



# 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 RBI's MPC meeting in December 2025**

The key highlights of the RBI's Monetary Policy Committee (MPC) meeting, December 3-5, 2025, are as follows:

- Repo rate under the Liquidity Adjustment Facility (LAF) reduced to 5.25%.
- Standing Deposit Facility (SDF) rate adjusted to 5.00%.
- Marginal Standing Facility (MSF) rate and Bank Rate adjusted to 5.50%.

**Penal Interest on shortfall in CRR and SLR requirements & Standing Liquidity Facility for PDs**

All penal interest rates on shortfall in Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) requirements, (which are specifically linked to Bank Rate), revised to Bank Rate plus 3.0 percentage points (8.50%) or Bank Rate plus 5.0 percentage points (10.50%). Standing Liquidity Facility provided to Primary Dealers (PDs) (collateralised liquidity support) available at the revised repo rate of 5.25% with immediate effect.

**RBI revised the definition of 'Fortnight'**

RBI has amended the Banking Laws (Amendment) Act, 2025 relating to maintenance of CRR and SLR. As per the revisions, the definition of 'Fortnight' has been amended from "the period from Saturday to the second following Friday, both days inclusive" to "the period from the first day to the fifteenth day of each calendar month or sixteenth day to the last day of each calendar month, both days inclusive". The enactment date of the stated definition of fortnight is December 15, 2025.

**RBI revised norms for Undertaking of Financial services**

The RBI has amended the guidelines for Undertaking of Financial Services for Commercial Banks, SFBs, PBs, NBFCs and Non-Operative Financial Holding Companies. These Directions, came into effect from December 05, 2025, stated that Mutual fund business, insurance business, pension fund management, investment advisory and management services, portfolio management services and broking services by commercial banks and SFBs shall only be carried out through a group entity – not departmentally. Also, an aggregate investment of less than 20% (with or without investment by the bank) in the equity share capital of an entity can be made by a bank group without prior approval. However, this also shall be subject to the bank's Capital to Risk-Weighted Asset Ratio (CRAR) not being less than the minimum prescribed capital (including Capital Conservation Buffer) post-investment; and the bank reporting net profit in both the preceding two financial years.

**PFRDA revised KYC/AML/CFT rules for NRIs and OCIs**

The Pension Fund Regulatory and Development Authority (PFRDA) has revised Know Your Customer (KYC) process requirements for onboarding of Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs) into National Pension System. As per revised guidelines, NRIs and OCIs are allowed for digital onboarding with conditions such as a live photograph, a digital copy of an officially valid document and geo-coordinates of the captured location of the subscriber. The contribution amounts shall be paid either by inward remittance through normal banking channels or out of funds held in their own Non-Resident External (NRE)/Foreign Currency Non-Resident (FCNR)/Non-Resident Ordinary (NRO) accounts.

**PFRDA's policy reforms**

PFRDA has introduced several measures for ensuring sustainable growth of National Pension Scheme (NPS). The measures are: In-principle approval for the framework to permit Scheduled Commercial Banks (SCBs) to independently set-up Pension funds to manage NPS; Appointment of Chairman of the Board of NPS Trust and Trustees; Revision of Investment Management Fees structure for pension funds, with effect from April 1, 2026; Amendments in PFRDA's (Exit and withdrawals under the NPS) Regulations, 2015, allowing subscribers to withdraw up to 80% in lumpsum under normal exit mode.

**Banking Policies****Gold Metal Loan Directions revised by RBI**

RBI has revised Gold Metal Loan (GML) Directions for Commercial Banks and Small Finance Banks (SFBs).

Accordingly, nominated banks importing gold, may extend import-linked GML to entities who either manufacture and/or sell jewellery in domestic and/or export markets (collectively hereinafter referred to as 'jewellers'). Jewellers who are not manufacturers themselves, may borrow under GML only for outsourcing their manufacturing of jewellery on job basis to any manufacturing firms/artisans/goldsmiths. Banks shall lay down a lending and risk management policy, along with detailed due-diligence requirements for GML borrowers and their credit requirements.

### **RBI revised norms to ensure stability as credit demand increases**

The RBI has instructed Commercial Banks and SFBs to have policies on Concentration Risk Management of their exposures towards a single counterparty, groups of interconnected counterparties, specific sectors of the economy. The banks have to devise systems to monitor and address the risks emanating to them from their exposures to ultra-large borrowers who are excessively leveraged and have substantial borrowings from the banking system.

