



IIBF VISION

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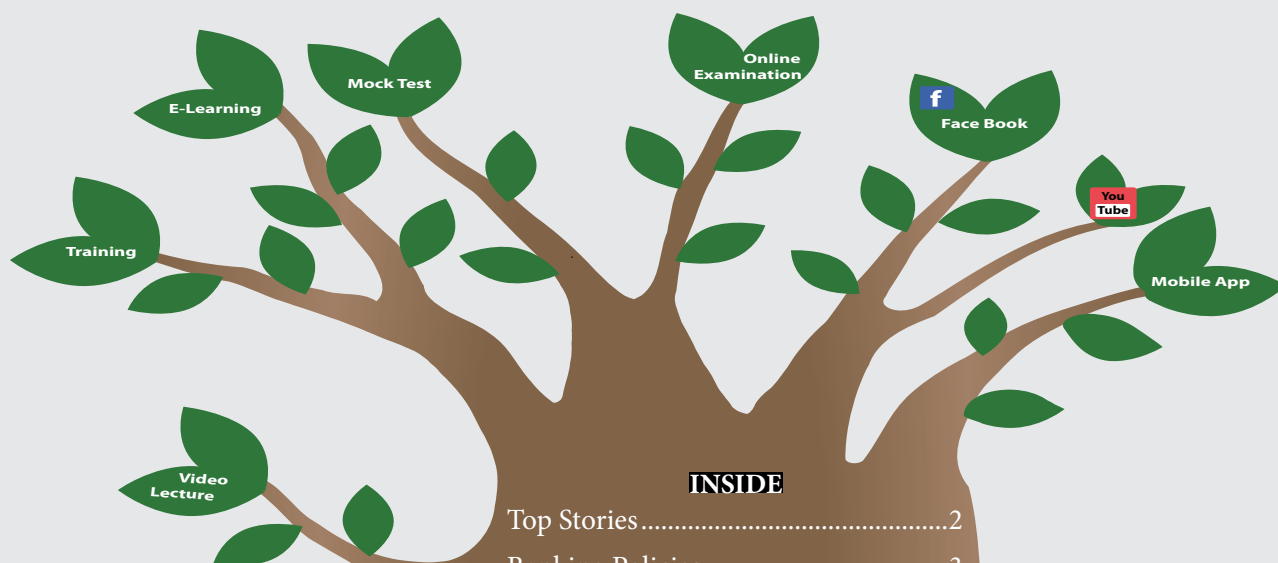
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VISION

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

RBI releases 29th issue of Financial Stability Report (FSR)

The Reserve Bank of India (RBI) released the 29th issue of the Financial Stability Report (FSR). Reflecting the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC) on the resilience of the Indian financial system and risks to financial stability, the report beholds the following key highlights:

Key Highlights:

- Global economy has remained resilient and stable in spite of heightened risks from prolonged geopolitical tensions.
- Macroeconomic and financial stability have helped India's economy and financial system to remain robust and resilient. Sustained credit expansion by banks and financial institutions have led to improved balance sheets.
- At the end of March 2024, the capital to risk-weighted assets ratio (CRAR) and the common equity tier 1 (CET1) ratio of scheduled commercial banks (SCBs) stood at 16.8% and 13.9%, respectively.
- At the end of March 2024, gross non-performing assets (GNPA) ratio of Scheduled Commercial Banks (SCBs) reduced to a multi-year low of 2.8%, even as their net non-performing assets (NNPA) ratio fell to 0.6%.
- SCBs are capable of complying with minimum capital requirements, as revealed by the macro stress tests for credit risk that examined them under hypothetical baseline, medium and severe stress scenarios. The system-level CRAR in March 2025 has been projected at 16.1%, 14.4% and 13.0%, respectively, under the above mentioned stress scenarios.
- At the end of March 2024, NBFCs showed up in good health, as reflected by their CRAR that stood at 26.6%, GNPA ratio at 4.0%, and return on assets (RoA) at 3.3%.

Threshold for bulk fixed deposit raised to Rs. 3 crores by RBI

The RBI amended its Master Direction-Reserve Bank of India (Interest Rate on Deposits) Directions, 2016, to hike the threshold for bulk fixed deposits for all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks.

