



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

**Key highlights of the 3<sup>rd</sup> bi-monthly monetary policy**

The 3<sup>rd</sup> bi-monthly monetary policy meeting was held on 7<sup>th</sup> August 2019. The key points of the meet were:

- Repo rate reduced by 35 bps to 5.4%
- Reverse repo rate under the LAF revised to 5.15%
- Marginal standing facility (MSF) rate and Bank rate revised to 5.65%

**24x7 NEFT, more billers on BBPS and payments fraud registry on the cards**

The Reserve Bank of India announced the conversion of the National Electronic Funds Transfer (NEFT) channel into a 24 x 7 service and on-tap participation in some retail payment systems, among other measures to build upon the payments ecosystem in the country. The Central Bank has also decided to expand biller categories for Bharat Bill Payment System (BBPS). The BBPS, an interoperable platform for repetitive bill payments, currently covers five segments - Direct-to - Home (DTH), electricity, gas, telecom and water bills. In order to benefit from diversification of risk as also to encourage innovation and competition, RBI has decided to offer on-tap authorisation to entities desirous to provide platforms for the Bharat Bill Payment Operating Unit (BBPOU), the Trade Receivables Discounting System (TReDS) and white Label ATMs (WLAs). There are eight operators in the field of BBPOU, three in TReDS and eight non-banks as WLAO. The RBI also announced the creation of central payments fraud information registry. At present, there is a mechanism in place for banks to report all banking frauds to the Central Fraud Monitoring Cell of RBI.

**Banking Policies****RBI takes measures to boost credit flow to NBFC Sector**

To encourage banks to lend to Non-Banking Finance Companies (NBFCs), the Reserve Bank of India has upped the single NBFC exposure limit for banks. Further, it allowed loans given by banks to NBFCs for on-lending to agriculture, micro and small enterprises (MSEs) and housing to be classified as priority sector lending (PSL). To harmonise the counter-party exposure limit to single NBFC with that of the general limit, the RBI has decided to raise a bank's exposure limit to a single NBFC to 20 percent of Tier-I capital of the bank from 15 percent now. The Central Bank has allowed (subject to certain conditions) bank lending to registered NBFCs (other than microfinance Institutions) for on-lending to agriculture (investment credit) up to Rs. 10 lakh; Micro and small enterprises upto ` 20 lakh and housing up to Rs. 20 lakh per borrower (up from Rs. 10 lakh at present) to be classified as PSL.

**RBI lowers risk weight on consumer credit**

To encourage the flow of credit to consumers, the Reserve Bank of India has reduced the risk weight on unsecured consumer credit, including personal loans, to 100% from 125% earlier. This move will help banks with capital conservation. It will help free up capital providing more room for banks to lend.

**RBI tweaks rules on ATM transactions**

ATM transactions which fail on account of technical reasons like hardware, software, communication issues and non-availability of currency notes cannot be counted as valid transactions for the customer, according to Reserve Bank of India. This means that such transactions will not be included in the number of free ATM transactions. No charges can be levied on transaction which fail on account of technical reasons and other declines ascribable directly / wholly to the bank/service provider; invalid PIN/validations etc.

## Banking Developments

### RBI tightens norms for directors on PSB boards

The Reserve Bank of India (RBI) has tightened the fit-and-proper criteria for directors on the boards of state-run banks, and said the Centre's nominee director shall not be part of the Nomination and Remuneration Committee (NRC). The revised criteria also, for the first time laid down an exhaustive list for the disqualification of directors. The terms with regard to the NRC and the manner of the appointment of directors have been aligned with the practice in private banks, the recommendations made by the Banks Board Bureau and with the provisions in the Companies Act.

### Regulatory Sandbox: RBI eases net worth, regulatory norms

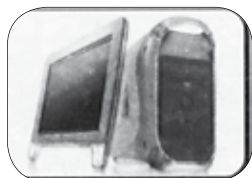
The Reserve Bank of India (RBI) released the final 'enabling framework for regulatory sandbox'. In its final guidelines for a [Regulatory Sandbox \(RS\)](#) for fintech firms, the Reserve Bank of India (RBI) relaxed the minimum net worth requirement for applicants to ₹25 lakh from ₹50 lakh earlier, while also specifying that it would ease regulatory requirements with respect to liquidity, board composition, management experience, financial soundness and track record. In addition, banks and financial institutions constituted under a statute in India would be eligible to apply. The target applicants for entry to the Regulatory Sandbox are fintech companies, including start-ups, banks, financial institutions and any other company partnering with or providing support to financial services businesses. The notice period for a fintech to exit the RS has increased to one month from one week earlier. Sandbox entities shall be required to take liability or indemnity insurance of an adequate amount and period to safeguard the interest of the customers. The policy cover shall begin with the start of testing stage and end three months after exit of the sand box entity from the RS. The RS shall be based on thematic cohorts focusing on financial inclusion, payments and lending and digital KYC among other things. The cohorts may run for varying time periods but should ordinarily be completed within six months. The indicative list of products, services and technologies where the RS could be applicable includes retail payments, money transfer services, market place lending, mobile technology applications, data analytics and application program interface (API) services.



