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

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Committed to professional excellence

IIBF VISION

Volume No. : 3 Issue No. : 07 February 2011

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."

RBI 3rd Quarter Review of Monetary Policy-2010-11

Rates

- RBI raises repo rate by 25 bps to 6.50%.
- RBI raises reverse repo rate by 25 bps to 5.50%.
- Cash Reserve Ratio (CRR) left unchanged at 6%.

Liquidity

- Additional liquidity support of 1% of deposits to banks extended, under liquidity adjustment facility (LAF) upto April 8, 2011.
- Second LAF to be conducted on daily basis up to April 8, 2011.
- Policy outcome expected to continue providing comfort to banks in liquidity management.
- Liquidity shortage expected to ease as government balances adjust to expenditure schedule.
- The widening difference between credit and deposit growth rates, coupled with high currency growth has accentuated the structural liquidity deficit.

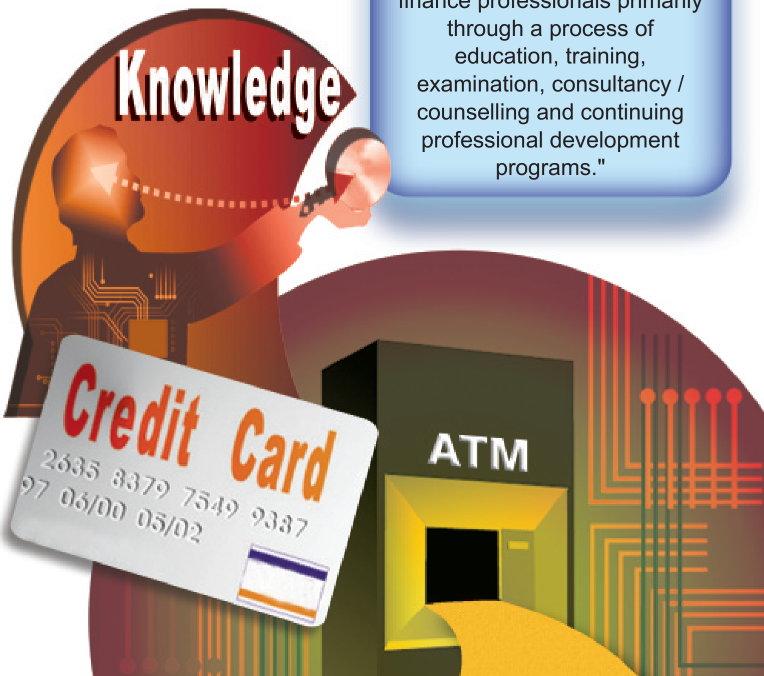
Current Growth

- Credit growth needs to moderate to RBI's indicative projected levels.
- M3 growth projection for 2010-11 retained at 17%; credit growth projection retained at 20%.
- RBI to engage with banks which show abnormal incremental credit-deposit ratio.

Top Stories

UID may replace PF a/c number

The retirement fund manager Employees' Provident Fund Organisation (EPFO) plans to replace the Provident Fund (PF) account number with the unique identification number (UID); a move which will help in speedy transfer of subscribers' funds in case of job change and allow them to track their accounts online. Presently,



INSIDE

the transfer process takes months on end; due to which, lots of subscribers withdraw the money and go for a fresh account with the new employer.

Now, bank on your cellphone

Bharti Airtel and State Bank of India (SBI) have announced a joint venture (JV) to provide mobile banking services; via which Bharti Airtel will become a business correspondent (BC) of SBI. To begin with, the two companies will be investing ₹100 crore in this facility that'll be launched by March 31. Due to the JV, an existing Airtel user will be able to open a no-frills account and deposit money in a way similar to bank deposits. The customer will then be able to conduct financial transactions through one's cell phone. Vodafone-Essar has also announced a similar tie-up with ICICI Bank. Both entities will offer a bouquet of financial products such as savings accounts, pre-paid instruments and credit products through a cell-phone based platform.

Each ATM transaction will need PIN entry

ATM-users will now be required to re-enter the PIN afresh for every individual transaction, such as money withdrawal, balance enquiry and checking account details. In order to check misuse of ATM cards by unauthorised people, RBI has asked banks to allow only one transaction for one entry of PIN (Personal Identification Number), which acts like a password for ATM transactions.