Accordingly, "Bulk Deposit" i.e., Single Rupee term deposits in Scheduled Commercial Banks (excluding RRBs) and Small Finance Banks now have a threshold of Rs. 3 crores (against the earlier Rs. 2 crore). It has also been proposed to raise the bulk deposit threshold to Rs. 1 crore and above for Local Area Banks (as applicable in RRBs).

Individuals can have only a single BSDA across all depositories: SEBI

To promote financial inclusion, in 2012, SEBI had launched the Basic Services Demat Account (BSDA), to encourage participation in securities market and facilitate ease of investment for investors with small portfolios.

Now, SEBI has mandated that an individual shall have only one BSDA in his/her name across all depositories. At any point of time, the value of securities held in that BSDA shall not exceed Rs. 10 lakhs for debt and other than debt securities combined.

Maximum annual maintenance charges will depend upon the combined value of holdings in that account. Maintenance charge will be Nil, if value of holdings is less than Rs. 4 lakhs. Maintenance charge will be Rs. 100 for an account with holdings of value between Rs. 4 lakh upto Rs. 10 lakhs. The value of holding shall be determined by the DPs based on the daily closing price or NAV of the securities or units of mutual funds, as the case may be.

From July 1, timeline of NPS contributions reduced by PFRDA

Taking cognizance of technological advancements and enhanced system-level interface between a Trustee Bank (TB) and Central Recordkeeping Agencies (CRA), the Pension Fund Regulatory and Development Authority (PFRDA) has reduced the timeline for NPS contributions received by a TB. National Pension System (NPS) subscribers have multiple modes for contributing their deposits viz. Points of Presence (PoPs), eNPS, D-Remit, UPI, UPI QR Code, and through their employers. Thus, contributions received by a TB till 11 am on any settlement day, will now be considered for same-day investment (T+0), as against the earlier T+ 1. Contributions received after 11 AM will be invested on the next day (T+1).

The biggest chunk of micro-credit for FY 2023-24 came from NBFC-MFIs: Report

According to a report published by Microfinance Industry Network (MFIN), one of the SROs in Indian microfinance sector, NBFC-MFIs have disbursed nearly 40% of micro-credit for FY 2023-24. They are trailed by scheduled banks, who have disbursed 33%. As of March 31, 2024, the gross loan portfolio of the entities extending micro-credit stood at Rs 4.33 lakh crore.

Banking Policies

PSL norms revised by RBI to increase credit flow to districts with low credit availability

Aiming to increase credit flow to economically disadvantaged districts with low average loan sizes, RBI has revised its priority sector guidelines. Accordingly, banks have been encouraged to provide small loans to borrowers from such places, instead of focussing more on districts with high average loan sizes. An incentive framework has also been established towards this end. From FY25 onwards, districts with low loan availability (less than Rs. 9,000 per person) will get more weight (125%) towards fresh priority sector loans. Districts with high loan availability (more than Rs. 42,000 per person) will have a weight of 90%. All other districts will continue to have the current importance level of 100%. Districts will be ranked based on per capita credit flow to the priority sector.

International Trade Settlement in INR: Opening of additional Current Account for settlement of trade transactions

Reserve Bank of India (RBI) extended the facility for opening additional special current accounts to AD Category-I banks. This move, following a review of previous guidelines, allows these banks to now use these accounts for both export and import transactions in Indian Rupees (INR). By streamlining trade settlement processes and enhancing operational flexibility, the RBI aims to bolster India's position in international trade while simplifying procedures for businesses.

Banking Developments

RBI removes several restrictions on OPIs

Following recent amendments made by RBI to the Foreign Exchange Management (Overseas Investment) Directions, 2022, several restrictions regarding Overseas Portfolio Investments (OPIs) have been lifted. Accordingly, investors and companies based in India will now be able to make unrestricted investments in overseas funds, including those set up in the United States and Singapore.

Earlier, Indian Limited Partners (LPs) could invest only in units issued by overseas funds. Now, investment is allowed in any instrument, regardless of its form whether in units or not. Further, the condition that the investment could only be made in funds that were directly regulated by the financial regulator of the host country and not those regulated through their investment managers (IMs), has also been removed.