## Insurance

### IRDAI sets up single point of contact for regulatory Sandbox

Insurance Regulator (IRDAI) has set up a single point contact for its Regulatory Sandbox (RS) initiative, wherein financial technology firms can seek permission to experiment with innovative approaches for the growth of the sector.



## Products & Alliances

Organisation	Organisation tied up with	Purpose
Kotak Mahindra Bank	Ola	To allow customers of the bank to book a ride directly from the Banking app.

## Forex

Foreign Exchange Reserves		
Item	As on August 30, 2019	
	₹ Bn.	US\$ Mn.
	1	2
Total Reserves	30,63,055.0	4,28,604.0
1.1 Foreign Currency Assets	28,29,979.0	3,96,005.0
1.2 Gold	1,96,880.0	27,550.0
1.3 SDRs	10,242.0	1,433.0
1.4 Reserve Position in the IMF	25,954.0	3,617.0

Source: Reserve Bank of India

Benchmark Rates for FCNR(B) Deposits applicable for September 2019					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	1.79900	1.53900	1.42200	1.37300	1.34000
GBP	0.66630	0.651	0.6206	0.6046	0.5933
EUR	-0.49000	-0.550	-0.561	-0.550	-0.516
JPY	-0.07130	-0.118	-0.144	-0.158	-0.158
CAD	2.50000	1.653	1.589	1.557	1.532
AUD	0.84100	0.730	0.730	0.820	0.860
CHF	-0.91500	-0.952	-0.977	-0.944	-0.876
DKK	-0.39640	-0.449	-0.454	-0.441	-0.418
NZD	1.02300	0.920	0.901	0.910	0.943
SEK	-0.10500	-0.178	-0.198	-0.180	-0.149
SGD	1.65100	1.578	1.558	1.543	1.530
HKD	2.20000	1.930	1.780	1.690	1.635
MYR	3.21000	3.170	3.200	3.210	3.230

Source: www.fedai.org.in

## Glossary

### Regulatory Sandbox (RS)

A regulatory sandbox (RS) refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may (or may not) permit certain regulatory relaxations for the limited purpose of the testing. The RS allows the regulator, the innovators, the financial service providers (as potential deployers of the technology) and the customers (as final users) to conduct field tests to collect evidence on the benefits and risks of new financial innovations, while carefully monitoring and containing their risks. It can provide a structured avenue for the regulator to engage with the ecosystem and to develop innovation-enabling or innovation-responsive regulations that facilitate delivery of relevant, low-cost financial products.

## Financial Basics

### Hurdle Rate

A hurdle rate is the minimum rate of return on a project or investment required by a manager or investor. It describes the appropriate compensation for the level of risk present—riskier projects generally have higher hurdle rates than those with less risk. In order to determine the rate, risks, cost of capital, returns for similar investments, and anything else that may affect the investment must be taken into consideration.

## Institute's Training Activities

Training Programmes in September 2019		
Programme	Dates	Location
Certificate in Risk in Financial Services	23 <sup>rd</sup> to 25 <sup>th</sup> September 2019	Mumbai
Post Examination Training for Certified Credit Professional	18 <sup>th</sup> to 20 <sup>th</sup> September, 2019	VCRT
Programme on Compliance in Banking	19 <sup>th</sup> to 21 <sup>st</sup> September, 2019	Mumbai
Post Examination Physical Classroom Learning for Certified Credit Professional Course	16 <sup>th</sup> to 18 <sup>th</sup> September, 2019	New Delhi
Post Examination Classroom Learning for Cert Exam In Risk In Financial Services	19 <sup>th</sup> to 21 <sup>st</sup> September, 2019	Kolkata
Post examination physical classroom learning for certificate on risk in financial services course	25 <sup>th</sup> to 27 <sup>th</sup> Sept. 2019	New Delhi

## News from the Institute

### Annual General meeting of the Institute

The 92<sup>nd</sup> Annual General Meeting of the Institute was held on 23<sup>rd</sup> August 2019 at the Conference Hall, Indian Institute of Banking & Finance, Maker Tower, 'F' Wing, 19<sup>th</sup> Floor, Cuffe Parade, Mumbai – 400 005. Certificates and prize money were awarded to the Case Study Competition winners and candidates scoring highest marks in the various examinations of the Institute.

