



IIBF VISION

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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

Key highlights of the Interim Union Budget 2024-25

Following are the Key highlights of the Interim Union Budget 2024-25:

- No change in the Direct, Indirect tax rates and Export duties.
- Fiscal deficit for FY25 is projected at 5.1% of GDP, lower than the revised estimate (5.8%) in FY24.
- A provision of Rs. 75,000 crore rupees as fifty-year interest free loan is proposed to support milestone-linked reforms by State Governments under Viksit Bharat.
- Start-Ups, investments made by Sovereign wealth funds or pension funds will continue to get tax benefits till March 31, 2025.
- Certain income of IFSC units will continue to get tax exemption for one more year, till March 31, 2025.
- Outstanding direct tax demands up to Rs. 25,000 for the period till FY 2009-10, and up to Rs. 10,000 for FY 2010-11 to 2014-15 are withdrawn. This decision will benefit one crore tax payers.
- Rooftop solarisation for 1 crore households.
- Coal gasification and liquefaction capacity of 100 MT to be set up by 2030.
- Phased mandatory blending of Compressed Bio Gas (CBG) in Compressed Natural Gas (CNG) for transport and Piped Natural Gas (PNG) for domestic purposes to be mandated.
- PM Awas Yojana for two crore more houses to be taken up in the next 5 years.
- Capital expenditure outlay for Infrastructure development and employment generation to be increased by 11.10%.
- Focus on Youth, Women and Farmers.

Credit concentration norms for ML & BL-NBFCs eased out by RBI

Issuing new directions with immediate effect, Reserve Bank of India (RBI) has eased the credit concentration risk norms for Middle Layer (ML) and Base Layer (BL) Non-Banking Finance Companies (NBFCs). Accordingly, exposures to State and Central Governments, security deposits of borrowers held as collateral and National Credit Guarantee Schemes (NCGS) have been exempted from concentration limits. This will allow the aforesaid NBFCs to reduce their concentration risk and bring them at par with Upper Layer (UL) NBFCs. Furthermore, guarantees issued under the Credit Guarantee Schemes of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH), and individual schemes under National Credit Guarantee Trustee Company Ltd (NCGTC) will also be exempt from NBFC-ML exposure.

Banking Policies

Definition of PEPs amended by RBI in KYC norms

Seeking to comply with the recommendations of intergovernmental organisation Financial Action Task Force (FATF), RBI has amended the Know Your Customer (KYC) norms for Politically Exposed Persons (PEPs) who transact with Regulated Entities (REs). According to the amended KYC Master Direction, PEPs have been defined as 'individuals who are or have been entrusted with prominent public functions by a foreign country, including the heads of States/Governments, Senior Politicians, Senior Government or Judicial or Military Officers, Senior Executives of state-owned corporations and important political party officials'.

Banking Developments

RBI releases circular on NCDs and Commercial Papers

With an aim to regulate short-term investments and ensure transparency in the market, RBI has tweaked norms

for the issuance of Commercial Papers (CPs) and Non-Convertible Debentures (NCDs) of up to one year. Comprising of six key changes, the new norms will come into effect from April 1, 2024. According to the changes made, tenor of such short-term CPs cannot be less than seven days or more than a year. Tenor of short-term NCDs cannot be less than 90 days or more than one year. These will have a minimum denomination of Rs. 5 lakh and will be in multiples of Rs. 5 lakh thereafter. They shall be issued only in demat format and be held with a depository registered with SEBI. Settlement will be done within a period not exceeding T+4 working days. RBI has stipulated that total subscription by all individuals in any primary issuance of CPs or NCDs shall not exceed 25% of the total amount issued.

Regulator Speaks

RBI Governor Shaktikanta Das: Delays in resolution of stressed assets must reduce

Speaking at the Conference on Resolution of Stressed Assets and Insolvency and Bankruptcy Code (IBC) organised by the Centre for Advanced Financial Research and Learning, RBI Governor Shaktikanta Das threw light on immense delays happening in resolution of stressed assets through bankruptcy courts. Pointing out that as on September 2023, 67% of the ongoing Corporate Insolvency Resolution Process (CIRP) cases have already crossed the total timeline of 270 days, including possible extension period of 90 days, he stated that such delays cause substantial erosion in the value of these assets. Mr. Das averred that priority should be given to compensating the risks of financial creditors as they take on maximum risk.