### **Rural Co-operative Banks must display their name, nature prominently: RBI**

The Rural Co-operative Banks are mandated to display their full name in any stationery item, publicity material, website, mobile application, advertisement, name board, etc. The name must be as it appears in the Certificate of Registration granted by the Registrar of Cooperative Societies (RCS) and the banking licence granted by the RBI. The words "co-operative bank/sahakari bank", indicating the nature of the bank, must also be prominently displayed in the full name/abbreviation/abridged name/logo of the bank in equal fonts. Any contravention or non-compliance to this amendment will attract penalties and enforcement action.

### **RBI revised Know Your Customer Directions, 2025**

The revised Directions stated that the Regulated Entities that has last uploaded or updated the customer's KYC records in the Central KYC Records Registry (CKYCR) shall be responsible for verifying the identity and/or address of the customer, as applicable. Accordingly, any bank downloading and relying on such records from the CKYCR shall not be required to re-verify the authenticity of the customer's identity and/or address, provided the KYC records downloaded from CKYCR are current and compliant with the Prevention on Money Laundering (PML) Act, 2002/PML Rules, 2005.

## **Banking Developments**

### **RBI revised norms for BSBD accounts**

Basic Savings Bank Deposit (BSBD) accounts across all Commercial Banks, SFBs, PBs, RRBs, UCBs, LABs shall be opened without any requirement of minimum balance. ATM/ATM-cum-Debit card or internet/mobile banking or cheque book facilities shall be offered to a customer if he/she requests for the same, be it at the time of opening the account or subsequently. Additional facilities beyond the basic minimum can be given in a BSBD account, with or without charges, in a non-discretionary, non-discriminatory manner with transparent disclosure to the customer. Opening and operation of BSBD accounts shall be subject to the instructions on KYC/Anti-Money Laundering norms issued by the RBI and as amended from time to time. The bank shall also convey the differences between BSBD account and various savings bank account variants offered by it when a customer approaches it to open a deposit account.

### **Credit institutions to get information reports on a faster basis**

For the efficient functioning of Credit Information Reporting (CIR) system, the RBI has instructed that Credit Institution (CI) will submit credit information to Credit Information Companies (CICs) on the 9<sup>th</sup>, 16<sup>th</sup>, 23<sup>rd</sup> and last day of the month (reference dates). A full file of CIRs as of the last day of the month will be submitted to CICs by the 5<sup>th</sup> day of the next month.

### **RBI amended FEMA with reference to forex facilities**

The RBI has revised the Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2025. Accordingly, a person, who is not a citizen of Pakistan or Bangladesh, may take or send out of India to Nepal or Bhutan, currency notes of Government of India and RBI notes (other than notes of denominations of above ₹100 in either case); provided that such an individual travelling from India to Nepal or Bhutan can carry notes of denominations of above ₹100 up to a total limit of ₹25,000; and in case of travelling to India from Nepal or Bhutan can carry notes of denominations of above ₹100, up to a total limit of ₹25,000.

### Residents, non-residents can undertake rupee IRD transactions: RBI

RBI has allowed residents and non-residents to transact in [Interest Rate Derivatives](#) (IRD) in rupees. Non-residents can enter these trades through their central treasury or group entities. A Foreign Portfolio Investor (FPI) is permitted to purchase or sell Interest Rate Futures (IRFs) subject to the conditions. A recognised stock exchange is permitted to offer any standardised IRD product and the product design, eligible participants and other details of the IRD product may be finalised by the exchange. Floating rates or indices used in exchange-traded products must be benchmarks published by an authorised financial benchmark administrator.

### RBI revised norms for maintenance of Cash Credit, Current and Overdraft accounts

A bank may maintain current account or overdraft account without any restriction in case of borrowers where aggregate exposure of the banking system to the customer is less than Rs. 10 crores. In case of customers where exposure to banking system is Rs. 10 cores or more, then bank may maintain current account and overdraft account as per the need of the customer provided that the bank has either minimum 10% share in banking system's exposure to the borrower or minimum 10% share in banking system's aggregate fund-based exposure to the borrower. These amendments will come into force from April 1, 2026.

