



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

The key highlights of Monetary Policy Committee meeting held from August 4-6, 2025

The Reserve Bank of India's (RBI's) Monetary Policy Committee (MPC) meeting held from August 4-6, 2025. The key highlights of the meeting are as follows:

- Repo rate kept unchanged at 5.50%.
- Standing Deposit Facility (SDF) rate under the Liquidity Adjustment Facility (LAF) kept unchanged at 5.25%.
- Marginal Standing Facility (MSF) rate and Bank rate stayed at 5.75%.

Statement on Developmental and Regulatory Policies: Key highlights

- To facilitate expeditious and hassle-free settlement of claims made by survivors/nominees/legal heirs and enhance customer service standards, it has been decided to streamline the procedures and standardise the documentation to be submitted to the banks.
- To enable investors to systematically plan their investments, an auto-bidding facility for Treasury bills (T-bills), covering both investment and re-investment options, has been enabled in Retail Direct Scheme. The new functionality helps investors to mandate automatic placement of bids in primary auctions of T-bills.

Key highlights of the Committee report on “Framework for Responsible and Ethical Enablement of Artificial Intelligence” (FREE-AI)

The RBI appointed committee has submitted a detailed report for a Framework for Responsible and Ethical Enablement of Artificial Intelligence (FREE-AI) aiming to harness its potential while safeguarding against associated risks in the financial sector. Despite the several benefits of AI such as improving financial inclusion, several challenges are also discussed in the report such as Third-Party risks, Operations risks, Risk of AI-Driven Collusion among others. The AI may have impact on financial stability and cyber security. The Committee has formulated 7 Sutras that represent the core principles to guide AI adoption in the financial sector. These are: (i) Trust is the Foundation (ii) People First (iii) Innovation over Restraint (iv) Fairness and Equity (v) Accountability (vi) Understandable by Design (vii) Safety, Resilience and Sustainability. Using the Sutras as guidance, an approach that fosters innovation and mitigate risks is recommended, which will be achieved through a unified vision spread across 6 strategic Pillars that address the dimensions of innovation enablement as well as risk mitigation.

Transition to continuous clearing of cheques to be done in two phases: RBI

The Cheque Truncation System (CTS) will be transitioned from batch processing to continuous clearing with settlement on realisation. This will be done in two phases; Phase 1 will be implemented on October 4, 2025 and Phase 2 on January 3, 2026. There will be a single presentation session from 10:00 AM to 4:00 PM. Cheques received by the branches will be scanned and sent to the clearing house by the banks 'immediately and continuously' during the presentation session. The clearing house will release the cheque images to drawee banks on a continuous basis. The confirmation session will start at 10:00 AM and close at 7:00 PM. The drawee bank will generate either positive confirmation (for honoured cheques) or negative confirmation (for dishonoured cheques) for all the cheques presented.

Banking Policies

RBI revised Co-Lending Arrangements Directions to address prudential and conduct-related aspects

The Co-Lending Arrangements (CLA) Directions have been revised by the RBI to address some prudential and

conduct-related aspects as well as to give regulatory clarity on the permissibility of such arrangements. According to the revised norms, each Regulated Entity (RE) under a CLA shall retain a minimum 10% share of the individual loans in its books. Originating RE may provide default loss guarantee up to 5% of loans outstanding in respect of loans under CLA. In the event of termination of CLA between the REs, to ensure that borrowers get uninterrupted service till repayment of the loans, REs shall have a business continuity plan. The RE's credit policy shall incorporate provisions relating to CLAs, such as internal limit for the proportion of their lending portfolio under CLAs; target borrower segments; due diligence of the partner entities; customer service and grievance redressal mechanism. The interest rate and other fees/charges on the underlying loans shall be based on a contractual agreement, subject to the regulatory norms applicable to the REs. All transactions (disbursements/repayments) between the REs as well as with the borrower, shall be routed through an escrow account maintained with a bank.