Banking Policies

RBI to plug regulatory gaps in NBFCs' business

Reserve Bank of India (RBI) plans to strengthen the regulatory framework for non-deposit taking systemically important Non-Banking Financial Companies (NBFCs); since, tightening of the regulation for the banking sector has increased the incentives for regulatory arbitrage by moving business to NBFCs. Asserting that establishing a NBFC is a more attractive entry point norm for them (at present net owned funds of ₹2 crore are low as compared to that for banks i.e. ₹300 crore) and that they are subject to relatively lighter regulation, the RBI says that "Some concerns remain especially in the context of the rapidly expanding NBFC sector."

Draft operational risk rules for banks issued

RBI has released draft guidelines on advanced measurement approach (AMA) for calculating operational risk capital charge. A bank which migrates to the AMA for operational risk regulatory capital after obtaining RBI approval will also calculate capital charge for operational risk as per existing methodology for at least three years from the date of migration. Accordingly, the bank has to maintain 100% capital in the first year; 90% for the second year and 80% for the third year.

RBI modifies provisioning norm for NBFCs

RBI has asked all NBFCs to make a provision of 0.25% on outstanding standard assets. Till now NBFCs had to make provisions only for non-performing assets (NPAs). This step has been taken in the interest of counter cyclicality and to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns. On treatment of the provision, the RBI has said that the provision towards standard assets need not be netted from gross advances but shown separately as 'contingent provisions against standard assets' in the balance sheet. NBFCs have been allowed to include the provision on standard assets in Tier-II capital. This, along with other general provisions and loss reserves will be admitted as Tier-II capital only up to a maximum of 1.25% of the total risk-weighted assets.

RBI proposes timelines for Basel-II norms

RBI has proposed timelines for banks to migrate to advanced risk norms under Basel-II, which entails improved standards for banks worldwide for assessing risks. RBI has proposed that banks apply (to it) for migrating to these norms earliest by April 1, 2012, for which it may give approvals by March 31, 2014. Banks have been advised to undertake an internal assessment of their preparedness for migration to the advanced norms and then decide whether to migrate or not.

RBI gives banks more time for Base Rate methodology change

RBI has allowed banks an additional six months' time, (i.e. up to June-end 2011) to change the bench-mark and methodology used in the computation of Base Rate. The move is aimed at helping banks stabilise the system of Base Rate calculation. Banks have been following the Base Rate-linked credit pricing system since July 1, 2010. Banks cannot lend below this rate, which currently ranges from 8 to 9.5%.

RBI modifies norms on CIC

Core Investment Companies are those companies which have their assets predominantly as investments in shares for holding stake in group companies but not for trading, and also do not carry on any other financial activity. RBI had recognized that the Core Investment Companies, (CICs), justifiably deserve a differential treatment in the regulatory prescription applicable to Non-Banking Financial Companies which are non deposit taking and systemically important. The CIC with an asset size of ₹100 crore and more as per the last audited balance sheet were defined as systemically important, (CICs-ND-SI) and a regulatory framework was put in place for them. They would require registration with the Reserve Bank and would be given exemption from maintenance of net owned fund and exposure norms subject to certain conditions.

RBI asks banks not to offer step up option for Tier-I bonds

RBI has asked banks not to issue Tier-I and Tier-II capital instruments with a 'step-up-option' so that they confirm to the definition of regulatory capital in Basel-3 norms. The step up option allows banks to pay a particular coupon rate in the initial years, and then increase the rate in subsequent years.

Foreign banks' arms too must meet 40% priority sector lending target : RBI

RBI in its discussion paper has ruled that, just like domestic commercial banks, foreign banks set up as wholly-owned subsidiaries (WOS) too will be required to meet the priority sector lending target of 40% of adjusted net bank credit. RBI has, however, proposed to prescribe a lower sub-target of 10% for lending to agriculture sector by these subsidiaries, since the branch spread of these banks will be limited. The agri-lending target for domestic commercial banks is 18%. RBI also suggests that not more than 2.5% of the sub-target should relate to indirect agriculture finance, similar to domestic commercial banks. At present, there is no target or sub-target for agri lending for branches of foreign banks and the priority sector target is 32%.

Swaps climb to 2008 high as RBI set to raise rates

The cost of locking in five-year interest rates in India has climbed to the highest level since 2008 as investors brace for RBI to resume Asia's most-aggressive tightening of monetary policy. The fixed rate to receive floating payments for five years in a swap contract surged 120 basis points (bps) in the past year - the most in Asia - and touched a 27-month high of 8.09% on January 20. RBI will boost its repurchase rate by 25 bps to 6.5%.

