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. : 6 Issue No. : 2 September 2013

Banking Policies

RBI on NRD-CSR

RBI has decided to move the Non-Resident Deposits-Comprehensive Single Return (NRD-CSR) reporting to Extensible Business Reporting Language (XBRL) platform. This would help to provide validations for processing requirements *vis-à-vis* the existing NRD schemes, improve data quality, enhance the security-level in data submission, and enable banks to use various features of XBRL-based data submission, and tracking.

RBI approves reforms in primary co-operatives

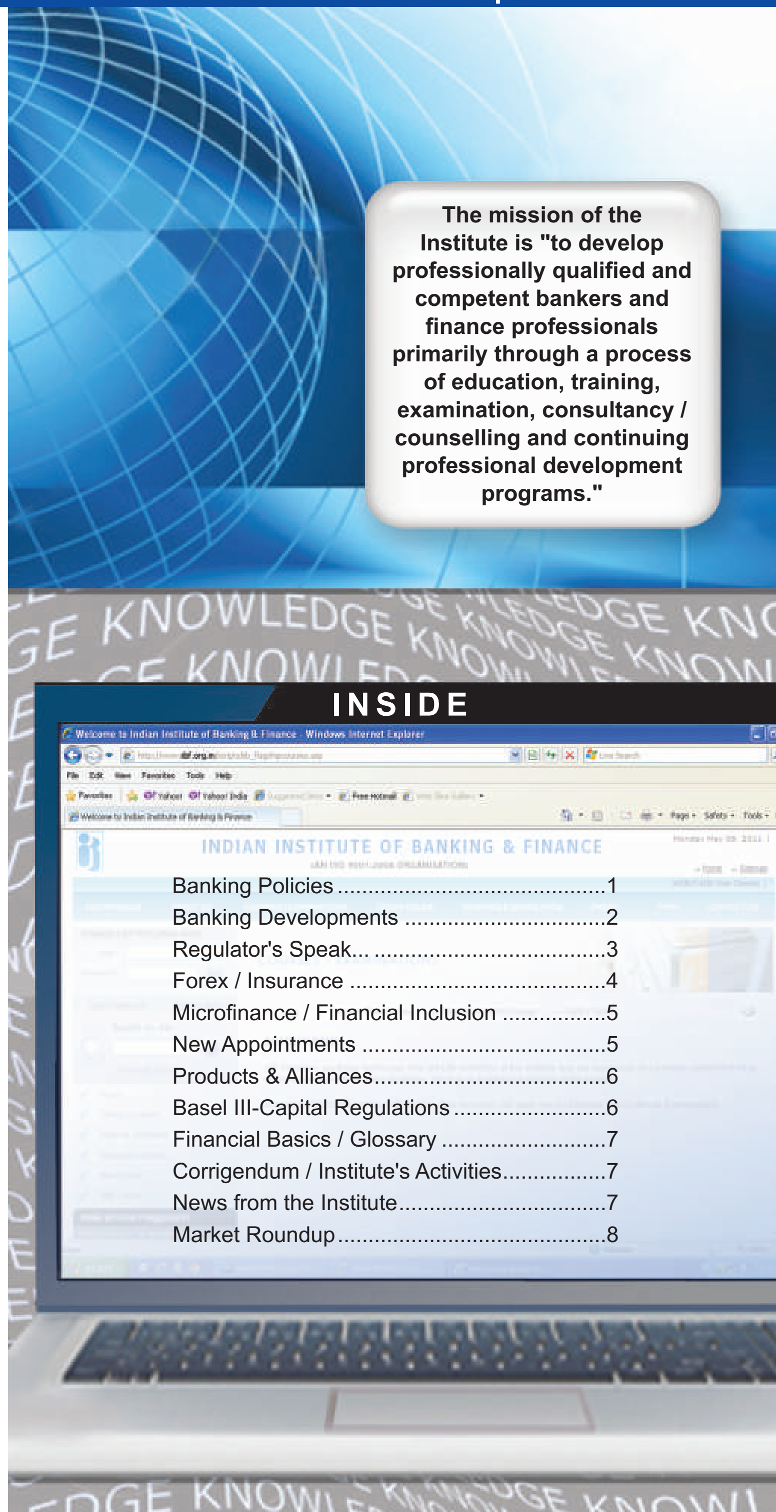
RBI has accepted the recommendations of an expert committee on primary agricultural co-operatives to bring in far-reaching reforms in the three-tier short-term co-operative credit structure. Assets and liabilities of primary co-operatives will now stand transferred to central / state co-operative banks. In States where the central / state co-operative banks are fully computerized and on core banking systems, primary co-operatives will function as their business correspondents. A circular from National Bank for Agriculture and Rural Development (NABARD) unveiled the reforms to state and central co-operative banks.