## Capital Market

### Ease of investments and ease of doing business measures –enhancing the Facility for BSDA

To provide ease of doing business to the Depository Participants (DPs) and ease of doing investments for the investors, SEBI has decided to exclude the Zero Coupon Zero Principal (ZCZP) bonds and Delisted securities for reckoning the threshold for Basic Services Demat Account (BSDA). The valuation of the illiquid securities shall be at last closing price for calculating the threshold for BSDA; and DPs shall now be required to reassess the BSDA eligibility every quarter. DPs shall require the beneficiary owner to submit consent to avail/continue the facility of a regular demat account by active consent through a verifiable channel as specified by the Depositories.

## Insurance

### The Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill, 2025 passed by Parliament

The Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill, 2025 was passed by Parliament on December 17, 2025. The bill amends three Acts related to Insurance sector namely, The Insurance Act, 1938; The Life Insurance Corporation Act, 1956 and Insurance Regulatory and Development Authority Act, 1999. The bill opens the door for up to 100% Foreign Direct Investment in insurance companies.

## Regulator Speaks

### India must adopt a very cautious approach to stablecoins: Deputy Governor, RBI

Speaking at the Mint Annual BFSI Conclave 2025, Mr. T. Rabi Sankar, Deputy Governor, RBI said that in a modern economy, there are two types of money viz., currency and bank deposits. Currency (physical) is issued directly by the State (through its Central Bank) while deposits (digital) are issued under license by commercial banks. The more stable forms of money in history have, however, always been issued by sovereigns, not by private issuers. He further said that stablecoins lack the basic attributes of money like singleness, fiat structure and trusted value. In fact, they could lead to price volatility and can undermine trust in the currency and finance system. India must approach stablecoins with caution.

## Economic Wrap Up

### Reserve Bank of India released Report on Trend and Progress of Banking in India 2024-25 and Financial Stability Report, December 2025. The key highlights are as follows:

- The Indian commercial banking sector remained resilient during 2024-25, supported by double-digit balance sheet expansion. Deposits and credit of Scheduled Commercial Banks (SCBs) grew in double digits, albeit with a moderation from the previous year.
- The capital to risk weighted assets ratio of SCBs was 17.4% at end-March 2025 and 17.2% at end-September

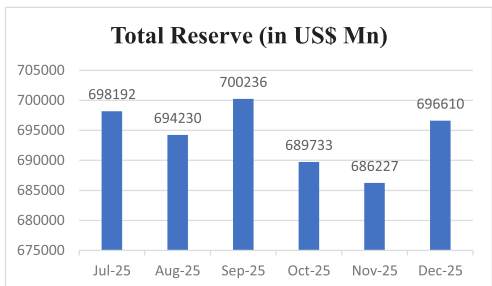
2025. Asset quality strengthened further, with the Gross Non-Performing Assets (GNPA) ratio declining to a multi-decadal low of 2.2% at end-March 2025 and 2.1% at end-September 2025.

- The health of SCBs remains sound with strong capital and liquidity buffers, improved asset quality and robust profitability. The Return on Assets (RoA) stood at 1.4% and Return on Equity (RoE) at 13.5% in 2024-25.
- The consolidated balance sheet of Urban co-operative banks recorded higher growth in 2024-25 than that in the previous year. Their asset quality improved for the fourth consecutive year, alongside strengthening of their capital buffers and profitability.
- The non-banking financial companies continued to record double digit credit growth along with robust capital buffers and solid earnings. Their asset quality also improved during the year.
- Despite challenging global economic conditions, Indian economy continues to grow strongly with robust domestic demand, benign inflation and prudent macroeconomic policies.

## New Appointments

Name	Designation
Mr. Ravi Ranjan	Managing Director, State Bank of India
Ms. Malavika R. Harita	Independent Director, Axis Bank
Ms. Sujatha Jaganathan	RBI Additional Director, Dhanlaxmi Bank
Mr. G. Sankaran	Head, Wholesale Banking Group, IndusInd Bank
Mr. Sandip Pradhan	Whole Time Member, Securities and Exchange Board of India (SEBI)
Mr. Vikram Sahu	India Country Executive, Bank of America NA

