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professional excellence

IIBF VISION

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Top Stories

Monetary policy review

Reserve Bank of India (RBI) announced third quarter review of the monetary policy. The highlights are :

- Cash Reserve Ratio (CRR) raised by 75 basis points (bps) in 2 stages to 5.75%. This will suck out Rs.36,000 crore of excess liquidity in the system.
- No change in repo rate at 4.75% or reverse repo rate at 3.25%
- GDP projection for current fiscal raised to 7.5%
- WPI inflation projection for end-March 2010 raised to 8.5%
- Higher focus on anchoring inflationary expectations

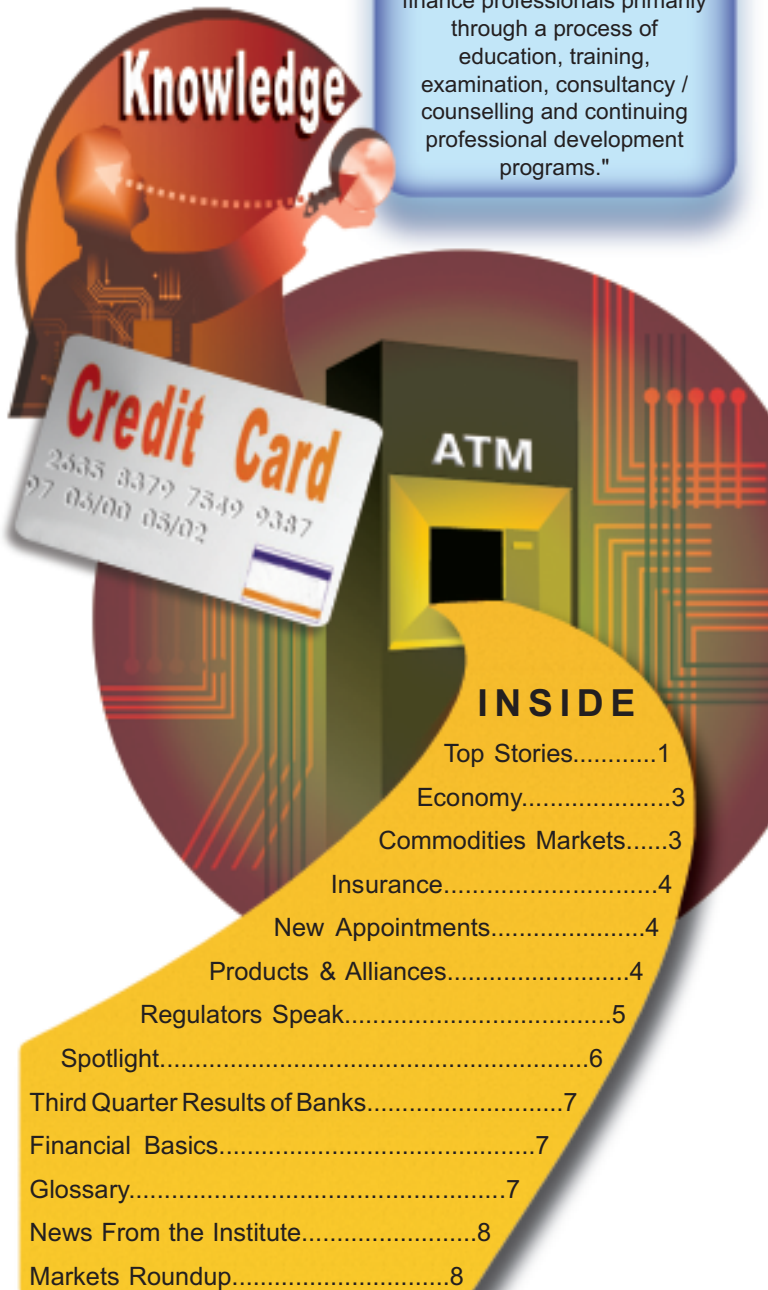
ATMs set to become blind-friendly

With automated teller machines (ATMs) gaining immense popularity for cash withdrawals, banks are ensuring that even handicapped customers have access to these machines. For starters, around 7,000 ATMs of State Bank of India (SBI) are being readied for use by blind customers. Mr. Amitabh Kumar, General Manager, alternate channels, SBI said the bank has completed a pilot project for ATM while the software to internet banking for visually - challenged is in place.

