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IIBF VISION

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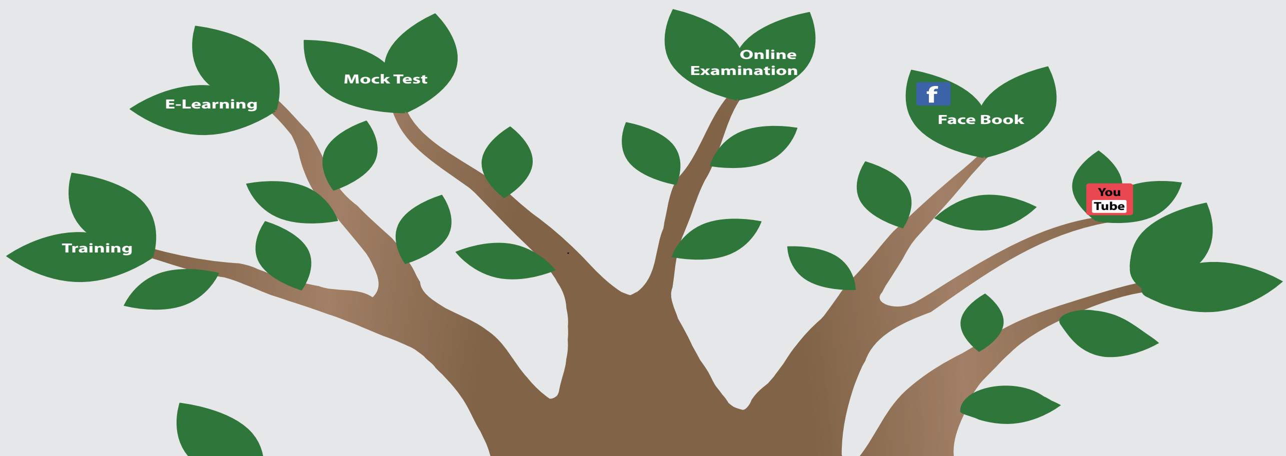
VISION

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.



INSIDE

TOP STORIES

The key highlights of Monetary Policy Committee meeting held from September 29-October 1, 2025

The Reserve Bank of India's (RBI's) Monetary Policy Committee (MPC) meeting held from September 29-October 1, 2025. The key highlights of the meeting are as follows:

- Repo rate kept unchanged at 5.50%.
- Standing Deposit Facility (SDF) rate remains at 5.25% while the Marginal Standing Facility (MSF) rate and the Bank Rate remains at 5.75%.

Key highlights of Statement on Developmental and Regulatory Policies

- The guidelines on following to be reviewed and rationalised:
  - ➢ Asset Classification, Provisioning and Income Recognition Directions
  - ➢ Forms of Business and Prudential Regulation for Investments
  - ➢ Capital Market Exposures Guidelines to provide an enabling framework for banks to finance acquisitions by Indian corporates
  - ➢ Risk Weights on infrastructure lending by Non-Banking Financial Companies (NBFCs)
  - ➢ Norms on Transaction Accounts
  - ➢ External Commercial Borrowing Framework
  - ➢ Basic Savings Bank Deposit (BSBD) Account
  - ➢ Establishment in India of a Branch Office or a Liaison Office or a Project Office or any other place of business
- The time period for repatriation to be extended in case of foreign currency accounts maintained in International Financial Services Centres (IFSC) in India.
- In case of Merchanting Trade Transactions (MTT), the period for the forex outlay shall be increased, to six months.
- The compliance requirements for Small Value Exporters/Importers to be relaxed.
- It is proposed to issue the draft guidelines on implementation of the revised Basel framework on Standardised Approach for Credit Risk for Scheduled Commercial Banks (excluding Small Finance Banks, Payments Banks and Regional Rural Banks).
- A Risk Based Premium model for deposit insurance shall be introduced.
- The Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism is to be withdrawn.
- A discussion paper on licensing of new Urban Co-operative Banks (UCBs) shall be released.
- The regulatory instructions administered by the Department of Regulation of RBI to be consolidated into a set of Master Directions on an 'as is' basis.
- The Internal Ombudsman mechanism will be strengthened and State Co-operative Banks and District Central Co-operative Banks, hitherto with NABARD, shall bring within the scope of the RBI Ombudsman Scheme.
- Authorised Dealer banks in India and their overseas branches may be permitted to lend in INR to persons resident in Bhutan, Nepal and Sri Lanka, including a bank in these jurisdictions, to facilitate cross border trade transactions.
- The select currencies of India's major trading partners shall be included in the list of reference rates published by FBIL.
- The investment opportunities for Special Rupee Vostro Account (SRVA) holders proposed to be enhanced.