## Forex

Foreign Exchange Reserves			Trends in Foreign Exchange Reserve (US\$ Mn) last 6 months															
Item	As on December 26, 2025		<div><p><b>Total Reserve (in US\$ Mn)</b></p><table><thead><tr><th>Month</th><th>Reserve (US\$ Mn)</th></tr></thead><tbody><tr><td>Jul-25</td><td>698192</td></tr><tr><td>Aug-25</td><td>694230</td></tr><tr><td>Sep-25</td><td>700236</td></tr><tr><td>Oct-25</td><td>689733</td></tr><tr><td>Nov-25</td><td>686227</td></tr><tr><td>Dec-25</td><td>696610</td></tr></tbody></table><p><i>Note: Data as reported on last Friday of respective month</i></p></div>		Month	Reserve (US\$ Mn)	Jul-25	698192	Aug-25	694230	Sep-25	700236	Oct-25	689733	Nov-25	686227	Dec-25	696610
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Dec-25	696610																	
₹ Cr.	US\$ Mn.																	
1	2																	
1 Total Reserves	6258848	696610																
1.1 Foreign Currency Assets	5027961	559612																
1.2 Gold	1018151	113320																
1.3 SDRs	168943	18803																
1.4 Reserve Position in the IMF	43793	4875																

Source: Reserve Bank of India

## Base Rates of Alternative Reference Rates (ARRs) for FCNR (B) deposits as on December 31, 2025, applicable for the month of January 2026

ARR Name	Base Rates of ARR (%)
SOFR (USD)	3.77
SONIA (GBP)	3.7251
€STR (EUR)	1.934
TONA (JPY)	0.728
CORRA (CAD)	2.3000

ARR Name	Base Rates of ARR (%)
AONIA (AUD)	3.60
SARON (CHF)	-0.038812
OCR (NZD)	2.25
SWESTR (SEK)	1.649
SORA (SGD)	1.2221

ARR Name	Base Rates of ARR (%)
HONIA (HKD)	3.86962
MYOR (MYR)	2.75
DESTR (DKK)	1.5390

Source: [www.fbil.org.in](http://www.fbil.org.in)

## Glossary

### Interest Rate Derivative

Interest Rate Derivative (IRD) is a financial derivative contract whose value is derived from one or more Rupee interest rates, prices of Rupee interest rate instruments, or Rupee interest rate indices.

## Financial Basics

### Price Value of a Basis Point

Price Value of a Basis Point (PVBP) measures the sensitivity of bond prices to interest rates. It represents the expected change in a bond's price if the yield increases by one basis point or 0.01%. A higher PVBP indicates greater sensitivity in bond price to interest rate fluctuations.

## Institute's Training Activities

### Training Programmes for the month of January 2026

Programmes	Dates	Location
Programme on Clean Banking: Essentials of KYC/AML/CFT & TBML for Banks/NBFCs/FIs/SFBs	12 <sup>th</sup> January, 2026	Virtual
Programme on Fraud Risk Management in Banks/NBFCs/FIs/SFBs	13 <sup>th</sup> -14 <sup>th</sup> January, 2026	Virtual
Programme on MSME Financing: Appraisal, Monitoring & Recovery	14 <sup>th</sup> -15 <sup>th</sup> January, 2026	Virtual
Programme on Fraud Risk Management for Officers in Commercial Banks, Cooperative Banks, Small Finance Banks, RRBs, NBFCs & AIFI	15 <sup>th</sup> -16 <sup>th</sup> January, 2026	Virtual
Programme on Marketing Strategies for Deposit Mobilization	20 <sup>th</sup> January, 2026	Virtual
Programme on Technology led Strategies for Business Growth for Banks/NBFCs/FIs/SFBs	22 <sup>nd</sup> -23 <sup>rd</sup> January, 2026	PDC-South Zone, Chennai
Programme on Balance sheet reading & ratio analysis	28 <sup>th</sup> -29 <sup>th</sup> January, 2026	Virtual
Programme on Credit Monitoring and Recovery	28 <sup>th</sup> -30 <sup>th</sup> January, 2026	Virtual

## News from the Institute

### 15<sup>th</sup> R. K. Talwar Memorial Lecture

The 15<sup>th</sup> R. K. Talwar Memorial Lecture, organised in association with the State Bank of India, will be held on



January 16, 2026 at SBI Auditorium, Nariman Point, Mumbai. The lecture will be delivered by Shri B. V. R. Subrahmanyam, Chief Executive Officer, NITI Aayog.