Banking Developments

Banks on a firm footing

RBI's latest Financial Stability Report shows that the quarterly series of the Banking Stability Index points to an improvement in the stability of the banking sector over the past few years. Increased risk perceptions - primarily liquidity risks - had led to a marginal decline in the index during the half year (September 2010). The index is based on the individual indices and a single-point reference in the form of Banking Stability Index has been devised. This index is simple average of the complementary of five sub indices chosen for banking stability map that RBI has constructed. Banking Stability Map has used five key risk dimensions, viz banks' soundness, operational efficiency, asset- quality, liquidity and profitability based on capital adequacy ratio, cost-to-income ratio, non-performing loans to total loans ratio, liquid assets to total assets ratio and net profit to total assets ratio.

Banks able to lend ₹50 k crore more to SMEs

A Crisil report has stated that banks have the potential to lend an additional ₹50,000 crore to small and medium enterprises (SMEs). The report says that during 2007-2009, banks had funded only about 60% (as opposed to the required 75%) of their incremental working capital towards the SMEs, where the turnover is less than ₹50 crore. The shortfall was funded by SMEs from their own funds.

Banks may get to spread ₹10, 000 crore pension liability over many years

PSBs may be allowed to expense their potential pension liabilities worth more than ₹10,000 crore, over many years; sparing them from taking a one-time blow on their profits and net-worth due to new accounting norms. This will come as a breather for banks which are experiencing a quantum increase in liabilities after the government raised the gratuity limit and effected a 17.5% wage revision and pension grant to retired employees. The relaxation will, however, apply only for the gratuity limit enhancement, with no changes in accounting treatment being considered for wage revision or the pension burden.

Banks see mergers as a way to restructure debt

The CDR cell wants to catalyse the merger of assets (i.e. companies) that have been with the cell for debt restructuring for long; with companies having good performance track record in the same line of business. Such mergers will be subject to the agreement of the promoter of the company that is under the wings of the CDR Cell and the lenders. The reality that the value of assets that have turned non-performing diminishes over a period of time, has prompted the CDR Cell to look at the mergers and acquisitions option in addition to the traditional mechanism for debt restructuring. Traditionally, creditors (among others) make concessions and waivers by reducing the interest rates, rescheduling repayments, converting debt into equity or preference shares and waiving principal or interest (to a limited extent) under CDR.

RBI backs incentives for foreign bank subsidiaries

RBI is strongly supporting the subsidiary-led model for foreign banks operating in India, instead of the existing branch mode of expansion. Incentives are being discussed to promote the subsidiary route. Some of the main incentives proposed by RBI include liberal branch expansions and allowing the wholly owned subsidiaries (WOS) of foreign banks to raise rupee resources by issuing non-equity capital instruments in form of hybrid instruments and subordinate debt. The current regulations allow foreign banks to raise resources only from their parent body or head office through Innovative Perpetual Debt Instruments. But now, a WOS of a foreign bank in India, on the completion of a minimum period of operation, might be allowed to go public, by diluting a minimum of 26% stake.

Regulators Speak...

Moneylenders should be out of the system : RBI

Dr. K. C. Chakrabarty, Deputy Governor, RBI has stated that in the long term, the RBI's broad goal for financial inclusion is to ensure that there are only two players in the money-lending spectrum - i.e. banks and NBFCs. The idea seems to be aimed at obliterating money lenders from the system. Dr. Chakrabarty further says that “Our broad goal is that NBFCs must capture the moneylenders' customers, and banks should capture NBFCs' customers. Banks must look at financial inclusion as a viable business, and should cover the 6 lakh villages that are still unbanked. Though banks have not made a spectacular progress, there definitely is a progress. The RBI is working out the eco-system and there is still a long way to go.”

OMO not for bond yield control : RBI

RBI has said that Open Market Operations (OMO) in the bond market are more a monetary policy tool than a debt management instrument. “OMO is not being used to influence bond yields. OMO is done in a more enduring manner and not to influence the yield curves,” says Dr. Subir Gokarn, Deputy Governor, RBI, who, on the subject of Statutory Liquidity Ratio (SLR) now at 24%, has revealed that the apex bank feels no need to tinker with it. On RBI's concern over the abnormal incremental credit-deposit ratio, Dr. Gokarn says that “the deposit mobilization by banks is beginning to catch up, though a wedge still remains.”