RBI introduced amendments to benefit customers and banks

The RBI has issued amendments in Directions/circulars, effective from October 1, 2025.

Interest rate on advances: Banks may, at their discretion, provide the option to switchover to fixed rate at the time of reset. They can also reduce the other spread components for the benefit of the borrower earlier than three years.

Lending against gold and silver collateral: Borrowers using gold as a raw material in their manufacturing or industrial processing will be able to get working capital loans. Apart from Scheduled Commercial Banks (SCBs), Tier 3 and Tier 4 Urban Co-operative Banks (UCBs) are also allowed to extend these loans.

Basel III capital regulations –PDIs: RBI has revised the eligible limits for Perpetual Debt Instruments (PDI) denominated in foreign currency or rupee-denominated bonds overseas.

Apart from the above amendments made, RBI has released a few directions as drafts, which are as follows:

Gold Metal Loans Scheme: It is proposed that banks may offer longer repayment tenors of up to 270 days and extend loans to domestic non-manufacturers that outsource jewellery production.

Large Exposure Framework (LEF) and Intra-Group Transactions and Exposures (ITE): Proposed changes include having prudential norms for foreign banks operating in India, including exposure computation, risk mitigation and linking thresholds to Tier-1 capital.

Credit information reporting: To get updated credit information, Credit Institutions (CIs) may be required to furnish weekly reports to Credit Information Companies (CIC). The Draft amendments also mandate measures to facilitate faster data submission, error rectification by the CIs and capture Central Know Your Customer (CKYC) number.

RBI unveils incentive scheme to reduce the volume of unclaimed deposits

RBI has announced an incentive scheme 'Scheme for Facilitating Accelerated Payout-Inoperative Accounts and Unclaimed Deposits' to encourage banks to actively pursue customers/depositors for re-activation of their inoperative accounts and return of their unclaimed amounts lying with Depositors Education Awareness (DEA) Fund to the rightful claimant in a timely and efficient manner. As per the scheme, banks will be eligible to get a differential payout depending on the period of an account remaining inoperative and the amount of deposits in it. This scheme will run from October 1, 2025 to September 30, 2026.

Banking Policies

RBI issued Master Direction on Regulation of Payment Aggregator

RBI has issued the Directions for Payment Aggregators (PAs) to regulate them. PAs are categorized into: PA-Physical (both the acceptance device and payment instrument are physically present in close proximity while making the transaction), PA-Cross Border (for cross border payments) and PA-Online (where the acceptance device and payment instrument are not present in close proximity while making the transaction). Banks will not require authorisation to carry out PA business; however, provision of capital requirements for non-banks willing to become PAs has been placed. The Directions also provide provisions about escrow accounts and fund management, cross-border limits and governance.

RBI revised norms for settling claims of deceased bank customers' accounts

RBI has revised the norms for Settlement of Claims in respect of deceased customer's deposit accounts, safe deposit lockers and articles in safe custody. RBI has asked banks to settle such claims within 15 calendar days from the date of receipt of all the required documents associated with the claim and has prescribed compensation to nominees if there is a delay in the settlement. A claimant can lodge the claim online or at any of the branches against acknowledgment.

Co-op Banks can invest in NABARD's SSE: RBI

The State Co-operative Banks (StCBs) and Central Co-operative Banks (CCBs) are allowed to subscribe to the share capital of the Shared Service Entity (SSE), issued by NABARD, on a voluntary basis. These investments are restricted to 5% of its owned funds (paid-up share capital and reserves). Such investment, however, shall be exempt from the prudential limit on non-Statutory Liquidity Ratio (SLR) investments.