Infrastructure financing gets a boost with RBI's Directions on Non-Fund Based Credit Facilities

To harmonize and consolidate guidelines covering **Non-Fund Based (NFB) facilities** and to broaden the funding sources for infrastructure financing, RBI has issued Non-Fund Based Credit Facilities Directions, 2025. As per these Directions, a RE shall issue a NFB facility only on behalf of a customer having funded credit facility from the RE. Scheduled Commercial Banks (excluding Regional Rural Banks), All India Financial Institutions, Non-Banking Financial Companies including Housing Finance Companies in middle layer and above has been allowed to provide Partial Credit Enhancement (PCE) to bonds issued by corporates/Special Purpose Vehicles (SPVs) for funding all types of projects and to bonds issued by non-deposit taking NBFCs with asset size of Rs. 1,000 crore and above registered with RBI. REs can also provide credit enhancement support to municipal bonds.

Banking Developments

RBI simplified process for opening SRVAs to boost rupee trade

The RBI has removed the requirement for Authorised Dealer (AD) banks to seek its prior approval to open Special Rupee Vostro Accounts (SRVAs) of overseas correspondent banks. This move will expedite the setting up of SRVAs and will encourage rupee-based trade settlements.

RBI notified Know Your Customer (2nd amendment) Directions, 2025

The RBI amended Know Your Customer (KYC) Master Directions specifying that customer acceptance policy should not result in denial of banking/financial facility to Persons with Disabilities (PwDs) and any rejection of application for onboarding or Periodic updation should be recorded with reasons by concerned officer. Also, during video-based customer identification, license check should not result in exclusion of person with special needs.

Capital Market

SEBI allows liquid MFs, overnight MFs as regulatory deposits for IAs, RAs

Investment Advisers (IAs) and Research Analysts (RAs) are required to maintain a certain sum as deposit marked as lien. This deposit is kept with a scheduled bank, in favour of Investment Adviser Administration and Supervisory Body (IAASB) or Research Analyst Administration and Supervisory Body (RAASB), respectively. Now, SEBI has amended the above framework to allow IAs and RAs to fulfil the regulatory deposit requirement using liquid Mutual Funds (MFs) and overnight mutual funds, as an option to the bank deposit. IAs and RAs have to comply with the deposit norms on or before September 30, 2025.

Transaction fee for MF distributors removed by SEBI

According to the June 2024 Master Circular on Mutual Funds (MFs), Asset Management Companies (AMCs) were allowed to pay Rs.100 as transaction fee to MF distributors for subscriptions worth more than Rs.10,000.

The amount was Rs.150 for new investors, in order to incentivise distributors. The fee would be deducted from the subscription amount, with the remaining amount sent for investment. SEBI has now removed the levy of transaction fee for regular schemes.

Insurance

IRDAI to insurers: Complete QIS 2 by October 15

In 2023, the Insurance Regulatory and Development Authority of India (IRDAI) had conducted the First Quantitative Impact Study (QIS 1) to assess the initial impact of the Risk Based Capital (RBC) framework. Now, IRDAI has directed all life insurers, general insurers, standalone health insurers, reinsurers, branches of foreign reinsurers and Lloyd's India to initiate the Second Quantitative Impact Study (QIS 2) and submit the results on or before 15 October 2025. The QIS 2 will be conducted as per the Technical Guidance document, with the data used for actuarial valuation as on 31 March 2025.

Regulator Speaks

RBI committed to improve the efficiency of financial intermediation: Mr. Sanjay Malhotra, Governor, RBI

Delivering the Inaugural Address at the FIBAC 2025 Conference, Mr. Sanjay Malhotra, Governor, RBI said that regulations provide the necessary friction to promote financial stability and safety of depositors. He added that “going forward, our focus will be three-fold. Firstly, we shall continue strengthening financial stability. Second, we will aim to increase the ease of doing business. Thirdly, we are working towards expanding bank credit to productive sectors and reduce the cost of intermediation”.

