



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

Centre unveils Electoral Bonds scheme

Recently, the centre unveiled the Electoral Bonds scheme, which seeks to ensure the flow of clean money to political parties without revealing the donors' name. Electoral bonds will be an interest-free, bearer instrument (like a Promissory Note). A citizen of India or a body incorporated in India will be eligible to purchase the bond from specified branches of the State Bank of India (SBI), for any value in multiples of ₹1,000; ₹10,000, ₹1 lakh; ₹ 10 lakhs, and ₹1 crore. Since the identity of the donor and the donee will be kept anonymous, people will be free to donate to any political party of their choice. To benefit from this scheme, the parties should be registered with the Election Commission and should have bagged not less than 1% of the votes polled in the most recent general election to the Lok Sabha or a State Legislative Assembly. The parties can encash these bonds only through a designated bank account with an authorized bank; for which, each party has to submit details of one designated account to the Election Commission. Electoral bonds under the scheme will be available for purchase for ten days each in the months of January-April, July and October.

SEBI prescribes Total Return Index to measure fund performance

In order to help investors to better compare the performance of mutual fund (MF) schemes, the Securities and Exchange Board of India (SEBI) has asked MF houses to adopt Total Return Index (TRI) as a benchmark, in place of the present Price Return variant of an Index (PRI), which only captures capital gains of the index constituent. TRI considers all dividends and interest payments that are generated from the basket of constituents that make up the index, in addition to the capital gains.

SEBI allows commodity bourses to raise fees

SEBI has allowed commodity derivative exchanges to keep the highest transaction charge in turnover slab of any contract, at a maximum of double the lowest charge in the same segment. Currently, the maximum permissible ratio for the highest and lowest transaction charge in a slab is 1.5:1.

SEBI eases 'scheme of arrangement' rules for listed companies

SEBI has relaxed disclosure, promoters' share lock-in and listing related compliance requirements for listed firms undertaking 'schemes of arrangement' viz. mergers and demergers, including those involving subsidiaries and their divisions. The move aims to expedite the processing of draft schemes.

Regulator's Speak

RBI cannot always bail out bank treasury

During a recent speech, Dr. Viral Acharya, Deputy Governor, RBI stated that instead of being surprised by a sharp rise in bond yields, banks should know and understand this risk rather well; especially since this was not the first time when bond yields have risen. RBI's Financial Stability Reports (FSR) have regularly pointed out the impact of such large interest rate moves on capital and profitability of banks.

Proper risk pricing needed to curb NPAs

Mr. N.S. Vishwanathan Deputy Governor, RBI said that bankers need to protect their interest by enforcing covenants strictly, pricing their risks properly, and reacting to early warning signals about the incipient stress building up with their borrowers. Credit analysis should reduce the information asymmetry issues between the borrowers and potential lenders. Once a creditor decides to sanction a loan, next, they should arrive at the risk-adjusted interest rate to be charged. He also asserted the importance of lenders understanding the business cycles of their debtors. Co-ordination mechanisms among banks, like JLF (Joint Lenders Forum), should be ideally deployed before the loan is even classified as SMA (Special Mention Account).

New Appointments

Name	Designation/Organisation
Mr. Dilip Asbe	Appointed as MD-CEO of National Payments Corporation of India (NPCI)



Products & Alliances

Organisation	Organisation tied up with	Purpose
Bank of Maharashtra	AVIVA	To distribute Aviva's products
Bank of Baroda	Invoicemart	To discount invoices for MSMEs

Forex

Foreign Exchange Reserves		
Item	As on January 26, 2018	
	₹ Bn.	US\$ Mn.
	1	2
1 Total Reserves	26,535.3	4,17,789.2
1.1 Foreign Currency Assets	24,999.7	3,93,743.8
1.2 Gold	1,305.5	20,421.6
1.3 SDRs	98.0	1,544.0
1.4 Reserve Position in the IMF	132.1	2,079.8

Source: Reserve Bank of India (RBI)

Benchmark Rates for FCNR(B) Deposits applicable for February 2018
Base Rates for FCNR(B) Deposits

Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	2.08500	2.31200	2.44000	2.50800	2.56900
GBP	0.71310	0.9315	1.0894	1.2000	1.2869
EUR	-0.24000	-0.123	0.082	0.293	0.466
JPY	0.05310	0.078	0.089	0.120	0.146
CAD	2.06000	2.201	2.337	2.407	2.452
AUD	1.88300	2.060	2.230	2.510	2.620
CHF	-0.59500	-0.453	-0.264	-0.111	0.021
DKK	-0.12960	0.0105	0.2167	0.4271	0.6205
NZD	1.99500	2.183	2.388	2.571	2.731
SEK	-0.33600	-0.085	0.185	0.449	0.683
SGD	1.31000	1.565	1.750	1.895	2.003
HKD	1.59000	1.890	2.080	2.230	2.330
MYR	3.78000	3.810	3.840	3.880	3.920

Source: www.fedai.org.in

Glossary

Electoral Bonds

Electoral Bond is a financial instrument for making donations to political parties. These are issued by Scheduled Commercial banks upon authorisation from the Central Government to intending donors, but only against cheque and digital payments (it cannot be purchased by paying cash). These bonds shall be redeemable in the designated account of a registered political party within the prescribed time limit from issuance of bond.