FM makes first move on FSLRC

Government of India has made the first move to implement the recommendations of the Financial Sector Legislative Reforms Commission (FSLRC). The FSLRC had recommended that the DICGC be subsumed into the Resolution Corporation. The FSLRC report called for a total overhaul of the existing financial system by merging the oversight functions of the market, commodity, insurance and pension regulators. Apart from proposing to increase DICGC's authorized capital to ₹3,000 crore, the Finance Ministry also suggested giving the government the power to appoint directors, including the Chairman. Currently, the Chairman and the Board are appointed by RBI. All the proposed changes are part of the DICGC Amendment Bill, 2013.

Report over the counter trades

RBI has mandated banks and NBFCs to report all the over-the-counter trades of securitized debt instruments



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

within 15 minutes of the trade on FIMMDA's reporting platform w.e.f. September 02, 2013. This move is to make the debt securitization market more transparent.

Banking Developments

HFCs will now have more funds to lend

National Housing Bank (NHB), has lowered the risk weights for loans extended by HFCs. Lower risk weight means lesser capital for Housing Finance Companies (HFCs) to set aside for providing a home loan. The move is expected to free up more capital of HFCs, helping them increase the volume of lending to developers and individual home buyers; and that too, at a cheaper rate. By lowering the risk weights, NHB is signalling that assets (loans) in the housing sector are in good health and the risk perception on the sector has come down. In June, RBI had announced two steps to increase the flow of bank credit to builders / developers and individual buyers. It created a special category called 'commercial real estate-residential housing' (CRE-RH) that attracted lower risk weight of 75% (100% for CRE projects) and lower standard asset provisioning of 0.75% (1% for CRE projects). RBI also lowered the risk weight on home loans above ₹75 lakh to 75% from 125%.

RBI asks banks to rev up ATM service

To improve customer service by enhancing the efficiency of ATM operations, RBI has asked banks to make available sufficient toll-free phone numbers for lodging complaints and reporting / blocking lost cards. This is to avoid delays and attend to the requests on priority. Local helpline numbers (city-wise / centre-wise) should also be increased and be prominently displayed in the ATM premises / banks' website. Banks are required to display the ATM ID clearly in the ATM premises to enable a customer to quote the same while making a complaint / suggestion. The message regarding non-availability of cash in ATMs should be displayed before the transaction is initiated by the customer. Banks may exercise the option to display such notices either on screen or in some other way.

'Tap & Go' with Master Card's Pay Pass

Master Card, a global payment and technology company, will soon launch its payments feature, 'Pay Pass', in the Indian market. The payment process will be faster with tap & go card. Simply 'Tap & Go' at any of the Pay Pass accepting merchants with a Pay Pass enabled device like a card or a mobile phone. Mr. Vikas Varma, Area Head-South Asia elucidates "Pay Pass can be added to any Master Card or Maestro account and its 'Tap & Go' technology will make payments and checkouts easier. This can be faster than using cash and can help prevent waiting for change, waiting to enter PIN, signing a receipt etc."

Bonds rally most in four years as RBI eases curbs

The government bonds rallied, pushing the 10-year yield down the most in four years, after RBI decided to buy long-dated sovereign notes (in a move that eases curbs on the supply of cash). RBI conducted an open-market debt purchases of ₹8,000 crore ($1.2 billion) on August 23 and thereafter calibrated them both in terms of quantum and frequency based on market conditions. After the rupee fell beyond 64 per dollar for the first time, RBI said that the liquidity-tightening steps mustn't harden longer-term yields sharply and hurt lending. The yield on the 7.16% government bonds due May 2023 slid 51 bps, to 8.42% in Mumbai. That's the biggest one-day drop for a benchmark 10-year note since March 2009. Recently, the rate touched 9.48%, the highest since 2001.

