A Monthly Newsletter of Indian Institute of Banking & Finance (Rs. 40/- per annum)

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IIBF VISION

Committed to professional excellence

Volume No. : 6 Issue No. : 9 April 2014

Bi-monthly Monetary Policy Statement 2014-15 : 1st April 2014

- Policy repo rate under the Liquidity Adjustment Facility (LAF) remains unchanged at 8.0%;
- The Cash Reserve Ratio (CRR) of scheduled banks remains unchanged at 4.0% of Net Demand and Time Liability (NDTL); and
- The liquidity provided under 7-day and 14-day term repos is increased from 0.5% of NDTL of the banking system to 0.75%, and the liquidity provided under overnight repos under the LAF is decreased from 0.5% of bank-wise NDTL to 0.25% with immediate effect.
- The reverse repo rate under the LAF remains unchanged at 7.0% and the Marginal Standing Facility (MSF) rate and the Bank Rate at 9.0%.
- For the year as a whole, the CAD is expected to be about 2.0% of GDP. Most recently, however, export growth has slowed, partly because of slowdown in demand in partner countries as well as a softening of prices of exports of petroleum products and gems and jewellery (offset by a reduction in the prices of oil and gold imports).
- RBI has moved over to Risk-Based Supervision (RBS) for Scheduled Commercial Banks (SCBs), starting with banks that were more prepared. Based on the experience gained from the completion of Phase I and the feedback received on the RBS framework from banks, the framework is being fine-tuned. Banks are also being advised to assess their risk management architecture, practices, related processes and Management Information Systems (MIS) to facilitate their switch over to RBS in Phase II.
- A comprehensive IT-based system namely, Export Data Processing and Monitoring System (EDPMS) for effective monitoring, easier tracking and reconciliation of export transactions was launched in February 2014. The data will be shared among the stakeholders / agencies involved and will allow more timely and detailed information on exports as well as prevention of export-related fraud.

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."

INSIDE

Banking Policies

New Bank Licence

IDFC and Bandhan Financial Services Private Ltd have been selected by Reserve Bank of India to set up banks, from a field of 25 aspirants. Incidentally, both IDFC and Bandhan are Non Banking Finance Companies. While Mumbai-based IDFC is classified as an infrastructure finance company, Kolkata-based Bandhan is a microfinance institution. IDFC and Bandhan were recommended as suitable for grant of "in-principle" approval by the High Level Advisory Committee set up by RBI.

Exchange of pre-2005 notes till next year

RBI has extended the deadline for exchanging soiled currency printed before 2005 to January 1, 2015. It has also advised banks to facilitate the exchange of these notes for full value and without causing any inconvenience to the public.

MoF wants RBI intervention to curb volatility

The Finance Ministry wants RBI to intervene more frequently in the currency market to smoothen volatility; build reserves when the rupee strengthens; and use this to bolster the currency when it weakens. The rupee has strengthened from 63.11 to a dollar at the end of January going past the 61 level, triggering calls for RBI to buy dollars for building reserves. India's exports contracted in February after seven months of expansion, which was partly blamed on the stronger rupee; even as many of the country's exporting rivals saw their currencies depreciate.

New norms for securitisation firms

RBI has allowed securitisation and reconstruction companies to utilize a part of the funds raised under a scheme from the Qualified Institutional Buyers (QIBs) for restructuring of financial assets acquired by them. The funds can be utilised subject to conditions. For instance, companies with acquired assets in excess of ₹500 crore can float these funds. The extent of funds that can be utilized for the purpose of reconstruction should not be more than 25% of the funds raised under the scheme.

Deadline for implementing Basel III norms extended to 2019

RBI has extended the timeline for full implementation of Basel III capital regulations to March 31, 2019. Banks may need some lead time to raise capital within the internationally agreed timeline for full implementation of the Basel III capital regulations. Accordingly, the transitional period has been extended by one year from March 31, 2018 to up to March 31, 2019. Basel III is a comprehensive set of reforms, developed by the Basel Committee on Banking Supervision, to strengthen the regulation, supervision and risk management of the banking sector. In terms of Basel III capital regulations issued by RBI, the Capital Conservation Buffer (CCB) will be implemented from March-end 2016 (against March-end 2015 earlier). Consequently, the Regulations will be fully implemented by March-end 2019. RBI has also revised the transitional arrangements pertaining to minimum capital ratios that banks need to maintain as a percentage of their risk-weighted assets (or loans).