### 5<sup>th</sup> edition of Inter Bank Quiz Contest - Banking Chanakya

The Grand Finale of the Inter Bank Quiz Competition-Banking Chanakya 2025 hosted by IIBF will be held on January 17, 2026 at Mumbai. The Quiz contest carries a cash prize of Rupees One Lakh for the National Champion teams.

### IIBF invites papers/proposals under Micro, Macro Research and Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) 2025-26

Micro Research is a sort of an essay competition for life members of the Institute (bankers) to present their original ideas, thoughts and best practices on areas of their interest. Under Macro research, Institute encourages empirical research in which, the researchers can test their hypothesis through data (primary/secondary) from which, lessons can be drawn for the industry (banking & finance) as a whole. The objective of the DJCHBBORF is to provide the successful candidate an opportunity to undertake a research study on the latest developments in the field of banking and finance in India or abroad. The last date for receipt of applications under Micro, Macro Research and DJCHBBORF is February 28, 2026. For more details, please visit [www.iibf.org.in](http://www.iibf.org.in)

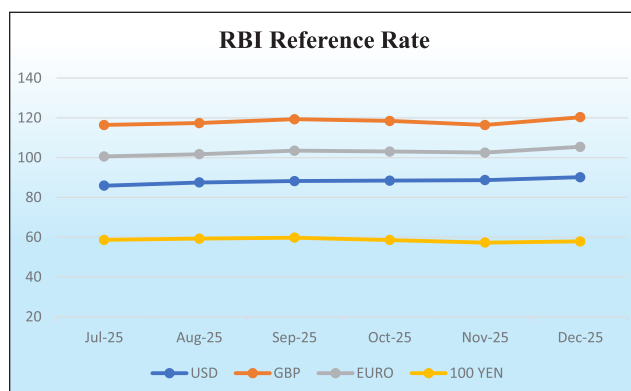
### Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter January-March 2026 is “New Avenues of Payments Systems”. The Sub-themes are: UPI, ULI, CBDC- Challenges, Opportunities and Prospects, Cyber Security.

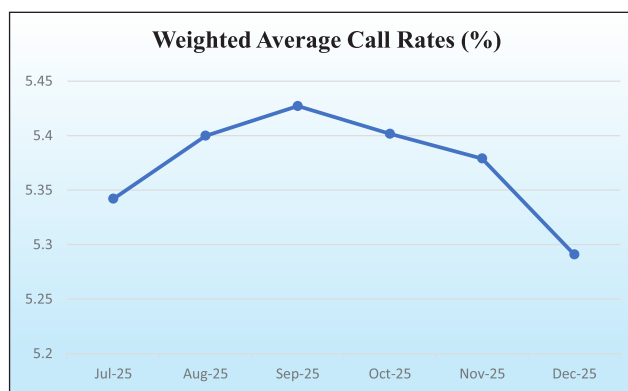
### Cut-off date of guidelines/important developments for examinations

The Institute has a practice of asking 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 March to August of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31<sup>st</sup> December will only be considered for the purpose of inclusion in the question papers. (ii) In respect of the examinations to be conducted by the Institute for the period September to February of a calendar year, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 30<sup>th</sup> June will only be considered for the purpose of inclusion in the question papers.