### One-day Workshop at Delhi on 6<sup>th</sup> September, 2019

A one-day workshop was organised at Delhi by the Institute on “Insolvency and Bankruptcy Code 2016”. The main objective of the workshop was to create a greater level of awareness amongst bankers about the rules and procedures under IBC. The Chief Guest for the occasion was Dr. M.S.Sahoo, Chairperson, IBBI. The special address was delivered by Mr. Sunil Mehta, MD&CEO, Punjab National Bank and Chairman, IBA. There was good participation from senior bankers. Valedictory session was taken by Honourable Justice Shri Mukhopadhyay Head NCLAT.

### Workshops at Chennai and Kolkata

The Institute is organising a one-day workshop at Chennai on “Banking Today : Secur-e-Banking” on 13<sup>th</sup> September 2019 in association with Digital Security Association of India in Chennai at Quality Inn, Sabari Grand, #29, Thirumalai Road, T Nagar, Chennai – 600 017.

At Kolkata a half day workshop is being organised by the Institute on “Emerging Technologies” on 26<sup>th</sup> September at The Bengal Club Limited, 33B Chowringhee Road, 1/1 Russell Street, Kolkata - 700 071.

### Self-paced E-learning (SPeL) Courses

The Institute has introduced self-paced E-learning courses for two of its certificate courses viz Digital Banking and Ethics in Banking. The objective of self-paced e-learning is to provide a more conducive training environment to professionals employed in the banking & finance sectors. Under this mode, a candidate will have the flexibility to register for the exam, learn, and 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 <http://www.iibf.org.in/documents/SPeL-notice.pdf>.

### **Mandatory certification of Business Correspondents of Scheduled Commercial Banks and Payments Banks**

The RBI has revised the guidelines on BC certification mandating all Business Correspondents (BC) to be certified by IIBF. This is to ensure uniformity in standards and future mobility of BCs. The timelines for BC certifications of Payments Bank and SCBs has been laid down. To cater to the completion of BC certification requirement, three different models have been designed for conducting the examination. Bulk registration with discounted fee are also provided under each model.

### **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 with an online examination followed by training for those who successfully clear 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](http://www.iibf.org.in) for examination registration and more details.

### **Virtual Classroom Solution**

The Institute has acquired a software for conducting training through the Virtual Classroom mode. This will enable the Institute to disseminate 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](http://www.iibf.org.in).

### **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 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.
- (ii) In respect of the exams to be conducted by the Institute for the period from February 2020 to June 2020, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th December, 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.

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

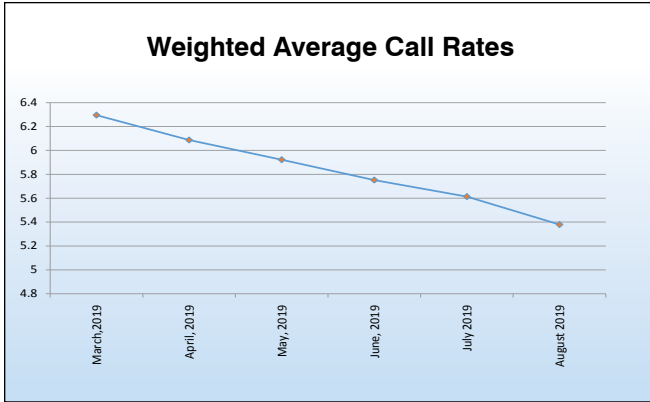
- **Experienced and qualified Faculty-Trainee oriented methods**
- **State-of-the-art Training facilities**
- **Environment encouraging learning**
- **Training facilities at Professional Development Centers at Chennai, New Delhi and Kolkata**
- **Customised Training programmes are conducted for the Banks/FIs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