RBI eases forex hedging rules for exporters / importers

Exporters and importers will get greater operational flexibility with RBI relaxing a few restrictions relating to hedging of currency risk of their probable exposures. The eligible limit for importers is computed as 25% of the average of the previous three financial year's actual import turnover or the previous year's actual export / import turnover - whichever is higher. The contracts in excess of 75% of the eligible limit shall be on deliverable basis and cannot be cancelled. In event of cancellations, the profit or loss will be borne by the exporter / importer and not be passed on to customers as was mandated earlier.

RFPIs can open rupee accounts

RBI has made the Registered Foreign Portfolio Investors (RFPI) eligible to open Special Non-Resident Rupee (SNRR) accounts and Foreign Currency Accounts (FCA) with banks. For genuine investments in securities, they can also transfer sums from a FCA to a SNRR account at the prevailing market rate. This comes on the backdrop of the Securities and Exchange Board of India (SEBI) announcing guidelines on the RFPI front. For RFPIs, the investment limits will be 10% (individual) or 24% (aggregate) of the total paid up equity capital; or 10% (individual) or 24% (aggregate) of the paid up value of each series of convertible debentures issued by an Indian company. If there is a composite sectoral cap under the Foreign Direct Investment (FDI) policy, the limits for RFPI investment will be within the overall sectoral FDI cap.

Banking Developments

CCP must for inter-bank forex swaps : RBI panel

RBI panel on reforms in Over-The-Counter (OTC) forex derivatives has recommended that clearing of interbank trades in foreign exchange forward and swaps should be mandatorily done on the Central Counter Party (CCP) platform. According to the panel headed by Mr. R. Gandhi, Executive Director, RBI, CCP acts as a central hub for market participants. It can improve the effectiveness of default management arrangements and coordinate operational improvements &efficiencies. The proposal to provide CCP-based clearing is already under consideration *vis-à-vis* the use of CCP platform for Interest Rate Swaps (IRS).

NRI deposits grow 43%, but banks not bullish

Outstanding Non-Resident Indian (NRI) deposit portfolio of Indian banks rose 43.5% to $99.15 billion y-o-y at the end of January. However, bankers say this growth will not sustain for too long. As on January 31, Non-Resident External (NRE) rupee deposits stood at $49.8 billion, up 8% y-o-y. The NRE deposit product has lost customer interest after RBI announced that banks can no longer offer interest rates higher than their domestic deposit rates. The outstanding Foreign Currency Non-Resident (FCNR) deposits stood at $40.7 billion, adding $287 million since December 31. RBI had shut the swap window for FCNR deposits in November, thereby, removing the incentive for banks to mobilize the product. Between September and November, Indian banks were able to raise up to $34 billion through various windows prescribed by RBI. Reportedly, a majority of these funds came through the FCNR window. The outstanding Non-Resident Ordinary (NRO) deposits fell 12.5% to $8.64 billion.

Deposits rise 15.5%, continue to outpace credit growth

As per RBI data, bank deposits continued to outpace credit growth, climbing 15.55% y-o-y to ₹7,692,309 crore as on March 7. Deposits of commercial banks stood at ₹6,657,109 crore during the same period last year. Meanwhile, credit grew at 14.65% y-o-y to ₹5,937,249 crore as on March 7, *vis-à-vis* ₹5,178,577 crore in the same period last year. RBI's estimate of credit growth for the current fiscal is 15%, while for deposits it is 14%.

RBI's liquidity steps help short-term rates to fall

Despite the year-end pressure on banks to meet business targets, short-term corporate bulk deposit rates have softened significantly after RBI opened several channels to infuse liquidity in the banking system. Banks scramble for funds during quarter ends to meet their business targets, thus spiking the interest rates sharply. Hence, the credit and deposit growth numbers look artificially high at March-end and then eventually come down when the new financial year starts. As per RBI data, the y-o-y deposit growth till March 7 was 15.6% *vis-à-vis* 13.1% a year before; whereas credit growth was 14.7% *vis-à-vis* 15.4 % earlier.

Regulator's Speak...

