



Committed to professional excellence

# IIBF VISION

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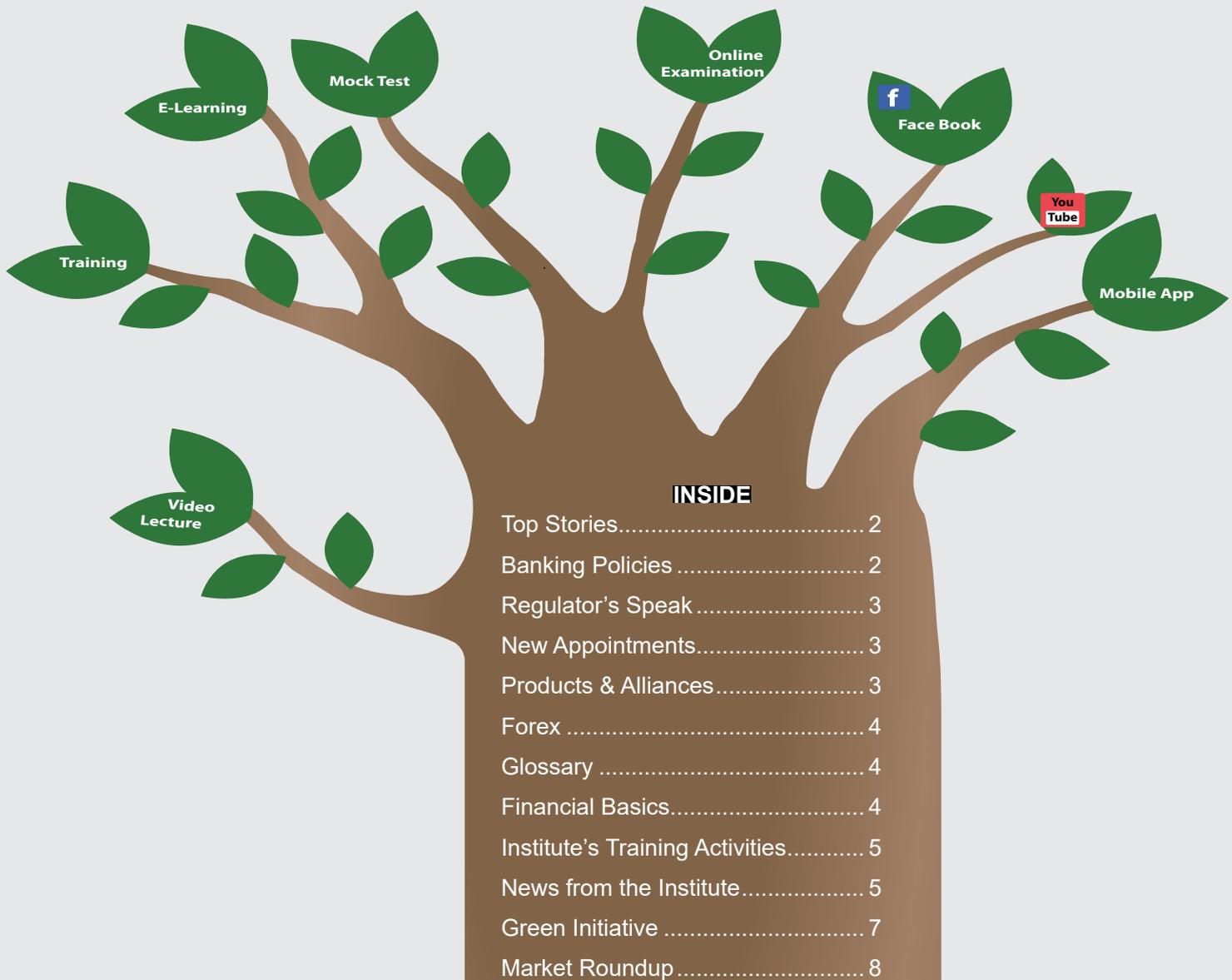
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## VISION

To be premier Institute for developing and nurturing competent professionals in banking and finance field.

## MISSION

To develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy / counselling and continuing professional development programs.