Banking Developments

RBI revised Liquidity Management Framework

RBI has announced that the use of overnight Weighted Average Call Rate (WACR) will be continued as the operating target of the monetary policy. The existing symmetric corridor system is retained. The RBI has discontinued 14-day Variable Rate Repo (VRR) and Variable Rate Reverse Repo (VRRR) operations as the main operation for managing short-term/transient liquidity. The same will be managed primarily through 7-day VRR/ VRRR and other VRR/VRRR operations of tenors from overnight up to 14 days, at the discretion of the RBI based on its assessment of the system liquidity requirement. Instruments under the framework for managing durable liquidity, i.e. Open Market Operations (OMOs), long-term variable rate repo/reverse repo operations and forex swap auctions will continue to be part of the revised liquidity management framework. The current requirement of maintaining a minimum of 90% of the prescribed Cash Reserve Ratio (CRR) on a daily basis will continue and Standalone Primary Dealers (SPDs) will have access to SDF, overnight reverse repo operations and all repo operations, irrespective of their tenor.

RBI issued Directions on Authentication mechanisms for Digital Payment Transactions

To make the digital transactions more secure, RBI has mandated issuers to adopt additional checks beyond the minimum two-factor authentication, based on the perceived risk associated with the transaction. For digital payment transactions, other than card present transactions, at least one of the factors of authentication is dynamically created or proven. While these directions are applicable only to domestic transactions, a risk-based mechanism for handling all cross-border card not present transactions shall also be put in place by card issuers by October 01, 2026.

RBI allowed Standalone Primary Dealers to trade in rupee NDDCs

RBI has amended the Master Direction on Risk Management and Inter-Bank Dealings to allow Standalone Primary Dealers (SPDs) to participate in Non-Deliverable Derivative Contracts (NDDCs) involving the Indian rupee. As per the revised norms, SPDs authorised as Authorised Dealer Category–III (AD Cat-III) shall also be eligible to transact in NDDCs involving the Rupee and shall be able to offer NDDCs to both residents and non-residents.

Capital Market

Ease of Doing Investment: SEBI revised norms for transmission of securities from Nominee to Legal Heir

To streamline the process of transmission of securities from nominee to legal heir and resolve the issues related to taxation, it has been decided that a standard reason code namely, Transmission to Legal Heirs (TLH) shall be used by the reporting entities while reporting the transmission of securities from nominee to legal heir, to the Central Board of Direct Taxes.

SEBI issued new framework to monitor intraday position in index options

To strengthen the intraday monitoring framework for index options, position limits for index options has been capped. The entity level intraday monitoring framework will be implemented for index options to ensure market stability, while facilitating participation by various market participants including liquidity providers/market makers. Stock Exchanges shall examine the trading patterns for the entities breaching the limit.

Regulator Speaks

PSBs are like banyan trees; they must shelter and promote growth: Mr. Swaminathan J. Deputy Governor, RBI

Speaking at PSB Manthan 2025, Mr. Swaminathan J., Deputy Governor, RBI, said the fitting metaphor of a banyan tree for India's Public Sector Banks (PSBs). He said that today's PSBs are not just responsible for providing shade and shelter to millions of households and enterprises but also have to ensure that new growth flourishes under their canopy, in the form of abundant and affordable credit to Micro, Small and Medium Enterprises (MSMEs), start-ups, women entrepreneurs and rural enterprises.

AI remains crucial to India's financial future: Mr. M. Rajeshwar Rao, Deputy Governor, RBI

Speaking at the 3rd edition of the CNBC-TV18 Banking Transformation Summit, Mr. M. Rajeshwar Rao, Deputy Governor, RBI stated that though banks have been using Artificial Intelligence (AI) in some areas of lending, there is potential to use AI across other areas of the credit lifecycle. The financial sector must adopt AI with foresight, investing not just in innovation, but also in resilience by building strong governance structure, diversifying dependencies, engaging in continual assessment of emerging risks and ensuring that their AI strategies align with long-term safety and sustainability of the financial system.