Regulator Speaks

Keeping the Financial System Resilient, Future Ready and Crisis Resistant: RBI Governor

RBI Governor Shaktikanta Das, speaking at the second global conference on financial resilience organised by the

College of Supervisors in Mumbai, stated that robust risk mitigants are essential for ensuring long-term success and resilience for a regulated entity as well as for the overall financial system. He highlighted the importance of leveraging technology such as artificial intelligence (AI), machine learning (ML), and big data analytics into organisational functioning which can transform the way financial institutions operate. AI and ML can enhance predictive analytics and enable banks and NBFCs to identify potential risks and trends more accurately.

CIMS catching up rapidly; now, focus is on AI, ML for capacity enhancement - RBI Governor

In his inaugural address at the 18th Statistics Day conference organised by the Department of Statistics and Information Management, Reserve Bank of India, the RBI Governor Shri Shaktikanta Das mentioned that 'statistics' has become an increasingly popular tool for drawing inferences in diverse fields. He also highlighted how the RBI's cutting-edge information management is aiding public policy formulation and the overall economic development in India.

Recalling the launch of the next generation data warehouse, i.e., the Centralised Information Management System (CIMS) at the Statistics Day Conference a year ago, Das highlighted several new features introduced in CIMS. SCBs, UCBs, and NBFCs have already been onboarded for reporting on the new portal. Now, the focus is on enhancing capacity in artificial intelligence (AI) and machine learning (ML) techniques and analysing unstructured textual data, albeit simultaneously taking care that ethical considerations are addressed and biases in algorithms are eliminated.

Important to measure risk caused by climate change, provide policies and insurance: RBI Deputy Governor Patra

Delivering his key note address at the 79th Executive Committee Meeting of International Association of Deposit Insurers (IADI), RBI Deputy Governor Michael Debabrata Patra elucidated about climate change becoming an overarching risk to the global economy and financial systems, and the RBI's responsive efforts via exploring deposit insurance coverage for green deposits, climate risk based differential premiums, and ex-ante funding needs for climate sustainability.

According to the IADI's surveys, 60% of DIs (Deposit Insurers) have formalised Environmental, Social, and Governance (ESG) policies and some are members of the Network for Greening the Financial System (NGFS). The Deputy Governor averred that framing a comprehensive ESG policy in tune with climate sustainability; investment in sovereign green bonds; measuring the impact of climate change on default risk; and contingency planning for climate related extreme events via actuarial analysis are all essential factors to look at seriously.

Insurance

IRDAI issues master circular, makes policy loan in life insurance products mandatory

The Insurance Regulatory and Development Authority of India (IRDAI) recently issued a master circular to help policyholders meet liquidity requirements, the circular has mandated extending the facility of policy loan in all life insurance savings products. Further, the free look period, i.e., time given to review the policy terms and conditions, has been extended to 30 days, as against 15 days earlier.

The circular also extends a facility of partial withdrawal under pension products to help policyholders meet specific financial needs for important life events like higher education or marriage of children; purchase/ construction of residential house/flat; medical expenses, and treatment of critical illness.

The IRDAI has further exhorted the need for implementing robust systems for grievance redressal of policyholders. If an insurer does not appeal against the award of insurance ombudsman and does not implement the same within 30 days, a penalty of Rs. 5,000 per day has been made payable to the complainant.

IRDAI issues master circular for General Insurance; emphasis on customer-centricity

The IRDAI issued a customer-centric master circular with the aim to facilitate seamless customer experience through simplification of processes, while ensuring ease of operations for the insurers.

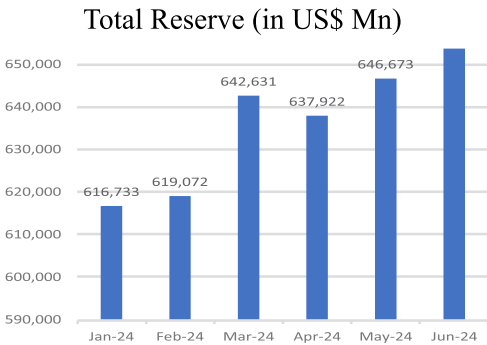
According to the circular, general insurers cannot reject claims citing lack of documents. They need to comply with strict timelines while settling claims. Motor insurance customers must be offered the additional ‘Pay as you drive/ Pay as you go’ option as the first choice.