Balanced approach to customer benefit and regulation has helped India surmount challenges: RBI Governor Das

Speaking at the Mint BFSI Summit, RBI Governor Shaktikanta Das talked about the rise in scale and velocity of post-pandemic digital lending in various economies, including India. While the progress is good news, it also threw up several business conduct issues, which required a balanced approach to ensure customer benefit on one hand and address regulatory concerns on the other. He stated that in recent years, RBI's focus has been on strengthening the governance and assurance functions in the REs aka Banks and NBFCs, to enhance their internal lines of defence. The assurance functions, namely Risk management, Compliance and Internal audit are critical links between governance and business.

Indian banking sector charging ahead at full speed, opines RBI Governor Shaktikanta Das

Delivering an address at the WEF Summit at Davos, Switzerland, RBI Governor Shaktikanta Das asserted that the Indian banking sector has made a remarkable recovery and RBI has strived to improve the governance in the public and private sector banks, while also strengthening the regulatory architecture around NBFCs. He highlighted how apex bank has applied a mix of micro and macro-prudential measures to strengthen India's financial stability and support economic growth. Currently, the world's third largest fintech ecosystem in terms of number of fintech entities operating, India has made the delivery of its financial offerings faster, cheaper, efficient and more accessible. The indigenously developed Unified Payments Interface (UPI) has been the game changer in India's fintech ecosystem.

FIs should design AI-solutions that strike a balance between innovation and technological responsibility: RBI Dy. Gov. M Rajeshwar Rao

Speaking at the Annual Conference of the Indian Economic Association, RBI Deputy Governor M. Rajeshwar Rao stated that financial institutions looking to deploy AI (Artificial Intelligence)-based models need to consider 10 aspects to strike a balance between innovation and responsible use of technology. These include transparency, fairness, accuracy, consistency, data privacy, explainability, accountability, robustness, monitoring & updating and human oversight. Entities should implement a comprehensive governance framework that includes regular audits, internal reviews and external assessments to hold individuals responsible for addressing any issues related to the AI model. Further, Rao also noted that advanced economies may stand to benefit more than Emerging Market Economies (EMEs) as the latter have more employment in sectors such as agriculture and construction, which have fewer opportunities for the application of AI.

UCBs need stringent governance: RBI Dy. Gov. Swaminathan J

Speaking at a Conference of Governance in Urban Co-operative Banks for UCBs, RBI Deputy Governor Swaminathan J underlined the importance of stringent governance standards in Urban Co-operative Banks (UCBs). Citing the key challenges faced by the sector, he said the UCBs' board must be a transparent decision-

making body that is accountable and adheres to best practices of governance and professionalism. The sector must embrace innovative solutions and technology procured through credible suppliers with due diligence. Potential cyber-risks must be paid attention to, and provisions should be made to protect the UCBs from them. As for capacity building, the leadership potential should be nurtured through various exercises. He has also mentioned about the Umbrella Organisation (UO) for UCBs taking shape, adding that this organisation would provide a slew of products & services suited to the UCB sector to galvanise it particularly in areas of capacity building and upscaling of technology.

Institutions should adopt 'regulation-plus approach' to compliance function: RBI Deputy Governor Swaminathan J

Speaking at the Conference for Heads of Assurance Functions, RBI Deputy Governor Swaminathan J. averred that compliance function is imperative for ensuring the integrity of banking operations and urged institutions to adopt a 'regulation-plus' approach, where the institution not only meets but exceeds regulatory expectations. He explained the four lines of defence, wherein, the first line operates at the business unit level and involves proactive risk management within the daily operations of the bank. The second line builds on this foundation by establishing robust risk management frameworks, policies and procedures. The third line revolves around internal audit, whereas, the fourth line pays attention to external audit.

Products & Alliances

Organisation	Organisation tied up with	Purpose
Indian Renewable Energy Development Agency Ltd.	Indian Overseas Bank	For collaborative efforts in co-lending and loan syndication for a diverse spectrum of Renewable Energy projects across the nation.