Bank Staff productivity doubles in five years

Employees of Indian banks have become more productive over the last few years. According to 'A Profile of Banks 2008-09' released by the RBI, the average business and profits per employee for Indian banks have more than doubled in the five years from 2004-05 to 2008-09. The improvement was due to business growth outpacing that in manpower. Indian banks have registered a total business (advances plus deposits) growth of 135% from 2004-05 to 2008-09, while their employee strength has edged up only by 10%. Their branch network has grown by 21%.

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."



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200,000 recruits to bring bank to your door step

With the RBI allowing retired teachers, kirana shop owners and PCO operators to be hired as business correspondents (BCs), banks are set to hire over 200,000 people over the next few years to push financial inclusion initiatives. While the country's largest lender, SBI, is expected to hire at least 40,000 persons, Punjab National Bank (PNB) is looking at an additional 75,000 while Union Bank of India intends to hire 50,000 over the next 2-3 years. The BCs will be involved in collecting deposits, helping account holders withdraw cash and also sell other financial products such as life insurance. The biggest use of the hand-held devices used by the business correspondents would be to remit funds from one corner of the country to another.

Govt. banks beat private peers in loan, deposit growth

Public sector banks (PSBs) continued to grow their market share in deposits and loans, as the businesses of foreign and private banks shrank again in the quarter ended September 2009. According to the latest RBI data, PSBs, comprising 20 nationalised banks and the State Bank group, have improved their respective market share in both deposits and advances during the aforementioned period. While the nationalized banks increased their share in deposits to 50.5% from 48.6% in the previous comparable period, the State Bank group increased its market share to 23.8% (23.2%). Meanwhile, private sector and foreign banks have lost their respective shares in deposits to 17.1% (19.4%) and 5.6% (5.8%), respectively.

RBI clarifies provision norms for refinance firms

RBI has clarified that floating provisions were only for contingencies under extraordinary circumstances for making specific provisions; term lending and refinance companies cannot use floating provisions in place of specific provisioning. Only under extraordinary circumstance, with prior permission from the company's board and the RBI can these term lending institutions write back the floating provisions for making specific provisions.

PSU banks race against time to implement core banking

Government - owned banks are rushing to put in place by June 2010 a centralized banking software that will enable customers to access their accounts anywhere through a variety of channels. Adding to their haste is the need to be networked in order to facilitate the government's unique identification project where banks are to act as sub-registrar.

UCO Bank takes a new step towards inclusion

In a bid to speed up the financial inclusion process, UCO Bank is planning to launch a branch-on-wheels service. This initiative will take the bank to rural and semi-urban areas on mobile vans. The mobile branches, working as an extension centre of a base branch, will cater to almost to 50,000 people. While a few other banks, like Bank of Baroda (BoB), have introduced mobile ATMs, UCO's branch-on-wheels will offer the whole bouquet of services (along with ATMs) that a branch normally offers. UCO Bank will start the service from Amethi in Uttar Pradesh and subsequently roll out 100 such mobile branches across the country within a year.

White paper recommends merger of four PSU banks

A white paper on consolidation of state-owned banks by the Finance Ministry-appointed global consultants McKinsey & Co and Ernst & Young (E & Y) has recommended amalgamation of four banks into two separate entities. The finance ministry had appointed these firms to suggest possible PSU bank candidates that could be amalgamated to form bigger and stronger banks. The consultants have suggested four combinations taking into account the profitability and respective market share, besides cultural synergies, geographical presence and other commonalities. The market share of all the combinations are learnt to be between 7% and 8%.

SBM to achieve financial inclusion target

State Bank of Mysore (SBM), which is propagating the financial inclusion programme through the appointment of BCs, is likely to achieve its target of covering every village with a population of more than 2,000 people with a BC, by March 2010. "We have already covered three lakh people under the no-frills accounts model under the financial inclusion programme and are also likely to achieve the one district-one bank model soon," says Mr. Dilip Mavinkurve, MD, SBM.