No change in 80:20 rule for gold import

Dr. K. C. Chakrabarty, Deputy Governor, RBI has defended the decision to allow more banks to import gold. He opines that the presence of more players would lower the costs and help the country's external balances by improving the Current Account Deficit (CAD). Under the 80:20 scheme introduced on August 14, 2013, nominated agencies could import gold on the condition that 20% of the shipment would be exported and the remainder be kept for domestic use. Dr. Chakrabarty has asserted that there has been no revision in the policy governing gold imports.

RBI looking at improving regulatory architecture

Dr. Raghuram Rajan, Governor, RBI has revealed that RBI is introspecting about the new regulatory architecture required for the country. A number of internal committees are looking at issues including the level of supervision required; how seamless the regulations should be; and the level of arbitrage required for regulating institutions with similar functions. Highlighting the need to upgrade human resources, the RBI is considering more training institutes and tests for regulators and officials at higher levels in banks. The 'fit and proper' criteria for directors include their grasp over the basics of business, annual reports, balance sheets and risk management.

Not targeting inflation

Dr. Raghuram Rajan, Governor, RBI has revealed that "We haven't yet moved to the Urjit Patel committee's suggestion of inflation targeting. As for adopting CPI inflation as the benchmark to rein in prices, we probably should focus on CPI rather than WPI. We are exploring the recommendations of the Urjit Patel report and will discuss some aspects of it with the Government, including establishing a monetary policy committee, and deciding what the inflation target will be. The Urjit Patel report has called for moving away from the current WPI-based CPI inflation as the chief data point for RBI to set inflation expectations."

Economy

Overseas borrowing drop by 49%

Faced with a slowing economy, fewer investment opportunities and high borrowing costs, Indian companies have stayed away from dollar borrowings since January. As per RBI data, overseas borrowings by companies saw a 49% drop in January due to rise in borrowing costs. Companies raised $1.8 billion through External Commercial Borrowings (ECBs), sharply down from $3.5 billion raised a year ago. The domestic economy has slowed, with GDP growth for October-December at 4.7%, lower than the government's forecast of 5%. Growth in industrial output has also slumped - reflecting the lack of fresh investments from companies.

Retail inflation still high

According to Dr. C. Rangarajan, Chairman of the Prime Minister's Economic Advisory Council (PMEAC), sticky retail inflation could weigh in on RBI's policy action in the upcoming monetary policy review on April 1. Although the direction in which prices are moving is encouraging, a retail inflation of 8% is still very high. Further easing of inflation will give greater room for monetary authorities in their policy action.

Rural Banking

RRBs bag higher CASAs than PSBs

Regional Rural Banks (RRBs), a great vehicle for financial inclusion, have managed to generate more Current And Savings Accounts (CA-SA). The share of CASA for RRBs was 54.3% at end of December 2013. Until a few years ago, PSBs relied heavily on CASA to reduce their cost of funds. However, even the huge banks have not been able to increase their share of CASA over the past 2-3 years as deposits have been hard to come by due to economic slowdown. A high share of CASA implies that banks are able to raise funds at low costs since these deposits attract much lower (and sometimes nil) rates than term deposits. The higher CASA ratio of RRBs shows that these banks have gained the trust of local customers.

Microfinance

MFI loans grow 52%

Loans disbursed by MicroFinance Institutions (MFIs) grew 52% in the October-December 2013 period, says a report by Micro Finance Institutions Network (MFIN) on the performance of 43 MFIs across India. The report claims it covers 85% of the total loan portfolio of the sector, excluding micro-loans given out to Self-Help Groups (SHGs). The growth in total loan disbursements to ₹9,281 crore (during October-December) from ₹6,120 crore a year earlier, is indicative of the robust demand for these small-value loans across the country despite their relatively higher pricing. Over the previous quarter, the amount of loans disbursed by these 43 companies grew 21%. A microfinance company, typically, disburses low-value loans at 24-26% interest *vis-à-vis* 10-12% charged by banks.

SROs not a burden on MFIs

RBI has specified that Self-regulatory organizations (SROs) are not a burden on the MicroFinance Institutions (MFI) sector. In fact, RBI wants SROs to handle most of the matters that RBI handles. The apex bank has specified the quantum of household annual income and loan limit for MFIs to be followed by banks for qualifying under priority-sector status. Loan is to be extended to a borrower whose household annual income does not exceed ₹60,000 in rural areas and ₹1.2 lakh in non-rural areas. Besides, the loan should not exceed ₹35,000 in the first cycle and ₹50,000 in the subsequent cycles. Banks have been demanding that these limits be raised.