Introduction of a customer information sheet will provide all policy details, including scope of coverage, exclusions, warranties and claim settlement processes. Emphasising on strict timelines being followed for settlement of claims, appointment of surveyors and submission of their reports, the IRDAI has specified that it is the insurer’s duty to obtain timely survey reports.

The retail customers of general insurers can cancel the policy anytime by informing the insurer. The insurer will need to refund the proportionate premium for the unexpired policy period to those customers. However, insurers can cancel the policy only on grounds of established fraud.

The master circular applies to all existing general insurance products and add-on cover. It also applies to the general insurance coverage section within a package product. However, health insurance products included within a packaged product have been excluded from the same.

Forex

Foreign Exchange Reserves			Trends in Forex Reserve(US\$ Mn) last 6 months	
Item	As on Jun. 21, 2024		Total Reserve (in US\$ Mn)	
	₹ Cr.	US\$ Mn.		
	1	2		
1 Total Reserves	54,60,976	6,53,711		
1.1 Foreign Currency Assets	47,96,186	5,74,134		
1.2 Gold	4,75,795	56,956		
1.3 SDRs	1,50,781	18,049		
1.4 Reserve Position in the IMF	38,215	4572		

Source: Reserve Bank of India

BASE RATES OF ALTERNATIVE REFERENCE RATES (ARRs) FOR FCNR (B) DEPOSITS AS ON JUNE 28 2024, APPLICABLE FOR THE MONTH OF JULY 2024

Currency	Rates
USD	5.34
GBP	5.20
EUR	3.66
JPY	0.08
CAD	4.78

Currency	Rates
AUD	4.35
CHF	1.21
NZD	5.50
SEK	3.65
SGD	3.57

Currency	Rates
HKD	4.13
MYR	3.01
DKK	3.28

Source: www.fbil.org.in

Glossary

Overseas Portfolio Investments (OPI)

“Overseas Portfolio Investment” or “OPI” means investment, other than Overseas Direct Investment (ODI), in foreign securities, but not in any unlisted debt instruments or any security issued by a person resident in India who is not in an IFSC or any derivatives unless otherwise permitted by Reserve Bank; any commodities including Bullion Depository Receipts (BDRs).

Financial Basics

Rho (ρ)

Rho of an option or a portfolio of options is the rate of change in the value of an option or portfolio with respect to change in the level of interest rate.

Institute's Training Activities

Training Programmes for the month of July 2024

Programmes	Dates	Location
Know Your Customer (KYC), Anti Money Laundering(AML) & Combating Financing of Terrorism (CFT)	From 10th to 12th July 2024	Virtual
IT & Cyber Security and Prevention of Cyber Crimes	From 11th to 12th July 2024	
Various Recovery Strategies Non Legal & Legal Recourse	From 19th & 20th July 2024	
Program on Priority Sector Lending with focus on Agriculture & allied activities	From 24th to 26th July 2024	
Discipline Management, Investigation & Disciplinary Action/ Proceedings for Banks	From 24th to 26th July 2024	

News from the Institute

IIBF & IGNOU - MoU for Credit Transfer scheme for JAIIB/CAIIB passed candidate

IIBF and IGNOU entered into a Memorandum of Understanding (MoU) for offering the MBA (B&F) programme to the members of IIBF who have passed the JAIIB / CAIIB qualification under the revised syllabi of 2023. As per the MoU, IGNOU shall grant a transfer of 20 credits / exemption upto a maximum of 5 courses out of the 28 courses of MBA (B&F) programme to those candidates who successfully completed the corresponding subject(s) of JAIIB/CAIIB from IIBF, within the maximum duration of the MBA (B&F) programme. For more details, visit www.iibf.org.in.