RBI's connectivity exercise may push banks to extend to North-East

Banks may be encouraged to open more branches in the remote north-eastern region of India as the RBI has agreed in-principle to reimburse VSAT lease rentals up to Rs.12,000 a month for each branch to facilitate penetration of banking services. With the help of VSATs (very small aperture terminals), branches can establish wireless connectivity with the core banking solution (CBS) platform of their bank via satellite and facilitate banking transactions for the rural populace.

IBA seeks easier norms for lending to infra sector

The Indian Banks' Association (IBA) has asked for regulatory sops for extending loans to the infrastructure sector for which a funding of \$514 billion is envisaged under the 11th five year plan. Banks have asked for fiscal sops to enable them to provide 43% of the required funding as envisaged under the plan. IBA has also made a plea for a credit guarantee fund to secure education loans of up to Rs.4 lakh since current norms do not allow banks to seek security despite the possibility of defaults. Mr. M. V. Nair, chairman, IBA has said that banks will need to play a much larger role in infrastructure funding. The share of bank finance in infrastructure in gross bank credit has increased from just 1.8% in 2001 to 10.2% in 2009 and is expected to go up further.

Uneven recovery tops RBI agenda

Though the index of industrial production (IIP) expanded 11.7% in November, the RBI still finds the recovery skewed and says that uneven recovery would continue to dominate its thinking. "There is still an imbalance in the pattern of growth. Recovery is happening but somewhat unevenly" said Dr. Subir Gokarn, Deputy Governor, RBI. IIP rose 11.7% in November '09 *vis-à-vis* 10.3% in October '09 and 2.5% a year ago (November '08). RBI has asserted that it is mindful of the fact that inflation, which is mainly due to food prices, might spiral into a general inflation. "We want to keep the recovery going and support it in every possible way without allowing it to spiral into undesired rate of inflation," Dr. Gokarn said.

Economy

Current a/c deficit in Q2 flat at \$12.6 billion

Despite lower trade deficit, current account deficit, which stood at \$12.6 billion in the second quarter of 2009-10, was almost at the same level as last year, mainly on account of lower net invisible surplus. The invisibles surplus, however, continued to be driven by private transfers and software exports. Merchandise trade deficit remained lower at \$58.2 billion during April-September 2009 as against \$64.4 billion in the year-ago period, mainly due to decline in oil import. The gross capital inflows to India during the Q2 of 2009-10 amounted to \$98.1 billion as against \$90 billion in Q2 of 2008-09, mainly due to higher foreign

investment inflows of \$55.8 billion. Net capital flows were also substantially higher at \$23.6 billion in Q2 of 2009-10 than that of \$7.1 billion in the corresponding period of 2008-09 fiscal mainly due to large net foreign investment inflows and SDR allocations by the IMF during the quarter. The valuation gain, reflecting the depreciation of the US dollar against the major currencies, accounted for \$19,760 million during April-September 2008. Accordingly, valuation gain during April-September 2009 accounts for 67.5% of the total increase in foreign exchange reserves.

Commodities Markets

Commodities markets on course for strongest year since 1973

Commodity markets have been at their strongest year since 1973, lifted by oil's biggest annual gains in a decade and a more than doubling in copper and sugar prices. The Reuters Jefferies CRB index was on track for a 24% rally in 2009. Gold headed for its ninth increase in as many years. White sugar touched record highs and cocoa headed for its fourth annual rise. But the strategies that worked in 2009 may fail in the coming year as the market switches from picking up bargains left in the wake of the financial meltdown that started in 2008. 2009 was really a value proposition; it was about momentum buying on value, which was buying on cheapness in the market, said Mr. Mark Pervan, head of commodity research at ANZ. "2010 is going to be much more macro-driven, more fundamentally driven. You won't see so much influence from the dollar. It will be more closely aligned with supply and demand." he said.