Banks need to lower infrastructure exposure

“The increased exposure of Indian banks to infrastructure is not good due to the asset liability mismatches” remarks Dr. Subir Gokarn, Deputy Governor, RBI. “Most of the banks' incremental credit growth is from lending to the infrastructure sector. There has been a sharp jump in this lending, as that is where demand is coming from. However, lending long-term is not good for our banks”. RBI data states that outstanding bank credit to the infrastructure sector stood at ₹4, 69,621 crore as on September 24, 2010. In the April-September 2010 period, banks lent ₹87,499 crore to infrastructure, as against ₹48,659 crore lent in the corresponding period a year ago. Dr. Gokarn says that “there is a need to evolve alternative sources of funding to the infrastructure sector so that there are sufficient funds to meet the financing needs of this sector. Overall capacity of the financial system has to improve as no one channel is able to meet the requirements currently. There is a need for investment to build capacity across sectors and not just of the infrastructure sector.”

Non-interest income can be risky

Smt. Shyamala Gopinath, Deputy Governor, RBI has cautioned that while non-interest income does offer diversification benefits, it might not necessarily be less risky than conventional loans. Apart from financial risks, there are significant reputational risks, particularly when banks engage in distribution of third party products. “There cannot be rule-based prescriptions in this regard. But, bank boards need to closely understand the underlying risks, assess whether returns are commensurate with the risks and monitor such businesses of banks. For the market discipline to work, increased granular disclosures of fee-based income may have to be looked into,” opines Smt. Gopinath even as she further explains that regulatory prescriptions have not recognised the concept of 'risk as a fungible commodity' and the fundamental distinction between banks taking credit exposure through giving loans and investing in bonds has not been lost. “There are stipulations capping banks' investments in corporate bonds, particularly unrated bonds which are nothing but proxy loans. Recently, a limited relaxation from these norms has been permitted in the case of bonds issued by companies engaged in infrastructure development”.

Forex

Foreign Exchange Reserves

Item	As on Jan. 21, 2011	As on Jan. 21, 2011
	₹Crore	US $ Mn.
Total Reserves	13,66,233	299,395
a) Foreign Currency Assets	12,31,850	269,551
b) Gold	1,00,686	22,470
c) SDRs	23,424	5,126
d) Reserve Position in the IMF	10,273	2,248

Source : RBI

Benchmark Rates for FCNR (B) / NRE Deposits applicable for the month of February 2011					
LIBOR / SWAP For NRE Deposits					
Currency	LIBOR	SWAPS			
	1 Year	2 Years	3 Years		
USD	0.78125	0.7820	1.2400		
LIBOR / SWAP For FCNR(B) Deposits					
	LIBOR	SWAPS			
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.78125	0.782	1.240	1.710	2.145
GBP	1.53313	1.7500	2.2180	2.6030	2.9130
EUR	1.57375	2.027	2.360	2.618	2.839
JPY	0.56750	0.421	0.480	0.555	0.650
CAD	1.89167	1.788	2.102	2.401	2.659
AUD	5.59750	5.250	5.360	5.600	5.720

Source : FEDAI

Microfinance

Malegam Committee moots rate cap for NBFC MFI category

RBI-appointed Malegam committee has recommended an interest rate cap of 24% on loans to individuals by Microfinance Institutions (MFIs). For monitoring compliance with regulations, the committee has recommended a four-pillar approach with responsibilities shared by the MFI, industry associations, banks and the RBI. The panel also feels that a separate category of a NBFC be formed to engage in microfinance. These NBFC-MFIs should be exempted from State Money Lending Acts. Moreover, if the recommendations are accepted, the need for the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act 'will not survive'. The panel has recommended that entities governed by the proposed Act should not be allowed to conduct business of providing thrift services. This means that NBFC-MFIs should not be allowed to mobilise deposits or operate as agents or BCs. They will be only allowed to engage in lending.

Banks get waiver for MFI loan recast

RBI has granted a one-time waiver to banks for restructuring loans given to MFIs. Accordingly, these unsecured loans - restructured before March 2011 - will be treated as standard assets. RBI has also asked banks to keep lending to the MFI sector to ensure continuity of operations. This measure is expected to impart some liquidity support by banks to MFIs and facilitate a 'holding on' operations for some time till the Malegam Committee submits its report and measures are taken to bring about long term and structural changes in the functioning of MFIs. RBI has asked banks to extend the regulatory asset classification benefit to standard restructured MFI accounts, even if they were not fully secured.