IIBF & FPSB - India organised a Joint webinar on 'Understanding CFP certification for CAIIB members'

IIBF has collaborated with FPSB - India to offer the Certified Financial Planner Certification to the CAIIB qualified members through the Fast Track pathway. In this regard, the Institute organised a joint webinar in the form of a panel discussion on "Understanding CFP Certification for CAIIB Members" with FPSB-India on 2nd July 2024 (Tuesday). The distinguished panellists for the webinar were Shri Biswa Ketan Das, CEO-IIBF, Shri Krishan Mishra, CEO-FPSB, India and Smt. Teena Rawal, Head-Strategic Alliances, FPSB, India. The panellists justified the benefits and opportunities about CFP program and also highlighted the need for undergoing such programmes as the need for qualified hands in this field are increasing in India and abroad. The webinar was well attended by many bankers.

Financial Risk and Regulation (FRR) Certificate Program from GARP-IIBF

The quarterly registration window at IIBF commenced from 1st July 2024 and shall be open until 15th July 2024 for the FRR certificate program of the Global Association of Risk Professionals (GARP). The course is designed

for mid-level professionals working in sectors including banking, finance, risk, audit, accounting, consulting, compliance, information technology, insurance, and law. Preferential special price of USD 300 is offered for IIBF members/non-member. For more details, visit www.iibf.org.in.

IIBF-IFC joint Certificate course on Climate Risk and Sustainable Finance

The Institute entered into an agreement with International Financial Corporation (IFC) for providing a certification course on Climate Risk and Sustainable Finance. The course is divided into two parts- Basic and Advanced. It is in the form of self-paced e-learning, comprising around 6 hours of learning in each part followed by an assessment. On successful completion, a joint certificate will be issued by IIBF and IFC. For more details, visit www.iibf.org.in

Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter July– September, 2024 is “Emerging Trends in International Trade and Banking”.

Cut-off date of guidelines/important developments for examinations

The Institute has a practice of asking 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.

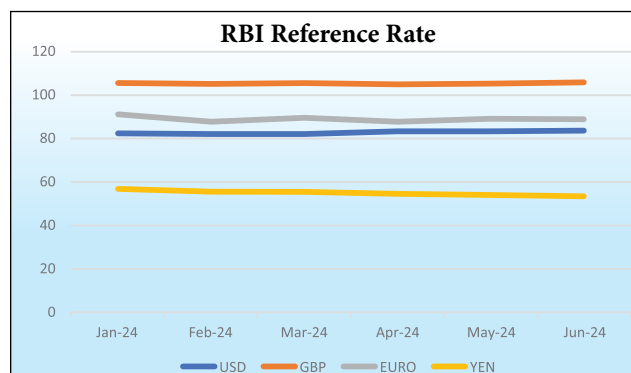
In order to address these issues effectively, it has been decided that:

- 1) In respect of the exams to be conducted by the Institute for the period from March 2024 to August 2024, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December 2023 will only be considered for the purpose of inclusion in the question papers.
- 2) In respect of the exams to be conducted by the Institute for the period from September 2024 to February 2025, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June 2024 will only be considered for the purpose of inclusion in the question papers.