Commodity exchanges find a way out to beat sun outage

Suspension of trading during sun outage at commodity exchanges will soon become history with the NCDEX asking its members to connect through an alternative mode instead of VSAT starting February 20. MCX has managed to overcome sun outage problem by using advance Data Networking technology jointly provided by the BSNL and MTNL for the last five years. Sun outage occurs when a satellite and earth are in perfect alignment. The exchange has advised brokers to connect to alternative modes before February 20, instead of VSAT, for uninterrupted trading during the sun outage that generally occurs twice a year - February-March and September-October.



Insurance

General insurers to set up Motor Insurance Bureau

The General Insurance Council along with general insurers are working on establishing a Motor Insurance Bureau (MIB). It will keep track of vehicles that do not renew their third-party insurance which is mandatory under the law and which covers accident victims other than the vehicle owners and its passengers during an accident. This data will be shared with all insurers so that they can approach the vehicle owners and have them covered. The database will also be shared with local police authorities and the Regional Transport Authorities so that they too can take appropriate steps. Around 3 crore out of the 12 crore vehicles (almost ¼th the number) in India ply uninsured.

LIC meets 51% of new premium income target

Life Insurance Corporation (LIC), India's largest life insurer, hopes to be able to meet the current financial year's target of Rs.48,000 crore in new business premium (NBP) income. The corporation has already met 51% of its target (by collecting Rs.25,000 crore) by December 2009-end, as affirmed by Mr. D. K. Mehrotra, MD, LIC. LIC's market share is around 65-66% in the life insurance business, and it will focus on training to maintain it. "We currently invest around Rs.60-70 crore each year to train our agents and will look at increasing this budget," Mr. Mehrotra affirms. Currently, the corporation has around 14 lakh agents across the country and will be adding 20% more.

Digitisation to enable LIC policy holders access maturity value at ease

LIC policy holders will soon be able to withdraw their maturity value, surrender value and loan value from a branch of their convenience - just as how they pay their premiums irrespective of which branch the policy was issued - thanks to the digitisation practice being put in place. The digitisation will see around 28 crore old policies being transferred into the electronic format.

New Appointments

New Appointment

Mr. T. C. A. Ranganathan has taken over as MD of State Bank of Bikaner & Jaipur (SBBJ) on February 1. Mr. Ranganathan was earlier Chief General Manager,

SBI, Ahmedabad Circle from February 2009. He was deputed to start the China operations of SBI in September 2005 as CEO of their Shanghai Branch.



Products & Alliances

ICICI Bank, UKTI tie up

ICICI bank and UK Trade & Investment (UKTI) have signed an MoU to help Indian firms capitalize on opportunities in the UK. The joint initiative is aimed at providing training events and additional inward investment assistance for Indian businesses looking to enhance their ability to grow in the UK.

Telebanking facility launched

Andhra Bank has recently launched its telebanking facility with call centre. The telebanking system works with interactive voice response (IVR) system available on 24x7 basis. The system is supported through trained call centre agents on all week days except on national holidays. Hewlett Packard India Sales Pvt. Ltd has implemented Aspect Telebanking system for the bank as part of its core banking project.

Federal Bank launches POS terminals

In its efforts to provide technology-driven solutions for customers, Federal Bank has launched point of sale (POS) terminals. The bank plans to deploy one lakh terminals through-out the country within a year. For merchants, POS transactions will reduce the hurdles of cash management, with money getting credited to their accounts. Apart from increased sales, the merchants can avoid the risk of handling soiled / counterfeit notes. Currently launched with Visa acceptance, the bank will shortly announce the acceptance of MasterCard, PIN-based cards, cash withdrawal facility at POS and POS with Dynamic Currency Conversion feature for deployment at tourist locations.

PNB launches Dubai operations

PNB has launched banking operations in Dubai and will set up a branch in the Dubai International Financial Centre (DIFC). "Dubai offers rich opportunities in the financial services sector. Its geographical positioning makes it a vital hub for international business. Our DIFC branch will serve as a base for targeting the entire Middle East and African region" said PNB Dubai CEO Mr. Raj Kumar Nair.