Client-driven approach 'way forward' for MFIs

Experts opine that a client-driven approach should be the way forward for the microfinance sector plagued by the crisis in Andhra Pradesh. Ms. Vijayalakshmi Das, CEO, Ananya Finance for Financial Inclusion, says that “it is time for the micro-finance sector to ponder on what went wrong and make sure we don't affect the balance that we have created over the years. In the recent past, MFIs had lost track of the customer-centric approach while trying to chase the numbers. Some of us also moved from a non-profit structure to for-profit structure without good governance practices in place. It is important for the sector to now come together and ascertain “the kind of governance we need to have”.

Commodities Markets

FMC approves futures trading in iron ore

The commodity markets regulator Forward Markets Commission (FMC) has approved futures trading in iron ore. FMC Chairman Mr. B. C. Khatua has revealed that “To begin with, commodity exchanges will launch four contracts.” Multi Commodity Exchange of India (MCX) and Indian Commodity Exchange (ICEX) are set to launch iron ore futures contract after receiving notification from the market regulator. This will be the world's first iron ore futures contract, whereby traders, miners and importers are expected to participate in a big way, says ICEX CEO, Mr. Sanjay Chandel.

Economy

Finance Ministry wants government banks to help cut deficit

Bank of Baroda and Canara Bank are two of the PSBs summoned by the Finance Ministry to discuss higher dividend payouts in order to cut fiscal deficit amid fears of shortfall on disinvestment gains. Recently, the chiefs of several banks converged to gauge the amount of dividend that banks would be able to pay for FY11. This will enable the government to draw up a more realistic picture of fiscal deficit. At the same time, the government may urge banks to either give interim dividend or ensure a 20% dividend payout. Dividend payouts by state-run companies are a substantial source of revenue for the government which is aiming for a 5.5% fiscal deficit despite a windfall of

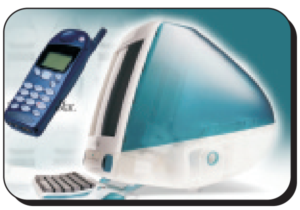
₹1.3 lakh crore from the spectrum auction. With soaring crude oil prices and unsettled subsidies issue, the government may fall short of the targeted ₹40,000 crore from disinvestment of shares in state-run companies. For the past few years, the government has instructed PSU banks to pay 20% or more of their net profit as dividend. Since the capital of PSU is relatively small, the government usually prefers to measure dividend payout as a percentage of the net profit. A study by Economic Times Intelligence Group (ETIG) shows that10 out of 22 PSU banks have paid dividend lower than 20% of their net profit.

Current account deficit up 72% at $15.8billion in Q2 of 2010

India's current account deficit has surged 72% to $15.8 billion in the July-September 2010 quarter against the same period last year. The increase is due to higher imports largely on account of economic recovery and larger payments overseas for certain services. In the corresponding period last year, the current account deficit stood at $9.2 billion. The current account deficit, which includes deficit in external trade of goods, services, besides net investment income, stood at 2.9% of GDP last fiscal, and experts believe that it will further increase to 3% of GDP (or even more than that) this fiscal.

New Appointments

- The government has approved the appointment of Mr. Anand Sinha, as Deputy Governor of the Reserve Bank of India. Mr. Sinha will be the fourth deputy governor at RBI, following Smt. Shyamala Gopinath, Dr. K. C. Chakrabarty and Dr. Subir Gokarn.
- Mr. Nagesh Pydah has been appointed as CMD, Oriental Bank of Commerce, w.e.f. 1st January 2011.
- Mr. Rakesh Sethi has been appointed as Executive Director of Punjab National Bank (PNB).



Products & Alliances

Organisation	Organisation tied up with	Purpose
Indian Bank	Bajaj Auto	For financing 3-wheelers manufactured by Bajaj Auto. The MoU will help to bring 3-wheeler drivers into the fold of structured banking and help to enhance Indian Bank's collateral-free lending to Micro Enterprises throughout the country.
Corporation Bank	BPCL	To provide basic banking facilities for small distance commercial vehicle drivers, auto drivers, conductors, cleaners, etc through the business correspondent (BC) model. It has already set up handheld devices in about 10 BPCL outlets that will enable deposit, withdrawal of cash through smart cards.
Export-Import Bank of India (Exim Bank of India)	Export-Import Bank of Korea (Korea Exim Bank)	Have signed a Memorandum of Co-operation (MOC) for realizing business opportunities and facilitating increased trade and investment flows between the two countries
Punjab & Sind Bank	MoU with National Bulk Handling Corporation (NBHC)	For warehouse-based receipt financing. NBHC is at present associated with 33 leading banks for collateral management.