Economic Wrap Up

Key highlights of the Indian Economy: A Review, January 2024 released by the Department of Economic Affairs:

- The National Statistical Office has estimated India's real GDP to grow at 7.3 % in FY24.
- Resilient service exports and lower oil import costs have resulted in lowering India's current account deficit to 1 per cent of GDP in the first half of FY24.
- The share of Private Final Consumption Expenditure (PFCE) in GDP at current prices increased from an average of 58.4 per cent in the eight years preceding the onset of the pandemic to 60.8 per cent in the last three years ending FY24.
- The share of services in total GVA (Gross Value Added), in volume terms, has risen from 51.1 per cent in FY14 to 54.6 per cent in FY24.
- Credit to Risk-Weighted Asset Ratio (CRAR) improved, helping many weak PSBs to come out of the prompt corrective action framework of RBI.
- Total beneficiaries under the Prime Minister's Jan Dhan Yojana were at 51.5 crore as of January 10, 2024, which is a 3.5-fold growth since March 2015.
- The subscriber base of the Atal Pension Yojana in December 2023 stands at 6.1 crore, 30 times the base of 20.7 lakh in FY15.
- Internet penetration in India, as per the 'Internet in India' report 2022, crossed the 50 per cent mark in 2022.

New Appointments

NAME	DESIGNATION
Mr. Ashok Vaswani	Managing Director & CEO, Kotak Mahindra Bank

Forex

Foreign Exchange Reserves			Trends in Forex Reserve(US\$ Mn) last 6 months
Item	As on January 26, 2024		Total Reserves (in US\$ Mn)
	₹ Cr.	US\$ Mn.	
	1	2	
1 Total Reserves	5126070	616733	
1.1 Foreign Currency Assets	4539360	546144	
1.2 Gold	394644	47481	
1.3 SDRs	151673	18248	
1.4 Reserve Position in the IMF	40393	4860	

Source: Reserve Bank of India

BASE RATES OF ALTERNATIVE REFERENCE RATES (ARRs) FOR FCNR (B) DEPOSITS AS ON JANUARY 31, 2024 - APPLICABLE FOR THE MONTH OF FEBRUARY 2024

Currency	Rates
USD	5.31
GBP	5.1879
EUR	3.907
JPY	-0.011
CAD	5.0500

Currency	Rates
AUD	4.35
CHF	1.69919
NZD	5.5
SEK	3.897
SGD	3.5205

Currency	Rates
HKD	3.96816
MYR	3.01
DKK	3.5130

Source: www.fbil.org.in

Glossary

Commercial Paper (CP)

It is an unsecured money market instrument issued in the form of a promissory note. CP was introduced in India in 1990 with a view to enable highly rated corporate borrowers to diversify their sources of short-term borrowings and to provide an additional instrument to investors. Highly rated corporate borrowers, Primary Dealers (PDs) and Satellite Dealers (SDs) and All-India Financial Institutions (FIs) which have been permitted to raise resources through money market instruments under the umbrella limit fixed by RBI are eligible to issue CP.

Financial Basics

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. Guidelines for measurement and disclosure relating to the same is provided in Ind AS 113.

Institute's Training Activities

Training Programmes for the month of February 2024

Programmes	Dates	Location
Post-examination training for Certified Credit Professional	13 th -15 th February 2024	Virtual
Programme on KYC/AML & CFT	14 th -15 th February 2024	
Programme on Regulatory Aspects for Small Finance Banks	16 th - 17 th February 2024	
Programme on Data Analytics in Digital Banking Environment	16 th - 17 th February 2024	
Programme on Integrated Treasury Management with Bourse Game for RRBs, Co-operative Banks and Small Finance Banks	20 th - 22 nd February 2024	Leadership Centre, Mumbai

News from the Institute

Launch of the Advanced Module: 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. The Basic course was launched on 23rd May 2023 at St. Regis Hall, Mumbai. **The Advanced course is to be launched on 14th February, 2024 in hybrid mode.** The course is in the form of self-paced e-learning, comprising around 6 hours of learning followed by an assessment. On successful completion, a joint certificate will be issued by IIBF and IFC.

13th R. K. Talwar Memorial Lecture

The 13th R. K. Talwar Memorial Lecture, organised in association with the State Bank of India, will be held on 16th February 2024 at SBI Auditorium, Nariman Point, Mumbai. The lecture will be delivered by **Dr. V. Anantha Nageswaran**, Chief Economic Adviser, Government of India. The topic of the lecture is "The Role of Regulation in Economic Development". The lecture will also be livestreamed in the Institute's Facebook and YouTube channels. For more details please visit www.iibf.org.in.