Dhanalaxmi, Bank of New York tie up for online remittance

Dhanalaxmi Bank has partnered with Bank of New York to facilitate online remittance services from the US to India. The new Internet-based customer remittance service will enable all, not just Dhanalaxmi Bank customers, to transfer funds online from the US to India. Riding on NEFT / RTGS, the platform that can credit funds to a bank account of a beneficiary anywhere in India and will enhance customer convenience by providing a 24x7, secure and easy way to remit funds to India.

Regulators Speak...

RBI allows futures trading in Euro, Yen, and Pound Sterling

RBI has allowed futures trading in three more currencies - the Euro, the Pound Sterling and the Yen - with immediate effect. This move comes 1½ years after trading in the Dollar - Rupee futures contracts was kick -started on recognised stock exchanges. With the daily traded value of the currency futures contracts soaring from \$60 million in 2008 to around \$600 million as of January 19, 2010, market players said that trading volumes may have lent comfort to the regulators - the RBI and the Securities Exchange Board of India (SEBI) - to introduce new currency pairs. The two leading exchanges NSE and MCX-SX, plan to soon introduce trading in the new currency pairs.

Volatile capital flows could pose problems

Rapid and volatile capital inflows or outflows could pose significant policy challenges, potentially leading to exchange rate overshooting, asset price volatility and financial instability, fears RBI Deputy Governor Ms. Shyamala Gopinath. "In this context, appropriate and pragmatic use of capital account regulations may have to be considered by emerging markets to maintain financial stability," she opined. However, Ms. Gopinath said, capital inflows were not a concern at the moment. "We don't look at the levels (of the rupee), only the volatility. There have been no concerns on inflows."

Credit default swaps on Anvil : RBI

RBI Deputy Governor Ms. Shyamala Gopinath has said that the introduction of credit default swaps is under serious consideration. "We are at an advanced stage of introducing other currency pairs for currency futures and are examining the issue of allowing plain vanilla currency options in consultation with SEBI". Speaking

about corporate bonds, she said the feedback on repo in corporate bonds has been received on the draft guidelines, which has largely been positive but the key issue raised, relates to inclusion of short-term money market instruments such as CDs / CPs as eligible securities for repo. "To begin with, it is proposed to start only with highly rated bonds. The final guidelines in this regard will be issued shortly."

SEBI modifies rules on securities borrowing

Market regulator SEBI has modified the framework of **Securities Lending and Borrowing** (SLB) as per feedback received from the market participants. This move is hoped to improve the SLB and facilitate better price discovery, as SEBI has permitted lending and borrowing of securities beyond the current 30-day limit, subject to a ceiling of 12 months securities.

RBI cautions banks on retail bond issues

Ahead of SBI's proposed bond issue for retail investors, RBI has asked banks to ensure that floating rate instruments are de-linked from fixed deposit rates. In addition, the regulator has mandated that banks issue a warning-even specifying the wording and the font size that needs to be inserted in offer documents and application forms. Besides, it wants banks that raised Tier-II capital through the subordinated debt route to ensure the distinction between fixed deposits and bonds has been clearly understood. Tier-II capital is reckoned as part of the overall capital base of a bank and is included in calculating the capital adequacy ratio. In contrast, deposits are liabilities which do not reflect the strength of the bank. Retail deposits up to Rs.1 lakh come with an insurance cover. RBI said the precautions are important for enhancing investor education related to risk characteristics of regulatory capital instruments.

RBI asks banks to disclose insurance sale proceeds

RBI has asked banks to disclose the kind of fees and commissions they have earned through sales of life insurance policies to their account holders. This may throw up major revelation about commission earned by domestic, private banks and foreign banks such as ICICI Bank, HDFC Bank, Axis Bank, HSBC, Citibank and Stanchart (pegged at close to Rs.1,000 crore, put together). SBI too is believed to earn a significant level of commissions via its subsidiary SBI Life's premium which is generated from policies sold by the bank. With SEBI having made mutual funds load-free from August 2009, banks have been looking for insurance policies to beef up commission income.