New Appointments

Name	Designation / Organisation
Mr. R. Gandhi	Deputy Governor, Reserve Bank of India (RBI)
Mr. Rakesh Sethi	Chairman & Managing Director, Allahabad Bank
Dr. Ram S. Sangapure	Executive Director, Punjab National Bank

Insurance

Non-life premium income of insurers up 5% in February

The premium income of non-life insurance companies, including that of four public sector entities, grew 5% in February to ₹6,066 crore. The four PSU entities - National Insurance, New India Assurance, Oriental Insurance and United India Insurance - saw their gross premium collection rise 2.6% y-o-y to ₹3,395 crore in February. These four entities accounted for about 56% of the total premium collected by general insurance companies. As per IRDA data, the gross premium of 28 players in the general insurance market during April-February 2013-14 rose 12.84% to ₹69,833 crore.

IRDA to consider heavy discounts for group policies

The Insurance Regulatory and Development Authority (IRDA) is initiating steps to address the issue of premium subsidization in group insurance policies. IRDA received several complaints about the unfair discounts given to group policies, and thus wants insurance companies to waive away the practice. People opting for group covers are getting far low premiums at the cost of individuals who would end up paying higher premiums. IRDA has asked the General Insurance Council (GI Council) - the apex body of non-life insurance companies - to provide the relevant data to understand how companies treat their customers. It will study all aspects of the issue and will also look at the pattern of premium charges for individuals and groups, since it believes the distortions are widespread.

Insurance cos. investment in banks

Insurance companies may be allowed to invest more funds in banks and financial institutions, as the government explores ways to infuse additional capital into state-run lenders. The government has asked the Insurance Regulatory and Development Authority (IRDA) to raise insurance companies' exposure limit to the banking sector to 30% from 25%. As per RBI, PSBs will need about ₹4.15 lakh crore to meet the Basel-II norms, of which equity capital will be around ₹1.5 lakh core while non equity capital will be about ₹2.75 lakh crore.

IRDA allows collection of advance premium

Mr. T. S. Vijayan, Chairman, IRDA, has stated that life insurers can now collect advance premium up to three months in advance from the due date. The premium collected in advance should only be adjusted on the due date of the premium.

Forex

Benchmark Rates for FCNR(B) Deposits applicable for the month of April 2014					
LIBOR / SWAP For FCNR(B) Deposits					
	LIBOR	**SWAPS**			
Currency	**1 Year**	**2 Years**	**3 Years**	**4 Years**	**5 Years**
USD	0.55810	0.587	1.048	1.475	1.847
GBP	0.91125	1.4886	1.8235	2.0670	2.2905
EUR	0.54671	0.493	0.640	0.820	1.011
JPY	0.34429	0.198	0.220	0.269	0.340
CAD	1.47000	1.403	1.613	1.858	2.086
AUD	2.71300	2.958	3.225	3.530	3.740
CHF	0.19440	0.108	0.214	0.354	0.508
DKK	0.58300	0.6990	0.8660	1.0630	1.2660
NZD	3.64500	4.088	4.363	4.538	4.670
SEK	0.91750	1.110	1.335	1.595	1.825
SGD	0.36300	0.680	1.090	1.498	1.820
HKD	0.50000	0.810	1.230	1.650	1.980
MYR	3.49000	3.610	3.780	3.880	3.990

Source : FEDAI

Foreign Exchange Reserves		
Item	**As on 21st March 2014**	
	₹Bn.	**US$ Mn.**
	1	**2**
Total Reserves	18,252.2	298,635.5
(a) Foreign Currency Assets	16,567.7	271,394.4
(b) Gold	1,302.1	20,978.0
(c) SDRs	272.4	4,461.8
(d) Reserve Position in the IMF	110.0	1,801.3

Source : Reserve Bank of India (RBI)

Forex kitty increases by $1.09 billion

Foreign exchange reserves jumped by $1.088 billion, to touch $295.45 billion due to an increase in foreign currency assets. In the previous reporting week, the reserves had surged by $954.6 million to $294.36 billion. Foreign Currency Assets (FCAs), a major part of the overall reserves, increased by $1.07 billion to $267.97 billion for the week ended March 7. Expressed in dollar terms, FCAs include the effect of appreciation / depreciation of the non-US currencies such as the euro, pound and yen held in its reserves.