Banks maintain status quo on NRE deposits

In spite of RBI easing guidelines for interest rates offered on deposits for Non-Resident Indians (NRI), banks doubt if that would attract more customers. This is reflected in the recent rate movements by bankers, where a number of banks have only revised the interest rate on Foreign Currency Non-Resident (FCNR) deposits, not tinkering much with their Non-Resident External (NRE) rupee deposits. RBI had lifted the ceiling on NRE deposits of 3 years and above, allowing banks to offer interest rates higher than the comparable domestic-term deposits. RBI also increased the mark up on FCNR deposits with duration between 3 and 5 years by 100 bps. Further, the apex bank exempted these categories of deposits from Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) requirements, making them more attractive for banks to raise.

Most transactions still done through cash, cheques

Despite its efforts to promote electronic banking, almost 90% of payments are collected through cash / cheque is stated in RBI, Annual Report 2012-13. A very small share of electronic payments is done through Electronic Clearing Service (ECS). Despite availability of a wide range of payment instruments and channels, there are significant operational and cost inefficiencies in the bill collection process. Apparently, over 30,800 million bills are generated each year in just the top 20 cities in the country. On the positive side, the Real Time Gross Settlement System (RTGS) had processed transactions to a settlement value of around ₹8 lakh crore on March 28, 2013 - the highest value settled through RTGS on a business day. The National

Electronic Fund Transfer (NEFT) handled a record volume of 47 million transactions valued at around ₹3,60,200 crore in March 2013. At the end of March 2013, 55 banks with a customer base of around 23 million were providing mobile banking service in India *vis-à-vis* 49 banks and 13 million customer base at the end of March 2012. During 2012-13, 53 million transactions valued at around ₹6,000 crore were transacted, thus registering a growth of 108 % and 229 % respectively, over the previous year.

RBI cautions on increasing bank debt to infra sector

RBI has called for sorting out infrastructure issues before they start adversely affecting the asset quality of banks. Stress is building up in the infrastructure segment. Outstanding bank credit to the infrastructure sector which stood at ₹7,243 crore in 1999-2000, has jumped over 100 times to ₹786,045 crore in 2012-13. Macro stress tests suggest that under this severe stress, the gross NPA ratio may rise to 4.4% by March 2014 (from 3.92% in June 2013). RBI has also alerted furthermore, that banks will also face hurdles in a smooth transition to the Basel-III framework. Basel-III mandates that banks maintain a Capital Adequacy Ratio (CAR) of 8%. However, RBI has fixed the minimum CAR for Indian banks at 9%.

Earnings from domestic assets boost RBI's income

RBI's gross income rose 39.8% to ₹74,358 crore for the year ended June from ₹53,176 crore in the previous year, on a sharp increase in earnings from domestic assets. Revenues from domestic sources rose 60.7% from ₹33,366 crore in FY12 to ₹53,611 crore in FY13. Foreign operations saw a 4.7% growth at ₹20,746 crore in 2012-13 from ₹19,810 crore in 2011-12. RBI made a payment of ₹33,000 crore - the highest ever transfer to the government - as surplus profit for the year ended June 2013. This was more than double the amount of ₹16,100 crore paid in 2011-12. The income from foreign sources is mainly derived from deployment of foreign currency assets. In 2012-13, the rate of earnings on foreign currency assets was low at 1.5% due to low interest rates in international markets. RBI parks forex reserves in high-rated bonds and deposits. It follows three principles *viz.* safety, liquidity and returns while deploying reserves abroad.

RBI to buy bonds worth ₹8000 crore to keep yields low

RBI is combating to contain the currency volatility whilst ensuring that yields on long-tenure papers do not rise. To those ends, it is buying Government Securities (G-secs) worth ₹8,000 crore to ease the rates on 10-year paper. RBI will buy bonds taking the total purchases in two weeks to ₹16,000 crore. But the effect of these purchases will be limited, with investors growing wary of fiscal deficit as the rising crude oil could raise government borrowings. Based on the assessment of prevailing and evolving market conditions, RBI decided to conduct Open Market Operations (OMOs). Having tightened liquidity to prevent speculation in rupee, RBI had to cope with a surge of more than 200 bps in yields that pushed up the cost of funding for companies and the government. The interest rate hike did not prevent the currency from sliding when it touched a low of ₹65.56 per dollar on August 22.

Regulator's Speak...