Bank for International Settlement (BIS)

The changing role of the BIS

Since 1930, central bank cooperation at the BIS has taken place through the regular meetings of central bank Governors and experts from central banks and other agencies, in Basel. In support of this cooperation, the Bank has developed its own research in financial and monetary economics and makes an important contribution to the collection, compilation and dissemination of economic and financial statistics.

In the monetary policy field, cooperation at the BIS in the immediate aftermath of the Second World War and until the early 1970s focused on implementing and defending the Bretton Woods system. In the 1970s and 1980s, the focus was on managing cross-border capital flows following the oil crises and the international debt crisis. The 1970s crisis also brought the issue of regulatory supervision of internationally active banks to the fore; resulting in the 1988 Basel Capital Accord and its "Basel-II" revision of 2001-06. More recently, the issue of financial stability in the wake of economic integration and globalization, as highlighted by the 1997 Asian crisis, has received a lot of attention.

Apart from fostering monetary policy cooperation, the BIS has always performed "traditional" banking functions for the central bank community (e.g. gold and foreign exchange transactions), as well as trustee and agency functions. The BIS was the agent for the European Payments Union (EPU, 1950-58), helping the European currencies restore convertibility after the Second World War. Similarly, the BIS has acted as the agent for various European exchange rate arrangements, including the

European Monetary System (EMS, 1979-94) which preceded the move to a single currency.

Finally, the BIS has also provided or organized emergency financing to support the international monetary system when needed. During the 1931-33 financial crisis, the BIS organized support credits for both the Austrian and German central banks. In the 1960s, the BIS arranged special support credits for the French franc (1968), and two so-called Group Arrangements (1966 and 1968) to support sterling. More recently, the BIS has provided finance in the context of IMF-led stabilization programmes (e.g. for Mexico in 1982 and Brazil in 1998).

Financial Basics

J Curve

A theory stating that a country's trade deficit will worsen initially after the depreciation of its currency because higher prices on foreign imports will be greater than the reduced volume of imports. The effects of the change in the price of exports compared to imports will eventually induce an expansion of exports and a cut in imports--which, in turn, will improve the balance of payments.

Glossary

Advanced Measurement Approach (AMA)

The advanced measurement approach (AMA) is a set of operational risk measurement techniques proposed under Basel-II capital adequacy rules for banking institutions. Under this approach the banks are allowed to develop their own empirical model to quantify required capital for operational risk. Banks can use this approach only subject to approval from their local regulators.

News From the Institute

Train the Trainers Programme

The Institute had organized Two Train the Trainers programme for BC / BF at Kolkata as under :

1. 17th/18th January 2011 for Allahabad Bank. 26 officers attended the programme.
2. 19th to 20th January 2011 for UCO Bank.47 officers attended the programme.

Certificate course in Project Finance

Institute is organising the 13th Certificate Course in Project Finance in collaboration with IFMR, Chennai. The campus training for the batch commences from 21st February to 26th February 2011.

Advanced Management Program

The next batch of Advanced Management Program in Banking & Finance is going to commence at Welingkar Institute of Management Development and Research and SIES College of Management Studies. For admission and other details visit www.welingkar.org and www.siescoms.edu.

Courses / Examinations by IIBF	
At present IIBF is offering the following Courses / Examinations to its Members and Non- Members.	
Courses for Members	
1.	JAIIB
2.	CAIIB
For Members / Non-Members	
	Diploma Examinations
3.	Banking Oriented Paper in Hindi
4.	Diploma in Banking Technology
5.	Diploma in Treasury, Investment and Risk Management
6.	Diploma in International Banking & Finance
7.	Diploma in Commodity Derivatives for Bankers
8.	Diploma for Micro Finance Professionals
9.	Diploma in Home Loan Advising
10.	Advanced Diploma in Urban Co-op. Banking
11.	Advanced Wealth Management Course (Previously PGDFA)
	Certificate Examinations
12.	Certificate in Trade Finance
13.	Certificate in Project Finance
14.	Certificate in Anti-Money Laundering / Know Your Customer
15.	Certificate exam in Certified Information System Banker (CeISB)
16.	Certificate in SME Finance for Bankers
17.	Certificate in Quantitative Methods for Banking & Finance
18.	Certificate in Treasury & Risk Management for RBI employees
19.	Certificate in Customer Service & Banking Codes and Standards
For Non-Members only	
20.	Diploma in Banking & Finance
21.	Certificate in Basics of Banking
22.	Certificate in Functions of Banking
23.	Certificate in Credit Card Operations
24.	Certificate Examination for DRA / Tele Callers
25.	Certificate Examination for BC / BF
For details visit the website : http://www.iibf.org.in.	