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## TOP STORIES

### **Make banking easier for seniors and the differently abled**

Reserve Bank of India (RBI) has asked banks to implement its instructions on providing “Banking Facility for Senior citizens and Differently Abled Persons” by December 31, 2017. Accordingly, banks will have to open a dedicated counter at branches for differently-abled persons and for senior citizens of more than 70 years of age. They will also have to provide basic banking facilities at their doorstep and promptly update their systems on receipt of life certificate at any branch of the pension paying bank. Doorstep facilities include pick-up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts, submission of KYC documents and life certificate. Banks have been advised to provide minimum 25 cheque leaves every year, if requested, in savings bank account, free of charge. The directive comes on the backdrop of RBI coming across instances when banks discourage senior citizens and differently-abled persons from availing their banking facilities in branches. Notwithstanding the need to push digital transactions and use of ATMs, RBI has asked banks to be sensitive to their requirements.

### **Prevent defaulters from buying stressed assets**

To ensure the success of the bankruptcy process under the Insolvency and Bankruptcy Code (IBC), the Finance Ministry has asked banks to be vigilant that willful defaulters are prevented from buying the same stressed assets again. Banks have to be aware that such defaulters do not take undue advantage of the benefit and enter the system again.

### **No plan to withdraw cheque books**

Recent media reports stated that the central government was planning to withdraw the cheque-book facility from banks, in order to promote digital transactions. However, the Finance Ministry has clarified that there is no such proposal on anvil.

### **RBI asks Co-ops not to use the word ‘Bank’ in names**

Reserve Bank of India (RBI) has asked co-operative societies not to use the word ‘Bank’ in their names as it violates the Banking Regulation Act. The apex bank has also noticed that some co-operative societies are accepting deposits from public which tantamount to conducting banking business in violation of the provisions of the Act.

## Banking Policies

### **RBI to NBFCs: Have safeguards in place while outsourcing**

RBI has asked non-banking finance companies aka NBFCs to employ adequate safeguards for activities outsourced by them. Safeguards relate to evaluation of the service provider’s capability, customer confidentiality and security, responsibilities of agents, and monitoring & control of outsourced activities. RBI also wants NBFCs to self-assess their existing outsourcing arrangements and bring these in line with its “Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs” in two months.

### Simplified hedging facility from Jan 1

The RBI has simplified the norms for hedging exchange rate risk, under which companies can take exposure of up to \$30 million on gross basis by reducing documentation requirements. The facility for resident and non-resident entities (other than individual) to hedge exchange rate risk on transactions, contracted or anticipated, permissible under Foreign Exchange Management Act (FEMA) will be effective from January 1, 2018.

### RBI eases rules for short-selling in govt. bonds

The RBI has freed market participants undertaking notional short sale from the compulsion of borrowing securities in the repo market. In exceptional situations of market stress (like, short squeeze), short selling entities may deliver securities from their own HTM/AFS/HFT portfolios. However, these must be accounted for appropriately and should reflect the transactions as internal borrowing. RBI said, "All 'notional' short sales must be closed by an outright purchase in the market. Ensure that the securities so borrowed are brought back to the same portfolio, without any change in book value".

### RBI raises shareholding limit of ARCs

Earlier, asset reconstruction companies (ARCs) had to adhere to a 26% cap on shareholding of the post-converted equity of a borrower company under reconstruction. Now, the RBI has removed this cap to allow ARCs to have holdings above 26%. The extent of shareholding will be according to the permissible foreign direct investment limit for the sector.

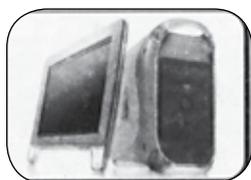
## Regulator's Speak

### Banks made ad hoc deviations in loan-pricing formula

Dr. Viral Acharya, Deputy Governor, RBI said in a recent speech that monetary policy actions in India were felt with a lag of two to three quarters on output and with a lag of three to four quarters on inflation, with the impact persisting for eight to twelve quarters. Among the various channels of transmission of policy actions, the interest rate channel had the strongest correlation. The lags in transmission meant that monetary policy needed to be "forward-looking" and respond to "expected output and inflation developments". The expected evolution of output and inflations is uncertain, thereby rendering the transmission analysis even more challenging, adding to the complexity of the RBI's decision-making.