Economic Wrap Up

Department of Economic Affairs released Monthly Economic Review, August 2025. Its key highlights are as follows:

- India's economic momentum quickened in Q1 FY26, with real GDP growing by 7.8% YoY, higher than most estimates.
- As of end-June 2025, the YoY growth in outstanding credit by SCBs moderated to 10.4% from 13.9% recorded as of end-June 2024. It is pertinent to note that this decrease in the flow of bank credit coincides with the increase in the overall flow of financial resources to the commercial sector during the same period.
- In August 2025, India's total exports (goods and services) recorded a growth of 9.3% (YoY), driven primarily by a 12.2% growth (YoY) in service exports.
- In Q1 FY26, India's current account deficit has declined to 0.2% of the GDP from 0.9% of the GDP in Q1 FY25, mainly driven by higher net invisible receipts.
- GST exemption to all individual life and health insurance policies with reinsurance.
- GST and corporate tax collections grew by 9.8% and 7.6%, respectively.
- The bank credit to MSMEs has increased to 17.4% YoY in June 2025, compared to an increase of 11.5% in June 2024.

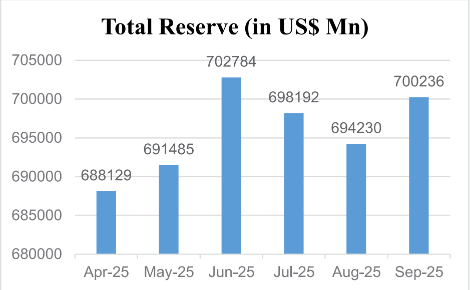
New Appointments

Name	Designation
Mr. Shirish Chandra Murmu	Deputy Governor, Reserve Bank of India
Mr. Asheesh Pandey	Managing Director & CEO, Union Bank of India
Mr. Kalyan Kumar	Managing Director & CEO, Central Bank of India

Forex

Foreign Exchange Reserves		
Item	As on September 26, 2025	
	₹ Cr.	US$ Mn.
	1	2
1 Total Reserves	6211881	700236
1.1 Foreign Currency Assets	5160999	581757
1.2 Gold	842935	95017
1.3 SDRs	166683	18789
1.4 Reserve Position in the IMF	41264	4673

Trends in Foreign Exchange Reserve (US$ Mn) last 6 months



Note: Data as reported on last Friday of respective month

Source: *Reserve Bank of India*

Base Rates of Alternative Reference Rates (ARRs) for FCNR (B) deposits as on September 30, 2025, applicable for the month of October 2025

ARR Name	Base Rates of ARR (%)
SOFR (USD)	4.16
SONIA (GBP)	3.9669
€STR (EUR)	1.926
TONA (JPY)	0.476
CORRA (CAD)	2.5600

ARR Name	Base Rates of ARR (%)
AONIA (AUD)	3.60
SARON (CHF)	-0.036879
OCR (NZD)	3.0
SWESTR (SEK)	1.916
SORA (SGD)	1.3180

ARR Name	Base Rates of ARR (%)
HONIA (HKD)	3.69165
MYOR (MYR)	2.75
DESTR (DKK)	1.5350

Source: *www.fbil.org.in*

Glossary

Variable Rate Reverse Repo

Variable Rate Reverse Repo (VRRR) is a monetary policy tool used by RBI to absorb excess liquidity from the banking system through auctions where banks lend money to the RBI for a short period.

Financial Basics

Baby Bond

A baby bond is a fixed income security that is issued in small-dollar denominations, with a par value of less than $1,000. These small-denomination bonds are intended to attract ordinary investors who may not have large amounts to invest in traditional bonds.

Institute's Training Activities

Training Programmes for the month of October 2025

Programmes	Dates	Location
Programme for Internal Auditors of Banks, NBFCs & FIs	13th-14th October, 2025	Virtual
Programme on Lending to Micro & Small Enterprises for Banks, NBFCs & FIs	14th-15th October, 2025	
Programme on IT & Cyber Security	15th-16th October, 2025	
Programme on Resolution of Stressed Assets through Insolvency and Bankruptcy Code, 2016	15th-17th October, 2025	
Programme on Foreign Exchange Operations	23rd-24th October, 2025	
Programme on Cyber Risk Management & IT Security for Banks, NBFCs & Other Financial Institutions (FIs)	23rd-24th October, 2025	
Programme on KYC/AML & Cyber security for Banks, NBFCs & FIs	28th-29th October, 2025	
Programme on Effective Branch Management	28th-30th October, 2025	

News from the Institute

98th Annual General Meeting

The 98th Annual General Meeting of the members of IIBF was held through Two-way Video conferencing on September 18, 2025 at 11:30AM.