Products & Alliances

Organisation	Organisation tied up with	Purpose
Federal Bank Ltd.	Bangalore Metro Rail Corporation	For automatic fare collection on Namma Metro Reach 3, 3A and 3B. Federal Bank will handle all financial transactions with regard to automatic fare collection on the sections concerned for five year BMRCL Tender.
Allahabad Bank	Star Agriware Housing and Collateral Management Ltd.,	For successful implementation of the scheme for extending produce loan to farmers against Warehouse receipts under tie-up arrangement with warehousing companies for providing collateral management services
Corporation Bank	CSC e-Governance Service India	To cater to the needs of the financially excluded in un-banked urban areas.
RBI	HTC Global Services	For developing an Export Data Processing and Management System (EDPMS)

Basel III - Capital Regulations (Continued...)

Continuing the discussion on Basel III, we enumerate the following information :

The RWA on claims secured by mortgage of residential properties would be as under :

Category of Loan	LTV Ratio (%)	Risk Weight (%)
a) Individual Housing Loans		
(i) Up to ₹20 lakh	90	50
(ii) Above ₹20 lakh and up to ₹75 lakh	80	50
(iii) Above ₹75 lakh	75	75
b) Commercial Real Estate - Residential Housing (CRE-RH)	N/A	75
c) Commercial Real Estate (CRE)	N/A	100

Note : The LTV ratio should not exceed the prescribed ceiling in all fresh cases of sanction. In case the LTV ratio is currently above the ceiling prescribed for any reasons, efforts shall be made to bring it within limits.

Banks' exposures to third dwelling unit onwards to an individual will also be treated as CRE exposures.

- Restructured housing loans should be risk weighted with an additional risk weight of 25% to the risk weights prescribed above.
- Loans / exposures to intermediaries for on-lending will not be eligible for inclusion under claims secured by residential property but will be treated as claims on corporate or claims included in the regulatory retail portfolio as the case may be.
- Investments in mortgage backed securities (MBS) backed by exposures will be governed by the guidelines pertaining to securitisation exposures.

Non-performing Assets (NPAs)

The risk weight in respect of the unsecured portion of NPA (other than a qualifying residential mortgage loan), net of specific provisions (including partial write-offs), shall be :

Specific Provisions	Risk Weight %
Less than 20% of outstanding	150
At least 20% of outstanding	100
At least 50% of outstanding	50

- The risk weight applicable for secured NPA is 100%, net of provisions when provisions reach 15% of the outstanding amount.
- NPA Home Loan claims secured by residential property, the risk weight shall be 100% net of specific provisions. In case the specific provisions are at least 20% but less than 50% of the outstanding, the risk weight shall be 75% (net of specific provisions) and specific provisions are 50% or more the applicable risk weight is 50%.

Source : Reserve Bank of India(RBI)

Corrigendum

IIBF Vision - March 2014 issue, page 4, under item : New code may keep bank transactions secure : "However, the new code can also have an adverse impact on customer's credit score, as it takes an ambiguous stand on banks sending repayment data to Credit Information Companies". This is an incorrect statement.

Hence, the readers are requested to read the following in place of the above statement :

'Sending of borrower's loan account data by banks to Credit Information Companies (CICs) is a regulatory requirement and BCSBI has not prescribed nor modified or diluted any requirement. The Code 2014, in terms of para 5.1 merely requires banks to explain to the customers the role of Credit Information Companies and the effect of information which banks access from CICs can have on customer's ability to get credit. The Code itself does not cast any additional responsibility on banks *vis-à-vis* CICs and as such does not impact anybody's credit score'

Financial Basics

Substandard Assets

A substandard asset would be one, which has remained NPA for a period less than or equal to 12 months. Such an asset will have well defined credit weaknesses that jeopardize the liquidation of the debt and are characterised by the distinct possibility that the banks will sustain some loss, if deficiencies are not corrected.

Glossary

Central Counter Party

A Central Counter Party (CCP) is a clearing house that interposes itself between counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the future performance of open contracts. A CCP becomes counterparty to trades with market participants through novation, an open offer system, or another legally binding arrangement. For the purposes of the capital framework, a CCP is a financial institution.