Underlining the importance of Business Correspondents (BCs) in achieving financial inclusivity, especially in sparsely populated areas, the Governor stressed on the need to strengthen this channel for improving the quality, consistency and reach of financial services. He also spoke about how important customer-centricity is for any business to sustain itself, adding that REs must also continually focus on extending excellent, seamless services and experiences, while staying transparent, fair and responsive.

Balance must be struck between innovation and regulation: Mr. M. Rajeshwar Rao, Deputy Governor, RBI

Speaking at the Inaugural session of the Department of Personnel and Training and Management Development Programme (DoPT MDP) on Financial Market Regulations at the Indian Institute of Management Kozhikode (IIMK), Mr. M. Rajeshwar Rao, Deputy Governor, RBI stated that a well-designed financial oversight framework underpinned by thoughtfully crafted regulations not only ensures a level playing field but also fosters sustainable growth and development. Regulatory oversight architecture for financial systems can be broadly categorised into three main models. First is the ‘sectoral or traditional model’, in which each financial sector authority is responsible for both - prudential and conduct - aspects of the specific financial sector i.e. banking, insurance, securities and market integrity. The second/alternative approach is the ‘integrated model’, where a single agency oversees all oversight functions, including regulations across the finance industry. The third model i.e. the partially integrated approach involves grouping responsibilities according to regulatory and supervisory goals or according to sectors. In today’s dynamic financial landscape, it is imperative to strike the right balance amongst all these approaches to create an enabling and effective regulatory environment while encouraging innovation.

Economic Wrap Up

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

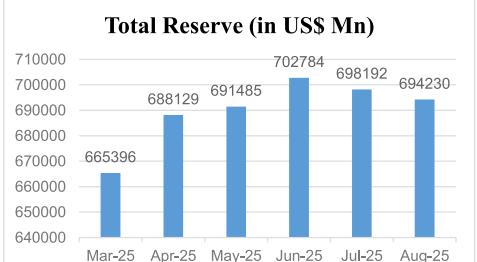
- India received a sovereign rating upgrade by the S&P credit rating agency to ‘BBB’.

- In July 2025, India's total exports recorded a growth rate of 4.5% (YoY), whereas, total imports grew by 6.1% (YoY).
- Sufficient liquidity in the banking system has facilitated the transmission of the policy repo rate cuts to the credit markets.
- UPI transaction volume rise by 35% on a YoY basis.
- Weighted Average Lending rate (WALR) of Scheduled Commercial Banks (SCBs) decreased to 8.62% in June 2025.
- As of July 25, 2025, the YoY credit growth of the SCBs was 10%, against 13.7% recorded a year ago.
- The deposit growth in SCBs has also moderated to 10.3% YoY, down from 10.6% a year ago.
- In the period April-June 2025, issuances of commercial paper by non-financial entities increased to ₹0.78 lakh crore compared to ₹0.30 lakh crore a year ago.

New Appointments

Name	Designation
Mr. Rajiv Anand	Managing Director & CEO, IndusInd Bank

Forex

Foreign Exchange Reserves			Trends in Foreign Exchange Reserve (US\$ Mn) last 6 months
Item	As on August 29, 2025		 <p>Total Reserve (in US\$ Mn)</p> <p>Note: Data as reported on last Friday of respective month</p>
	₹ Cr.	US\$ Mn.	
	1	2	
1 Total Reserves	6125356	694230	
1.1 Foreign Currency Assets	5152367	583937	
1.2 Gold	765603	86769	
1.3 SDRs	165665	18775	
1.4 Reserve Position in the IMF	41721	4749	

Source: Reserve Bank of India

Base Rates of Alternative Reference Rates (ARRs) for FCNR (B) deposits as on August 29, 2025, applicable for the month of September 2025

ARR Name	Base Rates of ARR (%)
SOFR (USD)	4.36
SONIA (GBP)	3.9675
€STR (EUR)	1.925
TONA (JPY)	0.478
CORRA (CAD)	2.7600