IIBF's 'Leaders Speak Series'

Mr. Salee S. Nair, Managing Director and Chief Executive Officer of Tamilnad Mercantile Bank delivered an address to the XIV batch of Advanced Management Programme, under IIBF's Leaders Speak Series organised on September 27, 2025.

IIBF's Case Study Writing Competition - 2025

IIBF has announced case study competition to encourage Bankers/Finance professionals to share their knowledge and experience through developing cases, accompanied by Teaching Notes. Last date for submitting the case studies is 30.11.2025. For more details, visit www.iibf.org.in.

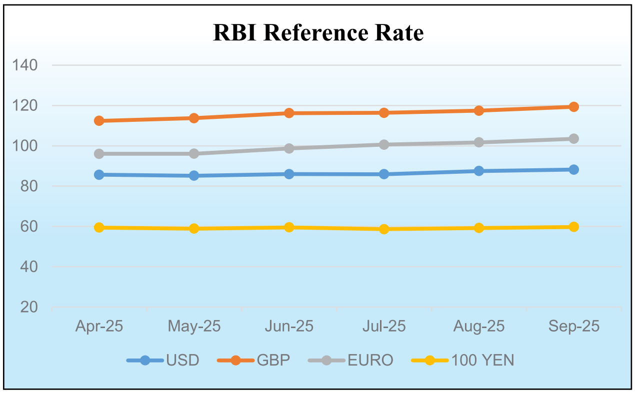
Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter October-December 2025 is "Emerging Technologies in Banking". The Sub-themes are: Applications of Generative Artificial Intelligence (AI), Ethical AI, Fraud Detection and Creating Early Warning Signals, Technologies for Project Appraisal and Credit Appraisal.

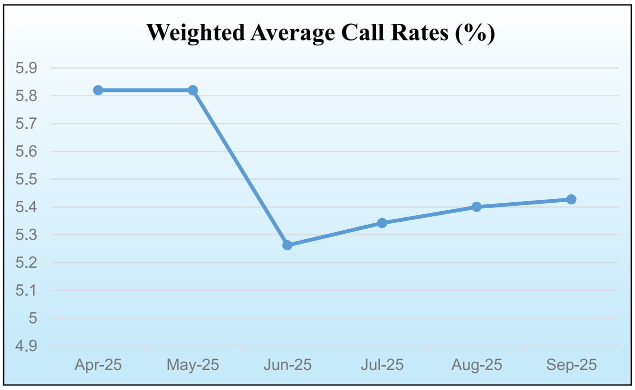
Cut-off date of guidelines/important developments for examinations

The Institute has a practice of asking questions in each exam about the recent developments/guidelines issued by the regulator(s). In respect of the exams to be conducted by the Institute for the period from March to August of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December will only be considered for the purpose of inclusion in the question papers. In respect of the examinations to be conducted by the Institute for the period September to February of a calendar year, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June will only be considered for the purpose of inclusion in the question papers.