Important announcement from the Institute

JAIIB / CAIIB / Certificate in CAIIB Elective Examinations

I. For May / June 2014 Examinations

Currently the Institute offers JAIIB/CAIIB examinations in 276 centers. It has now been decided that :

1. JAIIB / CAIIB / ELECTIVES Examinations will be conducted at 236 centers(List available on the web site) in Online Mode. In these centers there will be **NO** option of paper & pencil i.e. off-line mode examination.
2. In the remaining 40 Centers (List available on the web site) where the number of candidates is very low, the Institute will offer paper & pencil examination i.e. Off-line Mode examination for the May / June 2014 examination. There will be **NO** option of on-line mode exam in these centers.

(For details visit Institute's web site www.iibf.org.in given under EXAM RELATED head on the home page)

II. Admit Letters

With effect from May / June 2014 Examinations the Institute will **NOT** be sending the Admit Letter (printed copy) through post, but will be sending it to candidates through e-mail and for receiving the same correct e-mail address with the Institute is mandatory. As per current practice the admit letters will also be available for download on Institute's website (www.iibf.org.in) one week before the examination.

III. Instructions / information about ON-LINE examination

Candidates are requested to go through the above available on the homepage of Institute's website under the link "INSTRUCTIONS / INFORMATION ABOUT ON-LINE / OFF-LINE EXAMINATIONS OF THE INSTITUTE" to familiarise about the conduct of online examinations.

IV. Diploma Exam in Online / MCQ mode

The Institute was so far offering the 4 Diploma examinations *viz.,* 1. Diploma in Banking Technology, 2. Diploma in Treasury, Investment and Risk Management, 3. Diploma in International Banking & Finance, 4. Diploma in Commodity Derivatives for Bankers in descriptive pattern in Offline Mode. Requests have been received from various quarters for offering these Diploma examinations with Multiple Choice (Objective type) questions in Online Mode. These Diploma examinations will now be offered in On-line Mode with Multiple Choice (Objective type) questions from May / June 2014 examinations and Offline Mode examination will not be available for the same. (For details visit Institute's web site - Exam related head on the homepage.)

Institute's Training Activities

Training Programme Schedule for the month of April 2014

Sr. No.	Programme	Date
1.	9th Programme on Credit Appraisal (Industrial and Commercial Advances)	21st to 26th April 2014
2.	5th Programme on Housing Finance	28th to 30th April 2014
3.	4th Programme on KYC / AML / CFT	28th to 30th April 2014

Training activities completed during the month of March 2014

Sr. No.	Programme	Date
1.	Certified Banking Compliance Programmes	3rd to 7th March, 2014 at Delhi and Chennai
2.	Certified Banking Compliance Programme	10th to 14th March, 2014 at Mumbai
3.	Certified Bank Trainer Training Programme	3rd to 7th March, 2014 at NIBM, Pune

News From the Institute

Convocation for Advanced Management Programme

The convocation ceremony for the Advanced Management Programme (AMP) in Banking and Finance (11th batch) was organized at the Institute's Leadership Centre in Mumbai on 10th March 2014. Mr. R. K. Dubey, Chairman and Managing Director, Canara Bank was the Chief Guest. The certificates were given to all the successful candidates by the Chief Guest. The convocation was attended by a large number of bankers.

Launch of Certified Treasury Professional Course

The Institute in collaboration with FIMMDA, Mumbai, has launched a new course called Certified Treasury Professional on 8th March 2014. Mr. H. R. Khan, Deputy Governor, RBI launched the course during the 15th FIMMDA conference held at Jaipur. The first examination will be held in October, 2014.

Contact classes for JAIIB / DB&F and CAIIB

The Institute will be organizing contact classes for JAIIB / DB&F and CAIIB courses. The Institute will also offer contact classes in select centers for the Compliance and Bank Trainers Course. For details, visit web site.

Video lectures & E-learning

The Institute has started providing video lectures for JAIIB / DB&F and 2 compulsory subjects of CAIIB examinations. E-learning is now extended for elective subjects of CAIIB also for the first time. For details, visit www.iibf.org.in.

Additional Reading Material for Institute's examination

The Institute has put on its web site additional reading material for various examinations, culled out from the Master Circulars of RBI and other sources. IIBF Vision also contains information on recent developments on Banking & Finance. These are important from examination view point. For details, visit web site.