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Direct Recruit Training (E-Training)

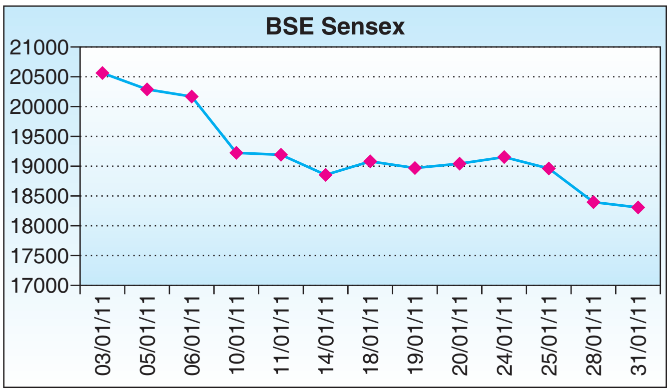
The programme is to make available structured, quality inputs to the new recruits in the form of e-learning and make them job ready from the day they join the banks. It is possible to deliver the E-Training as soon as the candidates are shortlisted such that they are job ready from day one of their joining banks. This will also result in reducing the training time and cost to banks.

The proposed E learning package has four components as under :

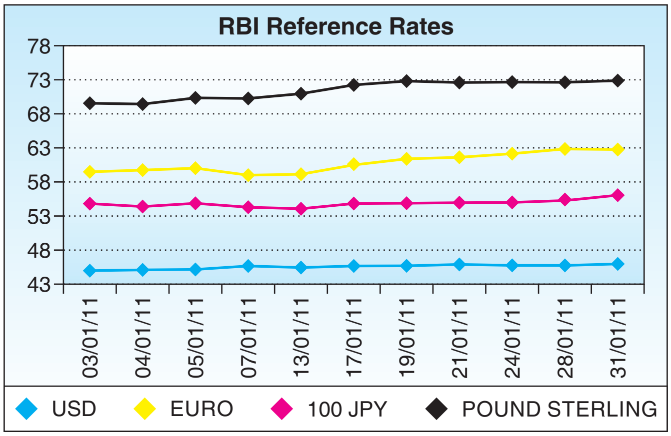
- E-Book on Basics of Banking
- E-Learning on Introduction to Banking
- E-Learning on Core Banking
- Testing

For details visit www.iibf.org.in.

Market Roundup

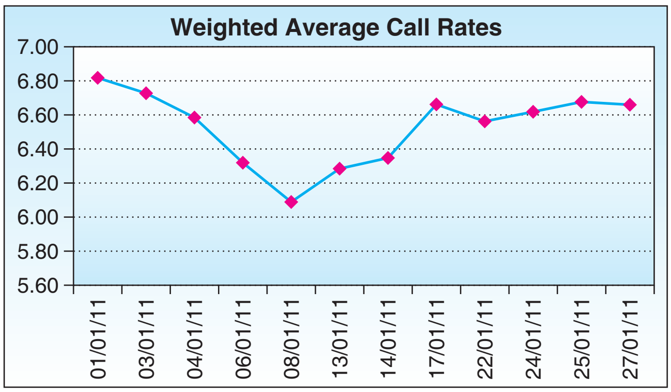


Source : Reserve Bank of India (RBI)



Source : Reserve Bank of India (RBI)

- During the month Rupee slightly depreciated
- Broadly remained range bound
- On Jan 7, Rupee at three week's low of 45.38 against dollar after steep fall in equity markets amid capital outflows
- Rupee depreciated 5.34% during the month against Euro
- Sterling remained erratic and Rupee depreciated 5% against Pound.



Source : CCIL Newsletters, January 2011

- Call rates hovered between 6.09 and 6.82
- Call rates remained range bound
- Arbitrage between LAF and call and CD markets seen

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