## Market Roundup

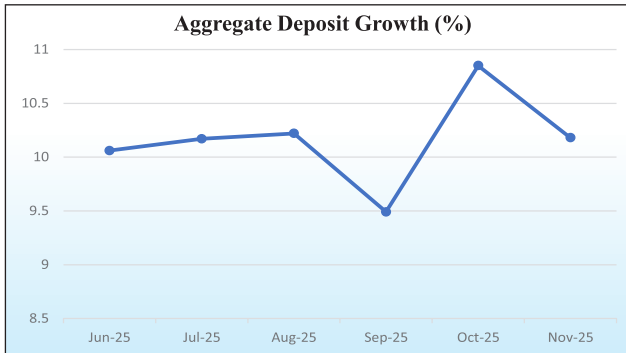


Source: FBIL

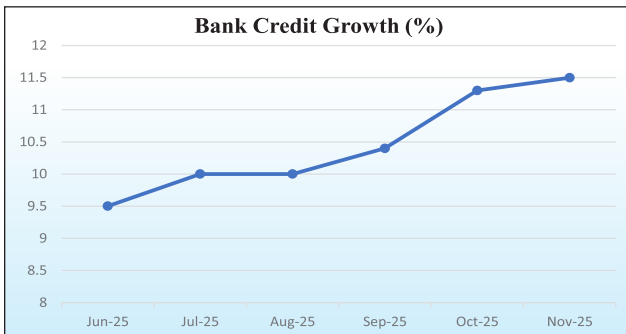


Source: Weekly Newsletter of CCIL

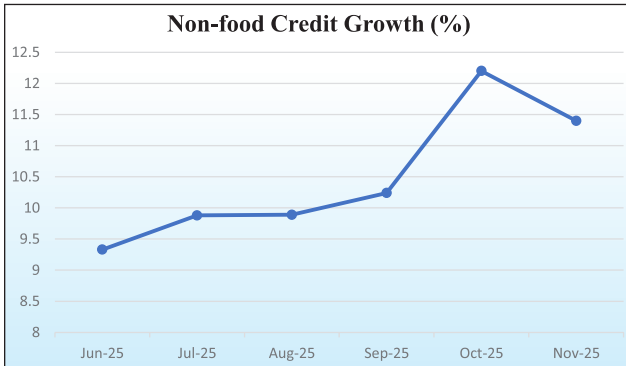
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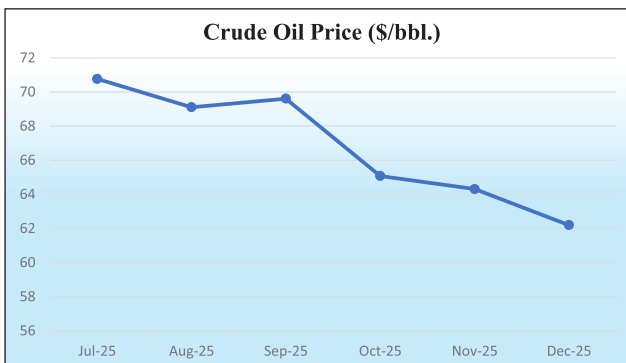
Source: Monthly Review of the Economy, CCIL, December 2025



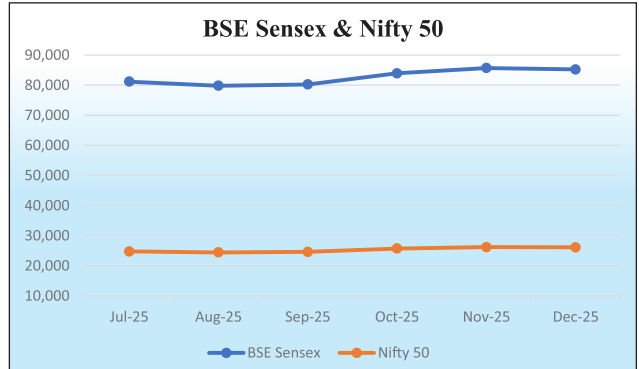
Source: Reserve Bank of India



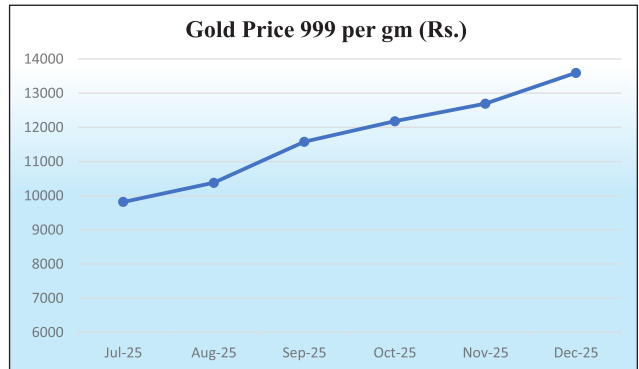
Source: Monthly Review of the Economy, CCIL, December 2025



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE



Source: Gold Price India

## 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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## INDIAN INSTITUTE OF BANKING & FINANCE

Kohinoor City, Commercial-II, Tower-I, 2nd Floor, Kirol Road, Kurla (W), Mumbai - 400 070.

Tel. : 91-22-6850 7000

E-mail : [admin@iibf.org.in](mailto:admin@iibf.org.in)

Website : [www.iibf.org.in](http://www.iibf.org.in)