Financial Basics

Strike Price

A strike price, in an option contract, is a prefixed price which gives the option holder the right to buy/sell the underlying product on a specified future date.

Institute's Training Activities

Training Programme for the month of February 2018

Name of the Programme	Dates	Location
Post Examination Classroom Learning For Certified Credit Professional	15 th -17 th February 2018	Virtual
Post Examination Classroom Learning For Certified Credit Professional	15 th -17 th February 2018	Mumbai
Post Examination Classroom Training for Certified Treasury Professional	16 th -18 th February 2018	Mumbai
Agricultural Officers in Banks	20 th -21 th February 2018	Mumbai
Post Examination Classroom Training for Certificate in Risk in Financial Services	22 nd -24 th February 2018	Mumbai
Post Examination Classroom Learning For Certified Credit Professional	26 th -28 th February 2018	Mumbai
Compliance Banking	12 th -14 th February 2018	Chennai
Post Examination Classroom Learning For Certified Credit Professional	21 st -23 rd February 2018	Chennai
Recovery Management in Banks	19 th -21 st February 2018	New Delhi
Post Examination Classroom Learning For Certified Credit Professional	26 th -28 th February 2018	New Delhi
8th Bank Executive Programme for Senior Executives – Jointly by NIBM, IIBF & IDRBT	13 th -17 th February 2018	NIBM, Pune

News from the Institute

Capacity Building in banks

RBI vide its notification dated 11th August 2016 has mandated that each bank should have a Board approved policy to deploy staff with adequate qualification/certification in key areas of operations. To begin with, they have identified following areas:

1. **Treasury Management:** Dealers, mid-office operations.
2. **Risk Management:** credit risk, market risk, operational risk, enterprise-wide risk, information security, liquidity risk.
3. **Accounting** – Preparation of financial results, audit function
4. **Credit Management:** credit appraisal, rating, monitoring, credit administration.

Subsequently on the direction of RBI, IBA had constituted an Expert Group for identifying suitable institutions and courses that can provide the necessary certifications. IIBF is the only institution offering certification in the three out of the four areas.

Further, RBI vide its letter dated 31st May 2017, addressed to IBA and copy endorsed to IIBF has stated that 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.

The courses offered by the Institute in the areas of Treasury Operations, Risk Management and Credit Management are blended in nature with an online examination followed by training for such of those candidates who have successfully cleared the online examination.

In order to facilitate candidates to get certified in the area of credit management, the Institute will be holding the exam on credit management, treasury and Risk in Financial Services at 74 centres as per schedule indicated below:

EXAMINATION	EXAMINATION DATE	OPEN PERIOD OF REGISTRATION
Certified Credit Professionals	24-03-2018	09-02-2018 to 27-02-2018
	28-04-2018	14-03-2018 to 29-03-2018
Certified Treasury Professional	24-03-2018	09-02-2018 to 27-02-2018
	28-04-2018	14-03-2018 to 29-03-2018
Risk in Financial Services	24-03-2018	09-02-2018 to 27-02-2018
	28-04-2018	14-03-2018 to 29-03-2018

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.

MoU with Small Industries Development Bank of India (SIDBI)

The Institute entered into a partnership with SIDBI on 11th July 2017 to take forward the Certified Credit Counsellor (CCC) program for MSMEs. Eligible candidates, interested in becoming CCCs, have to pass a certificate examination on MSMEs conducted by IIBF. On successful completion of the examination and after due diligence conducted by SIDBI, a certificate shall be issued to the candidate as Certified Credit Counsellor for MSMEs.

New Courseware on NBFCs

The Institute launched its new courseware on Non-Banking Financial Companies (NBFCs) on 29th April 2017. The book was released by industry experts from the banking fraternity. The first exam on the subject was held in January 2018.

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. The first Virtual Classroom training for Certified Credit Officers was held successfully from Dec 9th to 11th and 53 candidates enrolled for the programme. In the month of January 2018, one more Virtual Classroom Training programme was held and 90 participants enrolled. It is expected that in February, 2018, two additional Virtual Classroom Training Programmes will be targeting 90 participants for each Training.

Examination at Institute's own Test Centres at Mumbai & Kolkata

The Institute presently conducts examination on the 2nd and 4th Saturday of every month for four of its courses namely, Micro, Small & Medium Enterprises (MSMEs), Customer Service, AML/KYC and Cyber Crimes at its own Test Centres at Mumbai & Kolkata. Candidates can select the examination date and centre of his/her choice. Registration will be on first come first serve basis. The schedule of the examinations for the said courses is available on our website www.iibf.org.in.

Bank Quest Theme for upcoming issue

The theme for the January-March 2018 "Bank Quest" issue is "Cyber Security in Banks". Members are requested to contribute articles for publication in the quarterly journal of the Institute.