Liquidity tightening measures to continue

Reiterating its policy stand, Reserve Bank of India (RBI) will continue its liquidity tightening measures till it can curb the volatility in the forex market. Though eager to roll back these measures soon, RBI's decision will purely depend on the stability of forex rates. Last month, RBI had further lowered the limit for borrowing by banks under the daily Liquidity Adjustment Facility (LAF) and increased their Cash Reserve Ratio (CRR) requirements, inviting multi-tangential criticism for taking strict measures at the cost of overall economic growth. Dr. D. Subbarao, Governor, RBI said the recent measures will not hurt growth, although there might be pain in the short-term. Having a stable exchange rate is important to decide on the roll-back just as it is equally important to bring inflation down.

Curbs on futures market will go only after Rupee stabilizes

The restrictions on the futures market will be rolled back only after the forex market stabilizes, said Dr. D. Subbarao, Governor, RBI. RBI and SEBI recently imposed some restrictions on the futures market, such as prohibiting proprietary trading by banks, raising the margins, and limiting the positions that market participants can take. These measures were taken to curb speculation that was causing volatile exchange rates.

Banks' deposit, loan structure have become wholesale

Dr. K. C. Chakrabarty, Deputy Governor, RBI avers that while NPAs in the priority sector were low, credit deployment in this sector was also less, with banks finding credit to this sector a loss-making proposition. The entire deposit and loan structure of banks has become wholesale in nature. Over the years, the concentration of deposits in the top 10 cities had risen sharply (from 39% to 49%), while the concentration of credit deployment has risen from 58% to 60%. The number of credit accounts in rural areas has grown at a compounded rate of 1.4%;

while in metro areas, it has increased 14%. The proportion of deposits sourced from rural areas declined from 15% to 9%. The entire growth was in the metropolitan areas. The proportion of the credit to agriculture and Small & Medium Enterprises (SMEs) declined from 28.5% to 18%. Banks have to increase allocation efficiency and reform the business re-engineering process apart from reducing transaction costs by leveraging technology.

RBI should continue to regulate NBFCs

Dr. D. Subbarao, Governor, RBI opines that 'taking away RBI's regulatory powers to supervise NBFCs and other deposit-taking entities may reduce the impact of monetary policy. For monetary policy to be effective, credit creation by banks and NBFCs should be regulated by central banks'. He feels that, placing NBFCs under a Unified Financial Authority, as recommended by the Financial Sector Legislative Reforms Commission, will go against financial stability. "One of the major causes of the 2008 financial crisis was that credit intermediation activities were conducted by non-banks (shadow banks), which were outside the regulatory purview. This raised serious concerns of regulatory arbitrage, requirements for similar regulation of entities performing similar activities, issues of commonality of risks and synergies of unified regulation for such entities. Strong inter-linkages between banks & NBFCs and a unified regulation by the same regulator are essential for financial stability."

Forex

Benchmark Rates for FCNR(B) Deposits applicable for the month of September 2013

LIBOR / SWAP For FCNR(B) Deposits					
	LIBOR	SWAPS			
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.66710	0.569	0.950	1.382	1.774
GBP	0.87188	0.8399	1.1311	1.4527	1.7325
EUR	0.47857	0.640	0.868	1.125	1.363
JPY	0.41357	0.268	0.310	0.364	0.448
CAD	1.37300	1.557	1.825	2.106	2.343
AUD	2.51070	2.758	3.073	3.393	3.630
CHF	0.24040	0.234	0.387	0.595	0.820
DKK	0.66800	0.8940	1.1125	1.4085	1.6655
NZD	2.93250	3.445	3.855	4.153	4.385
SEK	1.40200	1.689	1.969	2.208	2.398
SGD	0.44800	0.683	1.020	1.440	1.820
HKD	0.53000	0.730	1.100	1.500	1.880
MYR	3.32000	3.460	3.630	3.730	3.930

Source : FEDAI

Foreign Exchange Reserves

Item	As on 23rd August 2013	
	₹Bn.	US$ Mn.
	1	2
Total Reserves	17,891.1	277,722.2
(a) Foreign Currency Assets	16,203.2	250,482.5
(b) Gold	1,267.9	20,747.0
(c) SDRs	284.0	4,389.8
(d) Reserve Position in the IMF	136.0	2102.9

Source : Reserve Bank of India (RBI)

Rupee slide effect : NRE deposits rise, remittances stay steady

Worried about the sharp drop in the rupee's value against the dollar, RBI has opened avenues for Indians abroad to get higher earnings by sending more money back home. The flow in Non-Resident Indian (NRI) fixed deposits has seen an increase. The month-on-month flows are growing substantially. Of course, these flows cannot be compared with the period after RBI raised the cap on interest rates offered on NRE deposits. In December 2011, RBI had allowed banks to pay interest rates in line with those offered on domestic term deposits. As per RBI data, NRE deposits flows were $2.89 billion in April-May this year as against $5.56 billion in April-May 2012.