RBI warns against underpricing of risk

Banks are once again resorting to sub-PLR short-term lending due to the excess liquidity in the system, as pointed out by Ms. Usha Thorat, Deputy Governor, RBI. Ms. Thorat opines that pricing of risk is important. There is a temptation to under-price risk whenever there is excess liquidity and pressure to generate profits. Pricing below cost can be risky and the risk cost is very often not captured adequately. Moreover, this gives rise to asset price bubbles. Ms. Thorat also cautioned about the large investment by banks into debt-oriented mutual funds.

RBI worried about special loan rates

RBI has expressed concerns over special loan rates offered by banks. RBI deputy governor Ms. Usha Thorat finds the 'teaser rates' by banks to be a cause for concern; thus indicating RBI's discomfort with such offers, especially when bad loans are increasing day by day. In a bid to attract customers, some banks are offering home loans at a special or fixed rates for the first two years, and thereafter convert it to floating rate basis. Such teaser rates offer a fixed lower initial interest rate for a specified period. As and when interest rates begin to rise, the floating rate is expected to go up. "In this scenario of teaser rates, I hope banks are ensuring that borrowers are aware of the implications of such rates and the appraisal takes into account the repaying capacity of borrowers when rates become normal" Ms. Thorat has stated.

RBI plans to direct banks to create buffer for bad times

RBI is planning to direct banks not to fritter away their profits by giving dividends but rather use the funds to build capital which will take care of their liquidity problems in bad times. The chief general manager of RBI, Mr. B. Mahapatra has said that the recent crisis did not cause any solvency problems for banks in India but there were liquidity problems that led to solvency issues. RBI is planning to put in place liquidity related regulations so that banks can manage liquidity on their own instead of depending on sources of funds from money markets. RBI is considering creating a ownturn buffer under which banks might be allowed to build up capital during good times instead of frittering away their profits as dividends in that period. Mr. Mahapatra informed that the short term capital adequacy regime will undergo a huge change and probably more capital will be required from banks to do business, and there will be higher risk coverage prescribed for them.

IRDA unveils disclosure guidelines

In a step towards initial public offer (IPO) guidelines for insurance companies, the Insurance Regulatory and

Development Authority (IRDA) has issued final public disclosure norms, to be effective from March 2010. "Several insurance companies will complete 10 years shortly and may be allowed by the regulator to go in for IPOs. It is essential that investors are fully aware of financial performance profile, financial position, risk exposure and management of insurance companies. The data shall preferably be made available for at least five years," IRDA has said.



Spotlight

United Bank of India branches in unbanked panchayats

In order to extend banking services to people in the districts of West Bengal and bringing the unbanked Gram Panchayats (GP) under the banking umbrella, United Bank of India has opened branches at Palsanda, Haroa and Malancha in Murshidabad district. "With the opening of these two branches at Palsanda and Malancha we have already opened five branches in unbanked GP and are hopeful of opening another six by the end of this fiscal," said Mr. T. M. Bhasin, Executive Director, United Bank of India.

GMAT type model finds favour with banks

Youths aspiring for a job in a PSB may soon need a qualifying score like GMAT. The banking industry is planning a common entrance test to recruit employees, unlike now where an individual bank directly recruits its personnel. The Indian Banks' Association (IBA) recently mooted a proposal for a centralized admission test for commercial banks in the country. The idea has been backed by banks as well as the Institute of Banking Personnel (IBPS), which manages the selection process for most banks. According to the proposal, a bank will be able to recruit personnel from the pool of successful candidates that the IBA will create.

SBI to enable banking with low-end handsets too

In order to cater to the fast growing mobile phone subscriber base, SBI is working to adopt a technology that will enable customers to avail of mobile banking facilities even from low-end mobile handsets, according to Mr. A. Krishna Kumar, Deputy Managing Director (IT), SBI. "We are working with Mumbai-based Spanco Tele-systems to configure and customize the software in low-end handsets of our customers" said Mr. Kumar.

Currently, SBI customers can access this service only from specific high-end mobile handsets. SBI launched its mobile banking service in partnership with Spanco Telesystems in 2008.