Market Roundup



Source: FBIL



Source: Weekly Newsletter of CCIL

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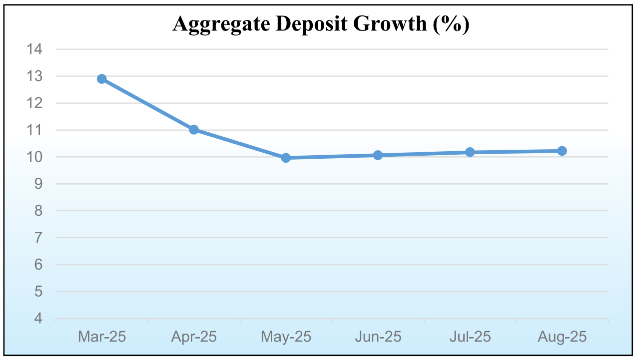
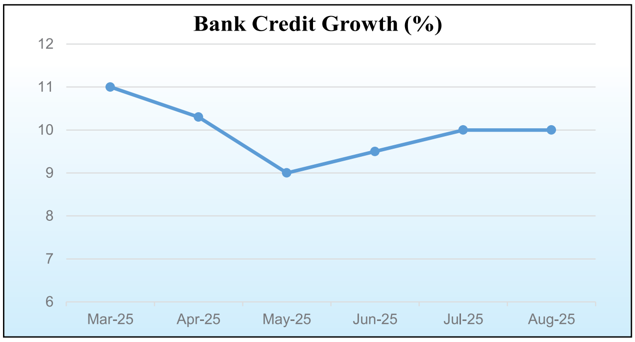
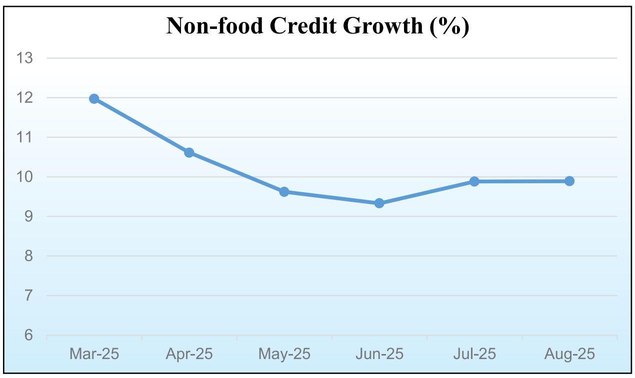


Source: Monthly Review of the Economy, CCIL, September 2025



Source: Reserve Bank of India



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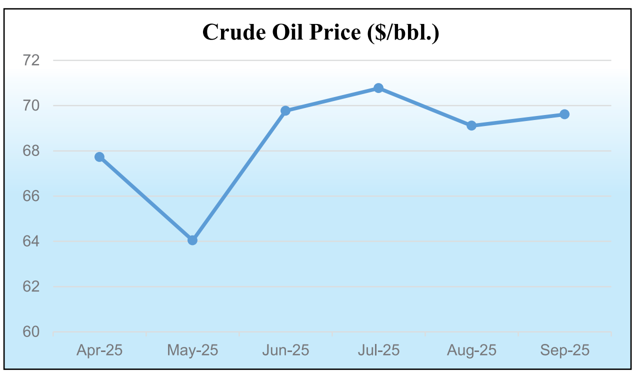
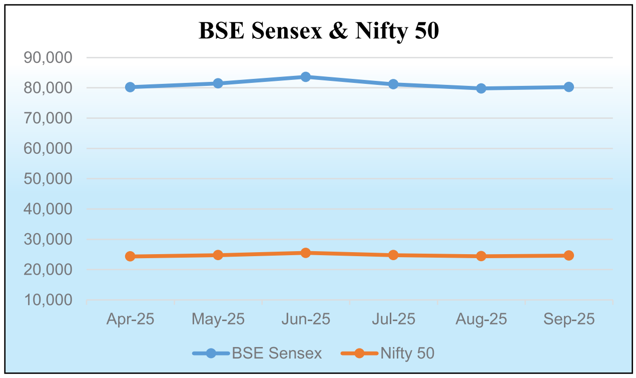
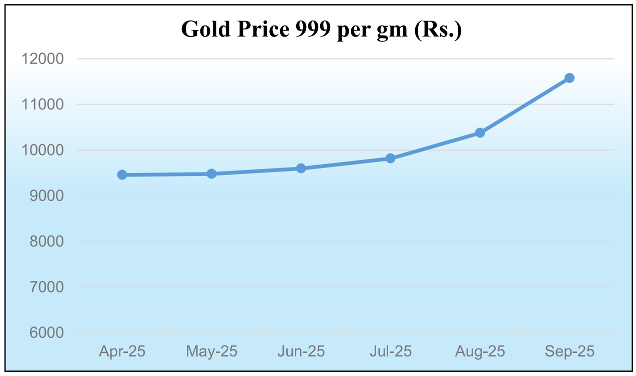


Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE



Source: Gold Price India

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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