## New Appointments

Name	Designation/Organization
Dr. Urjit Patel, Governor-RBI	Appointed to the Financial Stability Institute Advisory Board of the Bank of International Settlement (BIS)



## Products & Alliances

Organization	Organization tied up with	Purpose
IDFC Bank	MobiKwik	To launch a co-branded virtual Visa prepaid card, embedded within the MobiKwik app

## Forex

Foreign Exchange Reserves		
Item	As on October 29, 2017	
	₹ Bn.	US\$ Mn.
	1	2
1 Total Reserves	25,936.9	4,00,741.8
1.1 Foreign Currency Assets	24,354.2	3,76,304.7
1.2 Gold	1,338.7	20,666.9
1.3 SDRs	96.9	1,497.4
1.4 Reserve Position in the IMF	147.1	2,272.8

Source: Reserve Bank of India (RBI)

Benchmark Rates for FCNR(B) Deposits applicable for December 2017					
Base Rates for FCNR(B) Deposits					
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	1.76600	1.92330	2.02720	2.09560	2.15060
GBP	0.68510	0.8784	0.9983	1.0860	1.1648
EUR	-0.23000	-0.160	-0.020	0.105	0.243
JPY	0.03880	0.056	0.073	0.090	0.115
CAD	1.80000	1.789	1.892	1.960	1.999
AUD	1.81800	1.910	2.010	2.260	2.350
CHF	-0.59500	-0.506	-0.371	-0.280	-0.173
DKK	-0.12960	-0.0421	0.0990	0.2492	0.4030
NZD	2.00340	2.155	2.310	2.457	2.594
SEK	-0.43600	-0.238	-0.015	0.170	0.370
SGD	1.33500	1.505	1.660	1.780	1.890
HKD	1.42000	1.690	1.870	1.990	2.080
MYR	3.68000	3.720	3.750	3.800	3.850

Source: www.fedai.org.in

## Glossary

### Asset Reconstruction Companies (ARCs)

An Asset Reconstruction Company is a specialized financial institution that buys the NPAs or bad assets from banks and financial institutions so that the latter can clean up their balance sheets.

## Financial Basics

### Basis Point

Basis Point is one hundredth of one percent. 1 basis point means 0.01%. It is used for measuring change in

interest rate/yield.

## Institute's Training Activities

### Training Programmes for the month of December 2017

Name of the Programme	Dates	Location
Post Examination Classroom Learning for Certified Credit Officer Course	14 <sup>th</sup> to 16 <sup>th</sup> December 2017	Delhi
Post Examination Classroom Learning for Certified Credit Officer Course	26 <sup>th</sup> to 28 <sup>th</sup> December 2017	Kolkata
Post Examination Classroom Learning for Certified Credit Officer Course	18 <sup>th</sup> to 20 <sup>th</sup> December 2017	Chennai
Post Examination Training For Certified Treasury Professionals Course	22 <sup>nd</sup> to 24 <sup>th</sup> December, 2017 & 29 <sup>th</sup> to 31 <sup>st</sup> December, 2017	Mumbai

## News from the Institute

### Capacity Building in banks

RBI vide its notification dated 11<sup>th</sup> August 2016 has mandated that each bank should have a Board approved policy to deploy staff with adequate qualification/certification in key areas of operations-Credit Management, Treasury Management, Risk Management and Accounting.

Subsequently on the direction of RBI, IBA had constituted an Expert Group for identifying suitable institutions and courses that can provide the necessary certifications. IBA vide its aforesaid letter dated 26<sup>th</sup> April 2017 has identified the institutions eligible for providing certification in the areas indicated by the central bank.

Further, RBI vide its letter dated 31<sup>st</sup> May 2017, addressed to IBA and copy endorsed to IIBF has stated that the Certificate Course in Foreign Exchange offered by IIBF in association with FEDAI will be a mandatory certification for all bank employees who are working or desirous of working in the area of foreign exchange operations including treasury operations.