**FOR FURTHER DETAILS, PLEASE CONTACT:**

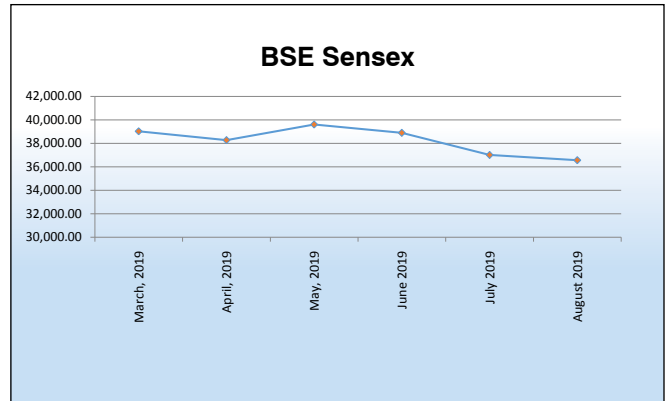
<p><b>Dr. T C G Namboodiri, Director (Training)</b>          Email: drnamboodiri@iibf.org.in; Ph 022 68507004;          Cell: +91 99203 78486</p> <p><b>Ms. Ravita Wadhwa</b>          Dy. Director-Training,          Ph: +91-22-68507032; Cell:+91 98718 99953 ; Email:          ravita@iibf.org.in</p>	<p><b>Indian Institute of Banking &amp; Finance (IIBF)</b>          Corporate Office, 3<sup>rd</sup> Floor, Kohinoor City,          Commercial - II, Tower - I,          Mumbai - 400 070, India.  <a href="http://www.iibf.org.in">www.iibf.org.in</a></p>
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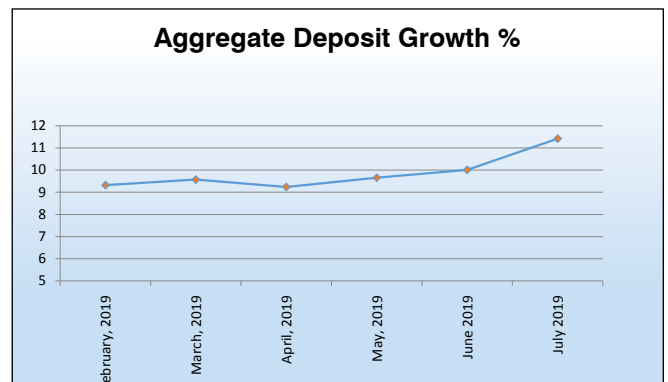
# Market Roundup



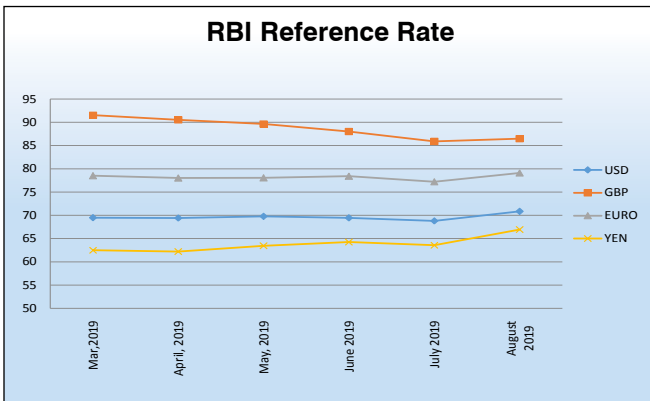
Source: CCIL News Letters - August 2019



Source: Bombay Stock Exchange (BSE)

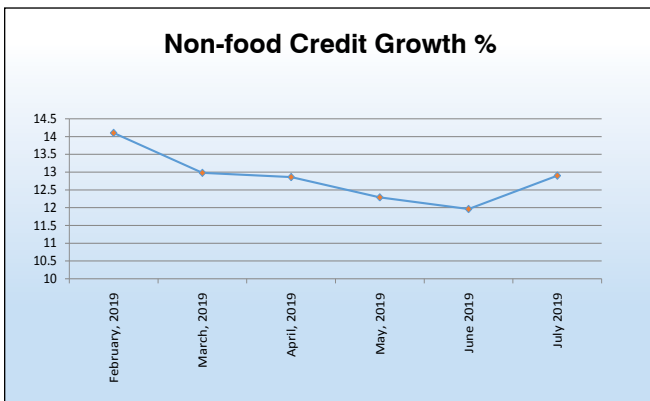


Source: Monthly Review of Economy CCIL, July 2019



Source: FBIL

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Source: Monthly Review of Economy, CCIL, August 2019

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