Insurance

Banks can be insurance brokers with RBI approval

Insurance Regulatory and Development Authority (IRDA) has stated that, banks should obtain RBI's prior approval before applying for a licence to act as an insurance broker. They should apply under the direct broker category. However, the regulations do not mandate banks to become insurance brokers. It will still be optional for banks to take up that role. The licence, once granted, will be valid for three years. There is no requirement of capital for entities licensed under this particular regulation. To qualify for the licence, the bank needs to have the principal officer – an officer of general manager or equivalent category - who is appointed exclusively to carry out functions of an insurance broker. Such banks cannot have more than 50% of the premium from one client. Further, not more than 25% of insurance handled by the insurance broker in any financial year is placed with the insurance company within the promoter group, separately for life and general insurance business.

Microfinance

Microfinance sector heading towards consolidation

The MicroFinance Institution (MFI) sector could see consolidation as larger size and operational efficiency will help drive down costs, said a top official of the Small Industries Development Bank of India (SIDBI). According to Mr. Sushil Muhnot, CMD, SIDBI, the microfinance sector has evolved in two phases - first was the establishment of not-for-profit Trusts for undertaking micro finance activity and the second was the conversion of the Trusts into Non-Banking Finance Companies (NBFCs). Smaller MFIs, which typically have higher cost of funds, could get merged with the larger ones. The 12% margin cap has been prescribed for all MFIs classified as NBFCs (irrespective of their size) till March-end 2014. However, w.e.f. 1st April, 2014 margin caps cannot exceed 10% for large MFIs (loans portfolios exceeding ₹100 crore) and 12% for the others.

Financial Inclusion

Escalation in rural branches, business correspondents

The number of banking outlets in villages, which was 67,694 during 2009-10, crossed the 2.6 lakh mark by March 2013. These outlets include brick-and-mortar branches and Business Correspondents (BCs). In 2010, the Union Government drew up a 3-year Financial Inclusion Plan to provide banking facilities in un-banked areas of the country. RBI's annual report for 2012-13 says that nearly 7,400 rural branches were opened during 2010-13. However, the country had witnessed a reduction of about 1,300 rural branches during the past two decades. The number of BCs in villages, which was 35,174 in 2010, increased to 2.21 lakh by March 2012. While 447 BCs served un-banked people in urban locations in 2010, their number increased to 27,143 during 2012-13. The number of Basic Savings Bank Deposit Accounts under the financial inclusion plan was 7.34 crore in March 2010, and these accounts mobilized deposits of around ₹23,388 crore in 25.04 crore transactions during 2012-13.

Use regional languages for financial inclusion

Dr. D. Subbarao, Governor, RBI has stated that if financial inclusion has to make a meaningful contribution, then banks will have to reach out to people in Hindi and other regional languages. "We cannot meaningfully pursue financial inclusion and financial literacy by using English as the medium of communication. The government and the regulators must protect people from fraudulent schemes. There are two ways to achieve this. First, we should make people better aware of the risks of such schemes. Second, we need to provide them access to the formal financial sector so that they do not fall prey to such schemes. For both these initiatives, we need to reach out in Hindi and vernacular languages. Government of India and RBI have accordingly launched an advertisement campaign in local languages to increase awareness among people. We need banks to join in this initiative."

New Appointments

New RBI Governor

Dr. Raghuram Rajan is appointed as the 23rd Governor of the Reserve Bank of India for a term of three years. He was the Chief Economic Advisor in the Ministry of Finance before moving to Reserve Bank of India. In 1985, he graduated from the Indian Institute of Technology, Delhi with a bachelor's degree in electrical engineering and he completed the Post Graduate Diploma in Business Administration from the Indian Institute of Management, Ahmedabad in 1987. He won the Director's Gold Medal for best all-round achievement at IIT Delhi and was also a gold medallist at IIM, Ahmedabad. He received a Ph.D. in management from the MIT, USA in 1991.