Destroying inoperative bank account is dishonest practice

The Delhi State Consumer Commission has disapproved the practice of destroying the account by a bank if the same remains inoperative for a long period. The Commission passed the order on a plea of a bank, challenging the forum's direction to make payment to the account holder, besides reopening his account. "It would be disastrous if the banks were allowed to burn papers relating to the account if it has not been operated for 8 years," the Commission said.

IOB to rope in cell phone companies' agents for rural push

Indian Overseas Bank (IOB) is in talks with mobile phone service providers to use their agents as Business Correspondents (BCs) in semi-urban and rural areas to increase the Bank's reach in the same, as revealed by Mr. S. A. Bhat, CMD, IOB. As most of the mobile service providers have agents selling their SIM cards, the same agents could also double up as BCs. The Chennai-based bank is also increasing the number of its current BCs from 100 to 300 by the end of this fiscal as part of its focus on rural business. The bank will also open 53 new branches by March in urban as also, semi-urban and rural areas. The exercise to finalise the quantum of recruitment to support expansion is also on.

Banking on the net makes sense

Banks across the country have lost Rs.6.57 crore to internet frauds in 233 incidents of cybercrime, with Tamil Nadu topping the list, in 2008. However this should not deter one from online banking, which has numerous benefits. It allows a customer to make instant payments of your electricity, telephone, gas and other bills. A customer can also give standing instructions to the bank to pay recurring bills automatically all with a simple one-time registration for each biller. Besides being convenient, it's a free service. One can also check the transactions at any time of the day and as many times as one wants.

Australian bank to open India branch

Australia's leading financial institution Commonwealth Bank will be opening its first branch in India (in Mumbai) in Q2 of 2010. The head of the commercial banking division of the Commonwealth Bank, Mr. Pravin Batra, has revealed that the RBI has given its approval for opening the branch which would focus on financing trade among India, Australia and New Zealand. The bank had a representative office in Bangalore earlier.

Third Quarter Results of Banks

Rs. in Crores

Banks	Interest income	Chg. (%)	Other Income	Chg. (%)	Net Profit	Chg. (%)
HDFC Bank	4034.81	-9.70	853.01	-9.19	818.50	31.60
Axis Bank	2883.65	-3.30	988.09	34.90	655.98	30.90
Indusind Bank	702.92	12.00	116.02	-12.81	88.04	95.38
IDBI Bank	4007.80	23.93	425.59	52.26	287.15	28.98
Canara Bank	4687.81	1.35	781.29	3.15	1052.58	50.05
Bank of India	4486.23	3.29	571.60	-45.59	405.50	-53.51
Central Bank of India	3131.30	15.03	364.12	17.01	306.44	-13.25
OBC	2671.59	11.29	237.68	-25.19	289.43	14.77
IOB	2570.14	-1.09	258.52	-57.38	101.70	-73.82
Dena Bank	1015.90	6.31	133.14	-3.47	134.52	-4.16
Federal Bank	944.84	7.81	116.48	-29.32	110.25	-45.93

Financial Basics

Asset and Liability Management : The management of a bank's assets and liabilities to maximize long-term wealth for the bank's shareholders. This requires planning to meet needs for liquidity, avoiding excessive risk of default, planning maturities and durations to avoid unwanted exposure to interest - rate risk, and controlling interest rates offered and paid to ensure an adequate spread between the cost of, and the return on, funds. Management focuses on measuring the sensitivity of net income and / or economic value of shareholders' equity to changing interest rates.

Glossary

Provision norms

Assuming that a certain percentage of the loans will go bad, banks set apart a portion of their profits to cover such losses. The amount is deducted from the pre-tax income and set aside in a separate account to create a cushion for lending gone bad. The general provisioning refers to the provisioning that the banks have to do towards all advances made by them while the specific provisioning means provisions made towards lending to specific categories like real estate or capital markets. The new norms specified by RBI require all banks to reach 70% general provision cover by September 2010.