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 2018 to July 2018, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December, 2017 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 2018 to January 2019, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June, 2018 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.

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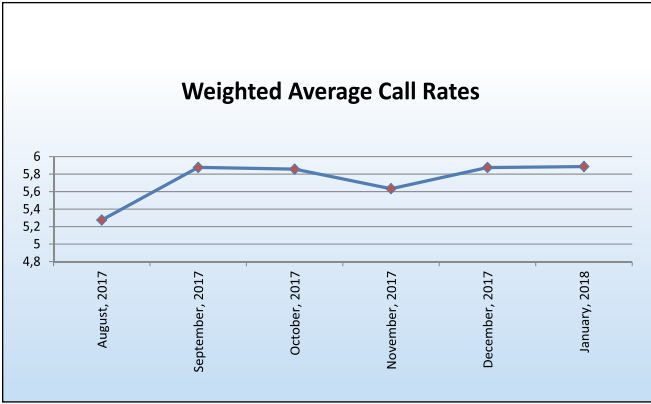
I, Dr. J. N. Misra, hereby declare that the particulars given above are true to the best of my knowledge and belief.

31.03.2017

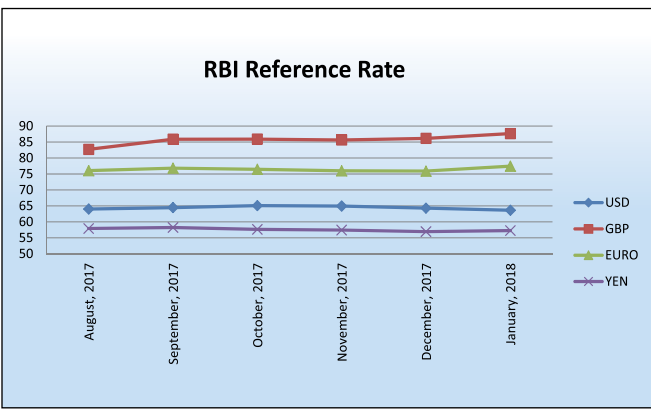
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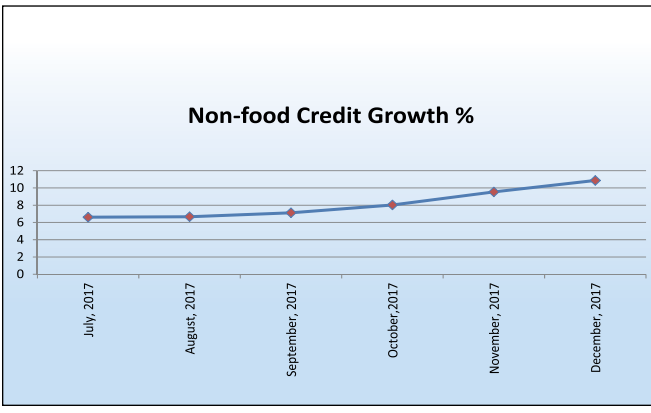
Market Roundup



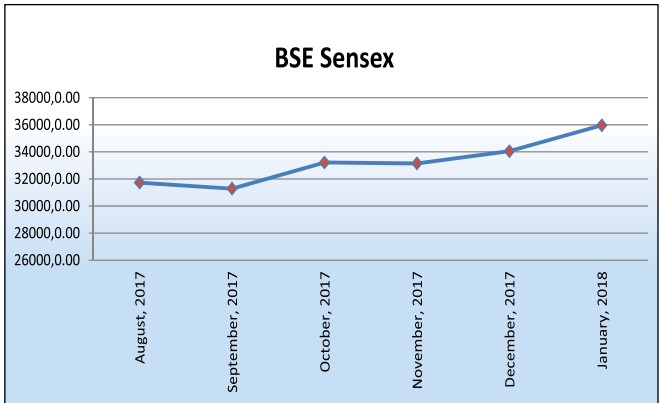
Source: CCIL Newsletter, January 2018



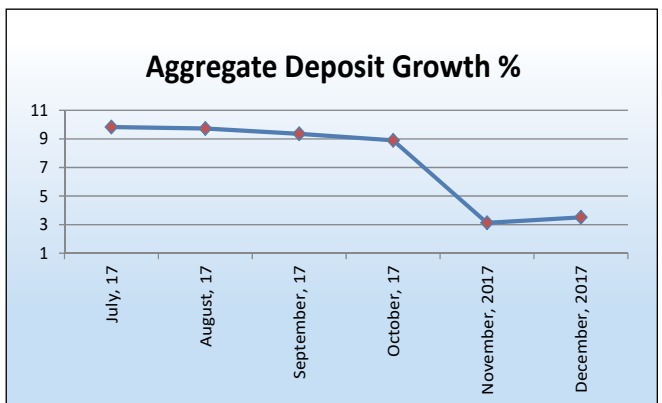
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Source: Monthly Review of Economy CCIL, January 2018



Source: Bombay Stock Exchange (BSE)



Source: Monthly Review of Economy CCIL, January 2018

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