He also served as Eric J. Gleacher Distinguished Service Professor of Finance at the Booth School of Business at the University of Chicago. He has been a visiting professor for the World Bank, Federal Reserve Board and Swedish Parliamentary Commission. He formerly served as the President of the American Finance Association and was the Chief Economist of the International Monetary Fund (IMF). Dr. Rajan's previous work with the Indian government includes his helmsmanship of a Planning Commission-appointed committee on financial reforms, and as honorary economic adviser to Prime Minister.

Name	Designation / Organisation
Mr. Jai Kumar Garg	Executive Director, UCO Bank
Mr. Mukesh Kumar Jain	Executive Director, Punjab & Sind Bank
Mr. Kishore Kumar Sansi	Executive Director, Punjab & Sind Bank
Mr. Rakesh Sethi	Executive Director, Union Bank of India
Mr. R. Koteeswaran	Executive Director, Bank of India
Mr. Animesh Chauhan	Executive Director, Central Bank of India
Smt. Trishna Guha	Executive Director, Dena Bank
Mr. P. S. Rawat	Executive Director, Canara Bank
Mr. Arun Srivastava	Executive Director, Bank of India
Mr. B. B. Joshi	Executive Director, Bank of Baroda
Mr. T.K. Srivastava	Executive Director,Syndicate Bank

Products & Alliances

Organisation	Organisation tied up with	Purpose
Canara Bank	United India Insurance Company	To deliver the financial services to the valued customers of the bank.
Small Industries Development Bank of India (SIDBI)	Franchise India	To provide financial support to emerging and established franchisors in India.

Basel III - Capital Regulations

Continuing the discussion of Basel III, listed below is the information on capital requirement:

The Basel III capital regulations continue to be based on three-mutually reinforcing Pillars, viz. minimum capital requirements (Pillar 1), supervisory review of capital adequacy (Pillar 2), and market discipline (Pillar 3) of the Basel II capital adequacy framework. Banks are required to maintain a Capital Conservation Buffer (CCB) of 2.5%, comprised of Common Equity Tier 1 capital, above the regulatory minimum capital requirement of 9%. Under the Framework, a simple, transparent, non-risk based leverage ratio has also been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. All the provisions / guidelines in respect of the above requirements are discussed hereunder :

A. Guidelines on Minimum Capital Requirement

The total regulatory capital fund under Basel III Framework, as stated earlier, will consist of the sum of the following categories :

(i) Tier 1 Capital (going-concern capital*) : comprises of :

(a) Common Equity Tier 1 capital

(b) Additional Tier 1 capital

(ii) Tier 2 Capital (gone-concern capital*)

(*From regulatory capital perspective, 'going-concern capital' is the capital which can absorb losses without triggering bankruptcy of the bank. 'Gone-concern capital' is the capital which will absorb losses only in a situation of liquidation of the bank).

Banks are required to compute the Basel III capital ratios in the following manner :

Common Equity Tier 1 Capital Ratio	Common Equity Tier 1 Capital / Credit Risk RWA* + Market Risk RWA + Operational Risk RWA
Tier 1 Capital Ratio	Eligible Tier 1 Capital / Credit Risk RWA* + Market Risk RWA + Operational Risk RWA
Total Capital (CRAR#)	Eligible Total Capital / Credit Risk RWA* + Market Risk RWA + Operational Risk RWA

** RWA = Risk weighted Assets;*
 # Capital to Risk Weighted Asset Ratio

With the full implementation of capital ratios (For smooth migration to these capital ratios, transitional arrangements have been provided) and CCB, the capital requirements would be as follows :

Regulatory Capital	As % to RWAs
1. Minimum Common Equity Tier 1 Ratio (MCE Tier 1 Ratio)	5.50
2. Capital Conservation Buffer (CCB)	2.50
3. MCE Tier 1 Ratio + CCB	8.00
4. Additional Tier 1 Capital	1.50
5. Minimum Tier 1 Capital Ratio (1 + 4)	7.00
6. Tier 2 Capital	2.00
7. Minimum Total Capital Ratio (MTC) {5 + 6 }	9.00
8. MTC + CCB (7 + 2)	11.50

Other provisions

a. The term 'Common Equity Tier 1 capital' does not include capital conservation buffer and countercyclical capital buffer when activated. In other words, the capital funds comprise of the sum total of Common Equity Tier 1 capital, Additional Tier 1 capital, and Tier 2 capital eligible for computing and reporting CRAR of the bank.