3rd edition of Inter Bank Quiz Contest- Banking Chanakya

The Grand Finale of the Inter Bank Quiz Competition-Banking Chanakya 2023 hosted by IIBF was held on 20th January 2024 at Mumbai. Team SBI from North Zone won the championship with a prize money of Rs. 1,00,000/-. The runners-up team was also Team SBI from South Zone. The other two teams were Team RBI from West Zone and Central Bank of India from East Zone. The event was sponsored by the Platinum Sponsors-SBI and Union Bank of India, the Gold Sponsors-Central Bank of India and Indian Bank and Silver Sponsors-PNB and Canara Bank.

IIBF releases the third edition of Banking & Finance Yearbook, 2024

IIBF releases the much-awaited third edition of the "Banking & Finance Yearbook, 2024". It is a comprehensive digest of all major developments, trends, expert views and regulatory changes across different verticals in Banking & Finance domain for the year ended December 31, 2023. The book is available on Amazon both as a paperback and as a Kindle edition. The book will also be available in the retail outlets of our publisher, M/S Taxmann Publications (Pvt.) Ltd.

IIBF invites Micro & Macro Research proposals for the year 2023-24

'Micro Research' is a sort of an essay competition for members of the Institute (bankers) to present their original ideas, thoughts and best practices on areas of their interest. The competition is open to life members of IIBF, who are presently working in banks and financial institutions. Macro Research is a theme-based empirical research from which, lessons can be drawn for the banking & finance industry as a whole. The last date for receipt of both Micro & Macro Research applications is 28th February 2024. For more details, visit www.iibf.org.in

IIBF invites applications for Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) for the year 2023-24

The Institute invites applications under the above-mentioned scheme. The objective of the fellowship is to provide the successful candidate an opportunity to undertake a research study on the latest developments in the field of banking and finance in India or abroad. The last date for receipt of applications has been extended to 29th February 2024. 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 January – March, 2024 is “Leveraging technology for effective credit appraisal”.

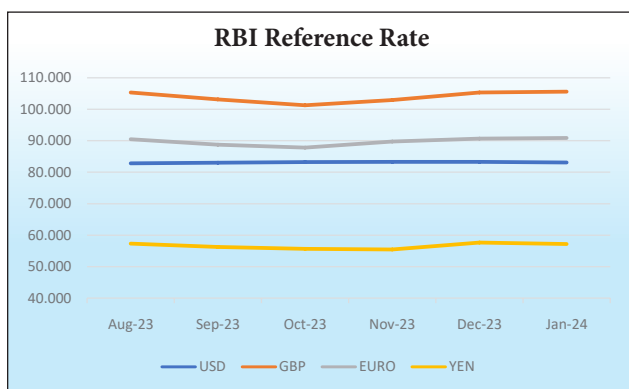
Cut-off date of guidelines/important developments for examinations

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 September 2023 to February 2024, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June 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 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.