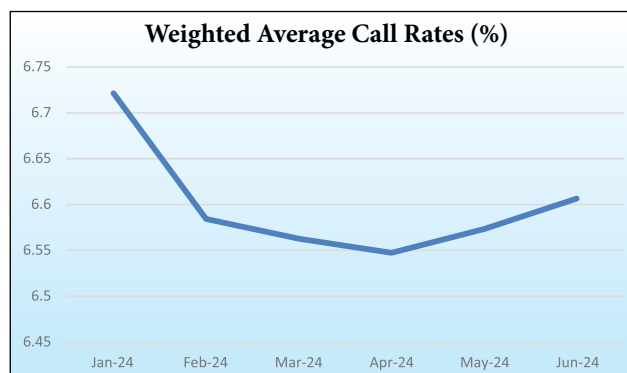
Green Initiative

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

Market Roundup

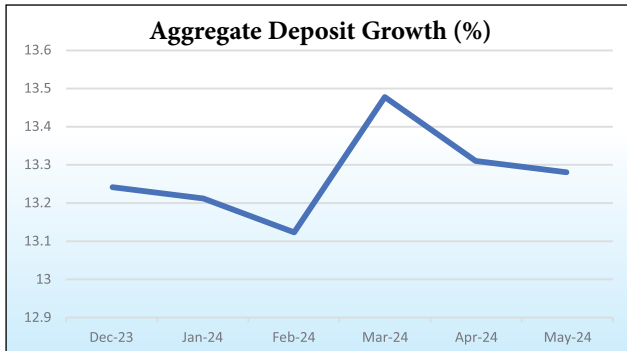


Source: FBIL

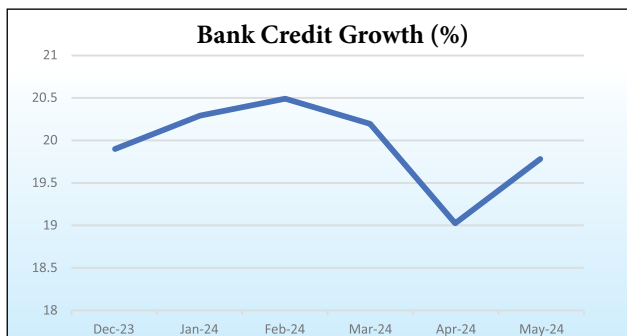


Source: Weekly Newsletter of CCIL

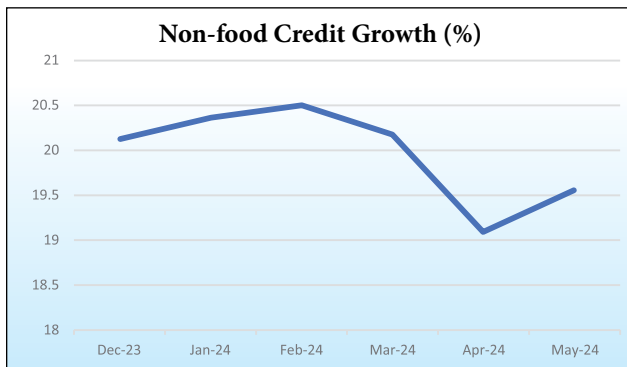
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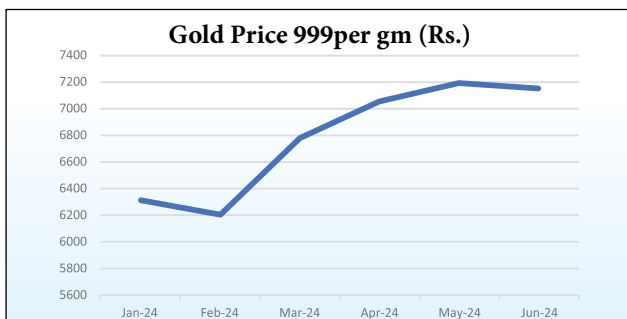
Source: Monthly Review of Economy, CCIL, May 2024



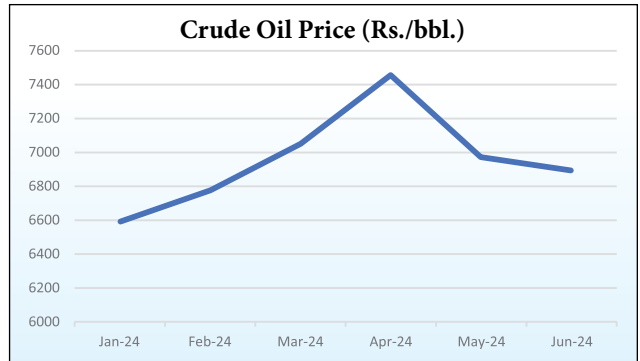
Source: Reserve Bank of India



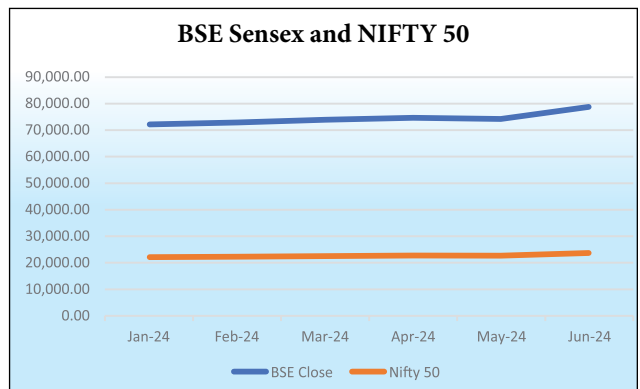
Source: Monthly Review of Economy, CCIL, June 2024



Source: Gold Price India



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE

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