b. For the purpose of reporting Tier 1 capital and CRAR, any excess Additional Tier 1 (AT1) capital and Tier 2 (T2) capital will be recognised in the same proportion as that applicable towards minimum capital requirements. In other words, to admit any excess AT1 and T2 capital, the bank should have excess CET1 over and above 8% (5.5%+2.5%).

c. In cases where a bank does not have minimum Common Equity Tier 1 + CCB of 2.5% of RWAs as required but, has excess Additional Tier 1 and / or Tier 2 capital, no such excess capital can be reckoned towards computation and reporting of Tier 1 capital and Total Capital.

d. A countercyclical capital buffer of 0.205% of RWAs in the form of Common Equity or other fully loss absorbing capital is to be created to mitigate / protect the banking sector from periods of excess aggregate credit growth and resultant system-wide risk being an extension of CCB.

Source : Reserve Bank of India

Financial Basics

Brown Label ATMs

'Brown label' ATMs are those Automated Teller Machines where hardware and the lease of the ATM machine is owned by a service provider, but cash management and connectivity to banking networks is provided by a sponsor bank whose brand is used on the ATM. The 'brown label' has come up as an alternative between bank-owned ATMs and 'white label' ATMs. In view of the high cost of ATM machines and RBI's guidelines for expansion of ATMs, the concept of Brown Label ATM network is likely to expand at a brisk pace in next few years. In the recent years, there is a visible shift in the way banks look at the ATM business. From the earlier model where banks used to buy outright the ATM machines and bear the cost of service, they are now preferring brown label ATMs i.e. where the machine and service are outsourced.

Glossary

Extensible Business Reporting Language (XBRL)

XBRL (Extensible Business Reporting Language) is a XML-based computer language for the electronic transmission of business and financial data. XBRL is used to define and facilitate the exchange of sensitive and confidential financial information such as financial statements. The goal of XBRL is to standardize the automation of Business Intelligence (BI). XBRL uses tags to describe and identify each item of data in an electronic document. The tags allow computer programs to sort through data and analyze relationships quickly and generate output in various formats. Because the tags are standardized, analysis can be conducted across multiple documents from multiple sources, even if the text in the documents is written in different languages.

Corrigendum

Uniform charges for same services, carried in the August 2013 issue of IIBF Vision, may be read as under :

Intersol charges are charges levied by the bank to cover the cost of extending services to customers by using the CBS / Internet / Intranet platform. In order to ensure that bank customers are treated fairly and reasonably without any discrimination and in a transparent manner at all branches of banks / service delivery locations under CBS environment, banks are required to follow a uniform, fair and transparent pricing policy and not discriminate between their customers at home branch and non-home branches.

Institute's Activities

Training Programme Schedule for the month of Sept. 2013

Sr. No.	Programme	Date
1.	4th Programme on Marketing and Customer care	16th to 20th September 2013
2.	Programme on Treasury Management for Co-operative banks	23rd to 25th September 2013

Training activities completed during the month of Aug. 2013

Sr. No.	Programme	Date
1.	5th Programme on SME Financing	19th to 24th August 2013
2.	3rd One Day Workshop on IT security and Cyber crimes	26th August 2013
3.	TOPSIM- Balance Sheet Simulation	26th to 27th August 2013

News From the Institute

Annual General Meeting (AGM)

The 86th Annual General Meeting will be held at 12.00 noon on 27th September, 2013 at IIBF, Corporate Office, Kurla (West), Mumbai - 400070.

Additional Reading Material for Institute's examination

The Institute has put on its web site additional reading material, for the candidates taking various examinations, culled out from the Master Circulars of RBI. These are important from examination view point. For more details, visit www.iibf.org.in.

IIBF Vision via mail

The Institute has started sending IIBF Vision via e-mail to all the e-mail addresses registered with the Institute. Members who have not registered their e-mail ids are requested to register the same with the Institute at the earliest. IIBF Vision is also available for download from the IIBF's web site.