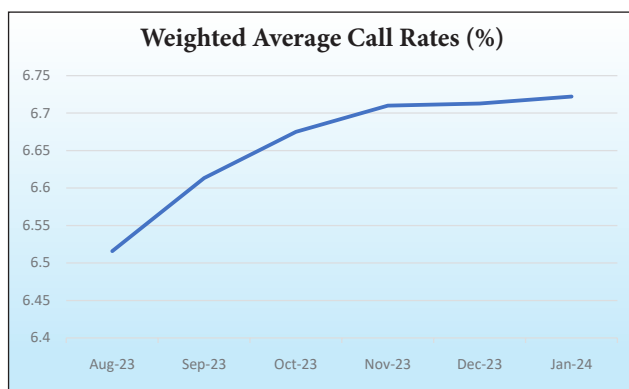
Green Initiative

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

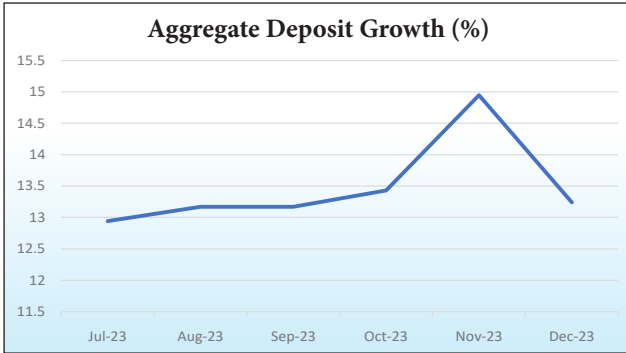


Source: FBIL

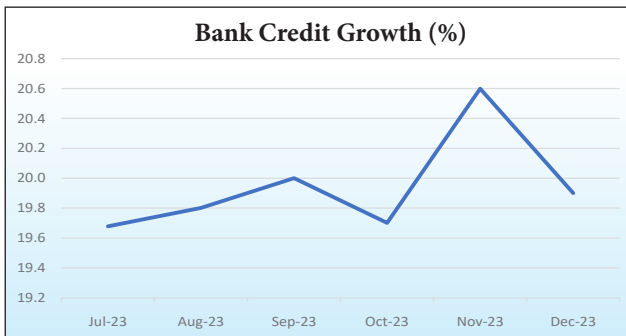


Source: Weekly Newsletter of CCIL

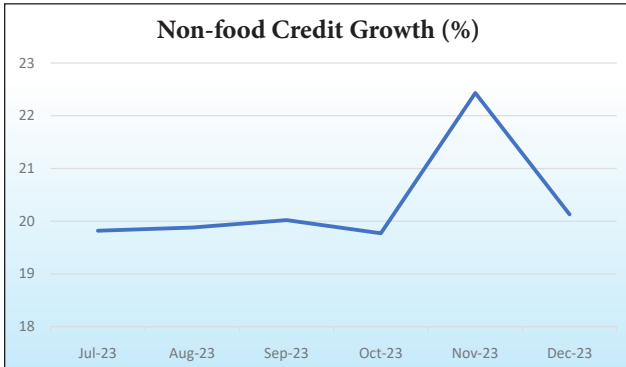
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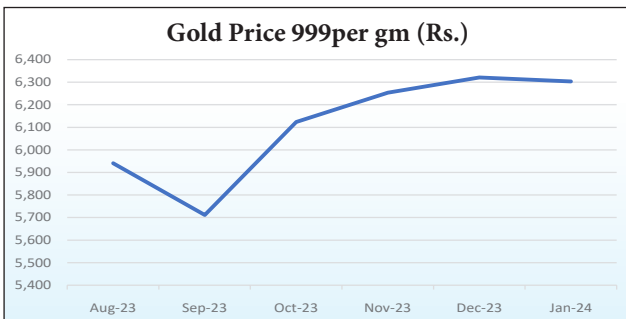
Source: Monthly Review of Economy, CCIL, January 2024



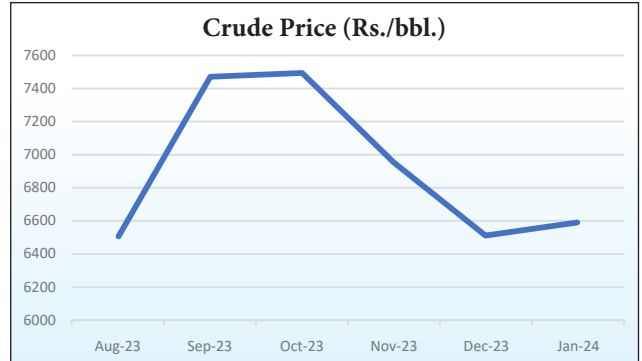
Source: Reserve Bank of India



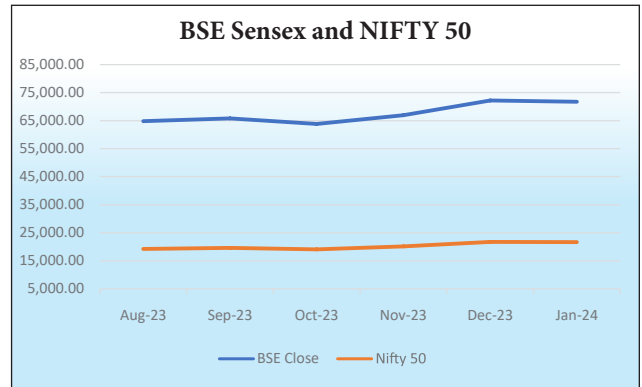
Source: Monthly Review of Economy, CCIL, January 2024



Source: Gold Price India



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE

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