IIBF is one of them and the only institution offering certification in four out of the five areas identified by RBI.

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

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

EXAMINATION	EXAMINATION DATE	OPEN PERIOD OF REGISTRATION
Certified Credit Officer	24-02-2018	12-01-2018 to 30-01-2018
	24-03-2018	09-02-2018 to 27-02-2018

Please visit the website [www.iibf.org.in](http://www.iibf.org.in) for examination registration and more details.

### **“Banking Chanakya” Quiz**

‘Banking Chanakya’ is a Quiz contest for members employed in any bank, located anywhere in India. The first preliminary online round saw good participation from bankers all over the nation. The second round consisting of on-ground Zonal level events is being conducted in Delhi, Kolkata, Chennai and Mumbai. The third part of the quiz, that is the National Finale where the winning teams from each zone will be participating, is scheduled to be held in Mumbai on January 12, 2018. The grand finale will also be telecast on a National TV Channel. For details, logon to [www.bankingchanakya.com](http://www.bankingchanakya.com)

### **Bankers’ Meet & Outreach Programs**

The Institute has completed 89 years of serving the banking fraternity and has entered its 90th year. In order to celebrate this occasion and in order to reach out to its members in a more meaningful way, the Institute has conducted “Bankers Meet” and “Outreach Programs” in Tier II and Tier III cities. So far, programs have been carried out in Hyderabad, Indore, Lucknow, Ahmedabad, Bhubaneswar and Kochi. Bankers’ Meet at Patna, Ranchi and Guwahati was held on 5<sup>th</sup> December, 6<sup>th</sup> December and 7<sup>th</sup> December respectively. An Outreach Program at Guwahati was held on 8<sup>th</sup> December 2017.

### **34<sup>th</sup> Sir Purshotamdas Thakurdas Memorial Lecture**

The Institute is organising the 34<sup>th</sup> Sir Purshotamdas Thakurdas Memorial Lecture (PTML) on 18<sup>th</sup> December 2017 at 5.00 p.m. at SBI Auditorium, Nariman Point, Mumbai. This time the lecture is being delivered by Dr. M.S.Sahoo, Chairperson, Insolvency and Bankruptcy Board of India (IBBI) and the topic is on “Banking on Governance: Freedom From and Freedom To”.

### **Mutual Recognition Agreement with the Chartered Banker Institute, Edinburgh, U.K**

The Institute is delighted to announce the signing of a Mutual Recognition Agreement with The Chartered Banker Institute, Edinburgh. Under this agreement, “Certified Associates of the Indian Institute of Bankers” (CAIIB) from India will have their qualifications recognised by the Chartered Banker Institute, and will be able to become Chartered Bankers by studying the Institute’s Professionalism, Ethics & Regulation Module, and successfully completing a reflective assignment.

### **MoU with Small Industries Development Bank of India (SIDBI)**

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

### **New Courseware on NBFCs**

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

### **Virtual Classroom Solution**

The Institute has acquired a software for conducting training through the Virtual Classroom mode. This will enable the Institute to disseminate the training inputs to a larger audience without diluting quality. This will be made operational shortly. To start with, training for the Credit Officer course, which is one of the courses identified by RBI under the capacity building exercise of the banks, will be offered using the Virtual Classroom Solution. The first virtual classroom commenced from 9<sup>th</sup> December to 11<sup>th</sup> December 2017.

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

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

### Bank Quest Themes for coming issues

- The theme for January - March 2018 issue of Bank Quest is "Cyber Security in Banks"

### Cut-off date of guidelines /important developments for examinations

The Institute has a practice of asking some questions in each exam about the recent developments / guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments / guidelines from the date the question papers are prepared and the dates of the actual examinations. In order to address these issues effectively, it has been decided that:

(i) In respect of the exams to be conducted by the Institute for the Period from February 2017 to July 2017, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31<sup>st</sup> December, 2016 will only be considered for the purpose of inclusion in the question papers.

(ii) In respect of the exams to be conducted by the Institute for the period from August 2017 to January 2018, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30<sup>th</sup> June, 2017 will only be considered for the purpose of inclusion in the question papers.