Green Initiative

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

Themes for Bank Quest

The theme for next issues of Institute's journal Bank Quest is Asset Liability Management (Sept. - Dec. 2013), Financial Inclusion and other challenges (Jan.-Mar. 2014)

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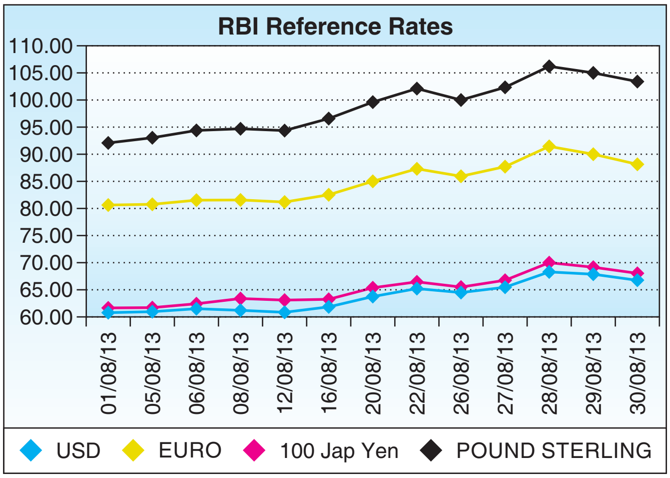
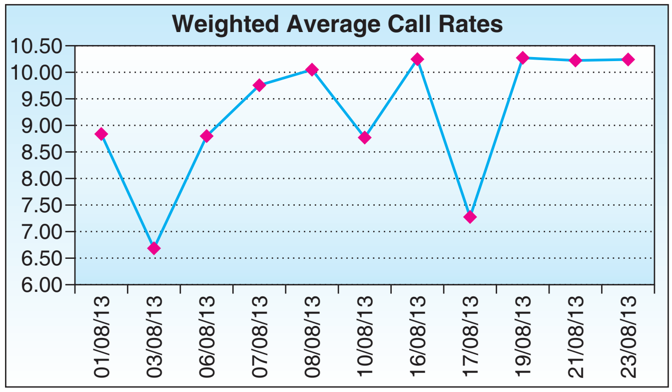
and HR (April-June 2014). Articles on these topics are welcome. For more details, visit www.iibf.org.in.

Market Roundup



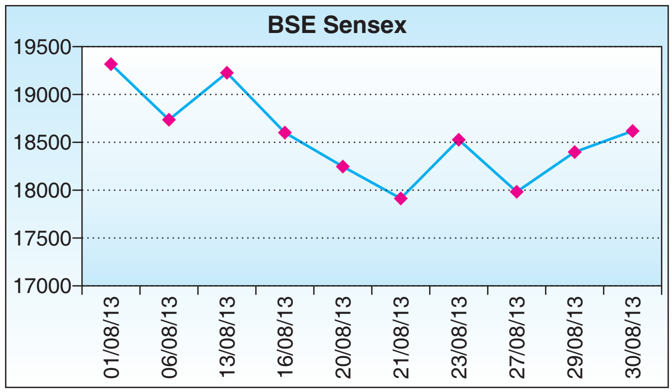
Source : Reserve Bank of India (RBI)

- The rupee fell 1.1% to 61.10 per dollar on 2nd worse than its previous closing low of 60.44 amid portfolio outflows due to rising yields in the US.
- Continued dollar demand from oil companies and offshore betting forced the rupee on 6th to a new low of 61.81 against the dollar, before the news of Dr. Raghuram Rajan being appointed as next RBI Governor and intervention by Central Bank helped it erase all the losses
- Rupee closed at 63.13 on 19th. It registered a fresh life time low of 63.23 earlier. The 2.37% fall was the biggest intra-day decline in almost two years.
- On 21st the rupee touched a new low of 64.62 losing almost 8% since RBI started tightening liquidity in mid-July before closing at 64.11 / 12-90 paise lower from its previous close.
- Carnage tightened its grip on Indian markets on 27th with rupee hitting a new nadir of 66.30 to a dollar with fears that the food security bill would worsen the ballooning fiscal deficit and that war would break out in the oil-rich Middle East.
- Continuing its free fall on 28th, the rupee sank to a life-time low of 68.85 against the dollar before closing at 68.80, registering its biggest single-day loss of 256 paise.
- The rupee recovered from its all-time low, gaining 225 paise or 3.6% to end at 66.55 against the US dollar on 29th after Reserve Bank of India allowed oil companies to buy dollars directly from it. This is the highest single-day gain for the rupee in 15 years.
- The rupee gained 85 paise to 65.70 against the dollar on 30th getting a boost from PM that his government would combat the currency's decline and revive growth.
- Rupee depreciated against all major currencies substantially.



Source : CCIL Newsletter for August 2013

- Call markets exhibited volatility
- Markets oscillated between a low of 6.69% and a high of 10.27%.



Source : Bombay Stock Exchange (BSE)

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