IIBF Vision via mail

The Institute is emailing IIBF Vision to all the e-mail addresses registered with the Institute. Members, who have not registered their e-mail ids, are requested to register the

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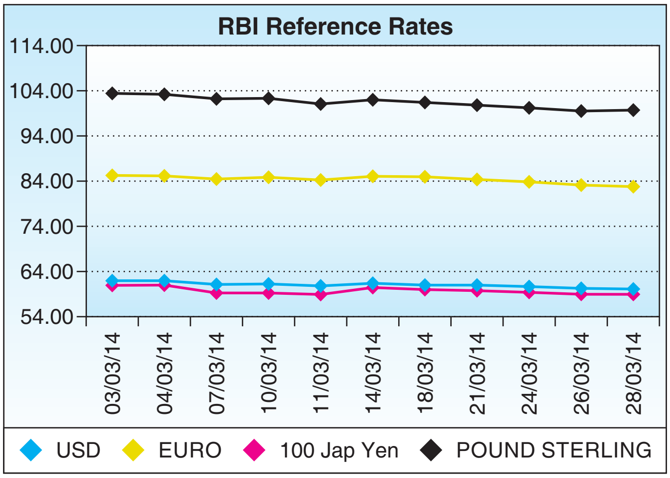
same with the Institute at the earliest. IIBF Vision is also available for download from the Institute's web site.

Green Initiative

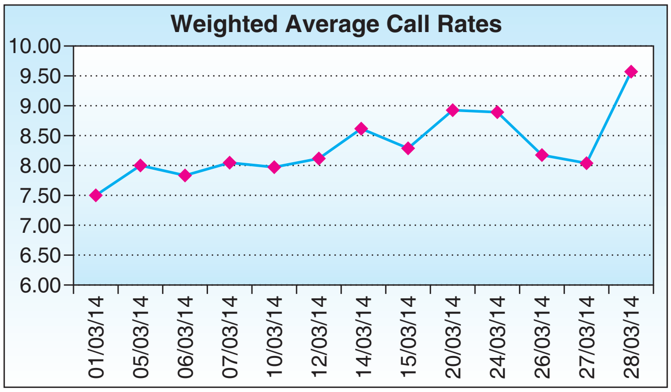
Members are requested to update their email address with the Institute and send their consent to receive the Annual Report via email in future.

Market Roundup



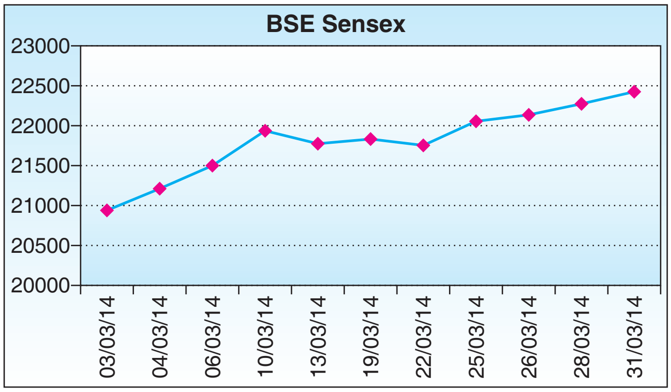
Source : Reserve Bank of India (RBI)

- Having touched a historic low of 68.84 against the dollar last August, it ended at 60.95 on 19th, up a 0.39% from the previous close.
- On 20th, Rupee closed at 61.34 to a dollar, down 39 paise on worries that the US Central Bank would start raising interest rates, making it more attractive for investors to park funds at locations closer home.
- Rupee hit a seven-month high of 60.43 against US dollar on 25th as foreign funds continued to pump in money into the markets amid hopes that up-coming elections would throw up a stable and business-friendly government.
- In line with rising equities, the rupee on 26th firmed up by 34 paise to close at an eight-month high of 60.14 against the dollar on sustained capital inflows.
- Currency rises on 28th to 59.93/$ as D-street rallies on hope of reforms and Chinese PM's vow of pro-growth policies.
- Rupee appreciated across the board against all currencies during the month, 2.85%, 3.54%, 3.20% and 3.57% against USD, Sterling, EUR and JPY.



Source : CCIL Newsletter, March 2014

- Call rates started on a low of 7.5% and ended on a high of 9.57%.
- Tight liquidity conditions prevailed during the month because of increased demand for funds from banks for Balance sheet management during the last month of the fiscal.



Source : Bombay Stock Exchange (BSE)

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