Securities Lending & Borrowing

Securities Lending and Borrowing enables lending of idle securities by the investors to the clearing corporation and earning a return through the same. For securities borrowing and lending system, clearing corporations of the stock exchange would be the nodal agency and be



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Licence to Post without Prepayment No. 15 / South / 2010 - 12 ● Post at Mumbai Patrika Channel Sorting Office Mumbai - 1 on 25th & 26th of every month.

registered as the Approved Intermediaries. The clearing corporation can borrow, on behalf of the members, securities for the purpose of meeting shortfalls. The defaulter selling broker may make the delivery within the period specified by the clearing corporation. In the event of the defaulted selling broker failing to make the delivery within the specified period, the clearing corporation has to buy the securities from the open market and return the same to the lender within seven trading days. In case of an inability to purchase the securities from the market, the transaction shall be closed out.

News From the Institute

Train the Trainers' programme for Business Correspondents / Business Facilitators

The Institute organized two "Train the Trainers Programme" (TTP) for its Certificate course for Business Correspondents / Business Facilitators at New Delhi between 11th and 12th January 2010 for Punjab National Bank and at Madurai between 21st and 22nd January 2010 for Dhan Foundation.

Sir Purshotamdas Thakurdas Memorial Lecture was organised on 29th January 2010

The 26th Sir PTML was delivered by Dr. Vijay Kelkar, Chairman, Finance Commission on the topic "on Strategies for Disinvestment and Privatisation" on 29th January 2010 at SBI auditorium in Mumbai. The lecture is available on the Institute's website at www.iibf.org.in.

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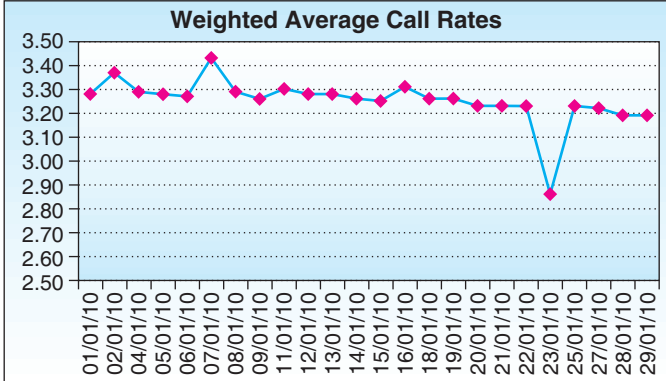
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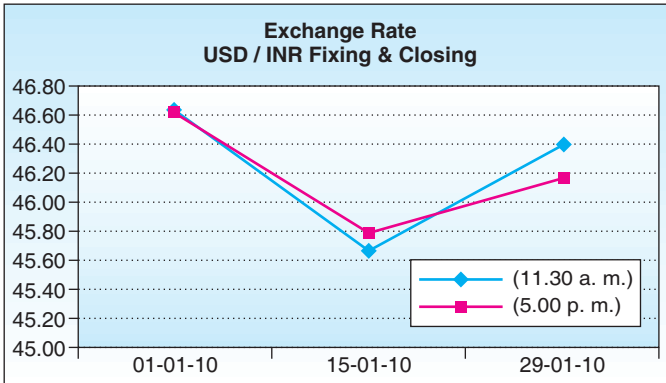
Markets Roundup

Indicators	Market Snapshot (Amount in Rs. Mn.)				
	Jan. 01, 2010	Jan. 08, 2010	Jan. 15, 2010	Jan. 22, 2010	Jan. 29, 2010
Inflation (%)	4.78% (Dec. 2009)	4.78% (Dec. 2009)	7.31% (Dec. 2009)	7.31% (Dec. 2009)	7.31% (Dec. 2009)
Avg. LAF Rev. Repo Vol.	6,15,888	9,50,980	7,45,990	7,44,480	7,60,388
Avg LAF Repo Vol.	2750	0	0	0	750
Avg. Repo Rates (%)	2.61	3.06	2.87	2.94	2.89
10-yr G-Sec Yield (%)	7.6539	7.7278	7.7037	7.6168	7.6687
1-10 yr spread (bps)	284	302	304	300	303
6 Month Forward Premia (%)	2.92	2.54	2.93	2.79	2.97
6 month USD LIBOR (%)	0.43	0.42	0.40	0.39	0.39

Source : CCIL Newsletters, January 2010



Source : CCIL Newsletters, January 2010



Source : Fedai

To,