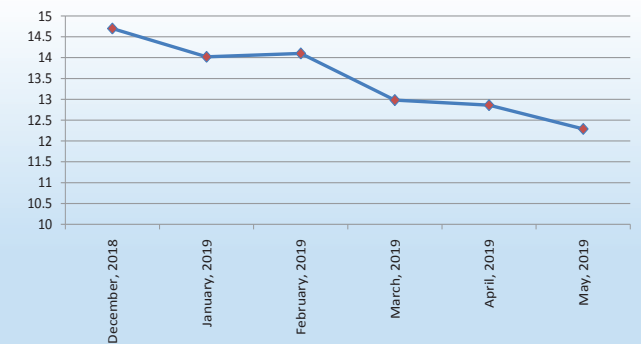
Source: CCIL News Letters - June 2019

RBI Reference Rate



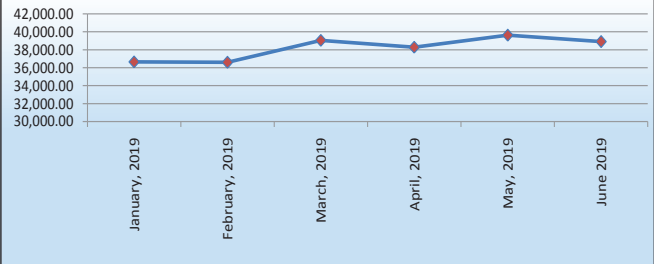
Source: FBIL

Non-food Credit Growth %



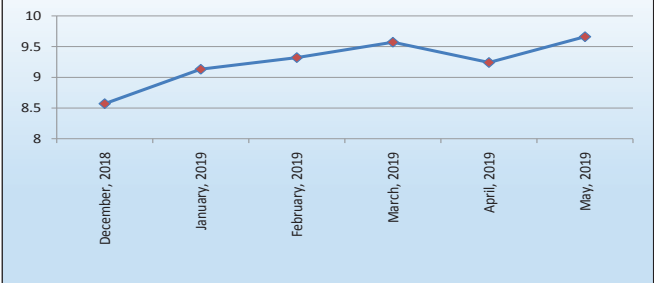
Source: Monthly Review of Economy, CCIL, June 2019

BSE Sensex



Source: Bombay Stock Exchange (BSE)

Aggregate Deposit Growth %



Source: Monthly Review of Economy CCIL, June 2019

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