## Green Initiative

Members are requested to update their e-mail address with the Institute and send their consent to receive the Annual Report via e-mail.

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

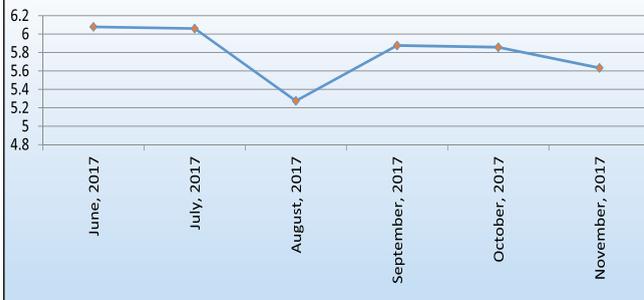
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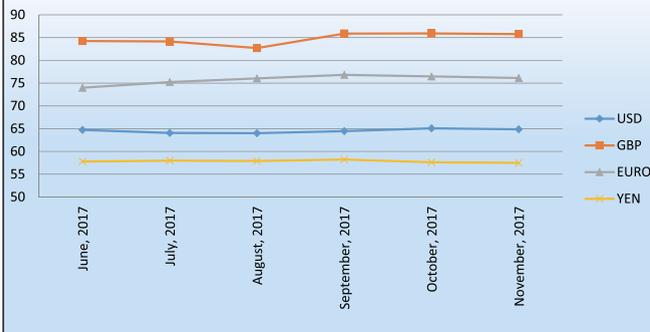
# Market Roundup

## Weighted Average Call Rates



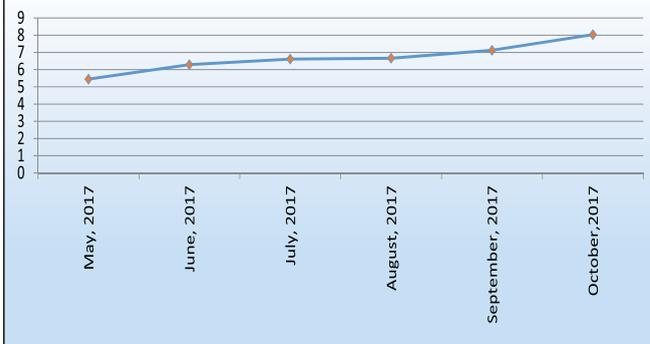
Source: CCIL Newsletter, November 2017

## RBI Reference Rate



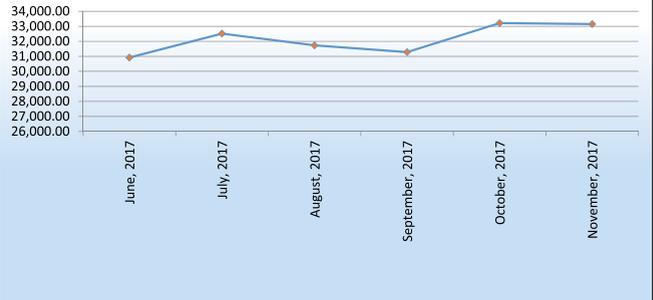
Source: Reserve Bank of India (RBI)

## Non-food Credit Growth %



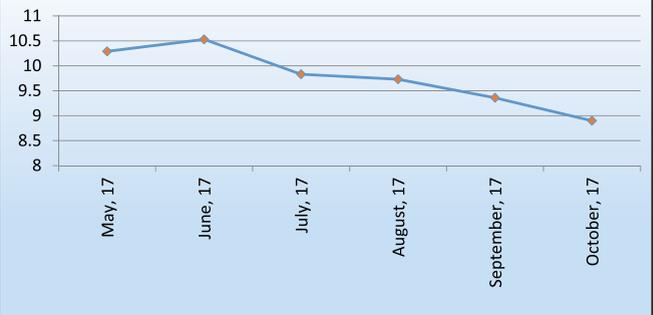
Source: Monthly Review of Economy CCIL, November 2017

## BSE Sensex



Source: Bombay Stock Exchange (BSE)

## Aggregate Deposit Growth %



Source: Monthly Review of Economy CCIL, November 2017

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