ARR Name	Base Rates of ARR (%)
AONIA (AUD)	3.60
SARON (CHF)	-0.039374
OCR (NZD)	3.00
SWESTR (SEK)	1.892
SORA (SGD)	0.9504

ARR Name	Base Rates of ARR (%)
HONIA (HKD)	3.06247
MYOR (MYR)	2.75
DESTR (DKK)	1.5440

Source: www.fbil.org.in

Glossary

Non-fund based facilities

Non-fund based facilities are financial services where a bank or lender provides a guarantee or assurance to a third party on behalf of the borrower, such as bank guarantee, letters of credit or underwriting and credit guarantee. These facilities do not involve an immediate outflow of funds for the bank but create a potential future financial liability if the borrower fails to meet their obligations.

Financial Basics

Revolving Loan Facility

A revolving loan facility offers businesses flexible access to funds by allowing them to draw, repay and withdraw again throughout an agreed term. The revolving loans provide continual access to credit, enabling businesses to manage fluctuating cash flows more effectively.

Institute's Training Activities

Training Programmes for the month of September 2025

Programmes	Dates	Location
Programme on Know Your Customer (KYC), Anti Money Laundering (AML) & Combating Financing of Terrorism (CFT)	09 th -11 th September, 2025	Virtual
Programme on Cyber Risk Management & IT Security for Banks, NBFCs & Other Financial Institutions	11 th -12 th September, 2025	
Programme on Digital Banking CX - Winning Strategies for Marketing & Customer Engagement	16 th -17 th September, 2025	
Programme on Business Ethics & Corporate Governance for Banks/FIs	17 th -18 th September, 2025	
Programme on Foreign Exchange Operations	18 th -20 th September, 2025	
Workshop on Challenges & Way Forward for Co-operative Banks	22 nd September, 2025	
Programme on Effective Branch Management	22 nd -24 th September, 2025	Hybrid
Programme on Credit Monitoring and Recovery	23 rd -25 th September, 2025	Virtual
Conduct of CAIIB Contact Classes	27 th September-22 nd November, 2025	

News from the Institute

Convocation of 13th batch of Advanced Management Programme

The Convocation of the 13th batch of the Advanced Management Programme in Banking & Finance (2024-25), with 91 participants, was held on 23rd August 2025 at Leadership Centre, IIBF, Mumbai. The event was graced by Shri Atul Kumar Goel, Chief Executive, Indian Banks' Association, Shri Rajneesh Karnatak, Managing Director

and CEO, Bank of India, Prof. Abhishek Goel, Faculty, Indian Institute of Management (IIM) Calcutta and Shri Biswa Ketan Das, Chief Executive Officer, IIBF.

98th Annual General Meeting

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

IIBF released the fourth edition of Banking & Finance Yearbook, 2025

IIBF released the fourth edition of the “Banking & Finance Yearbook, 2025”. 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, 2024. The book is available on Amazon both as a paperback and as a Kindle edition. It is available in the retail outlets of publisher, M/s Taxmann Publications (Pvt.) Ltd.

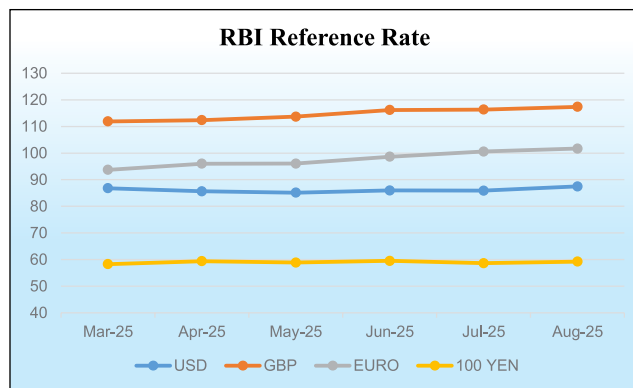
Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter July-September 2025 is “Strategic HRM Initiatives for Banks”. The Sub-themes are: Talent Management, Succession Planning, Employee Engagement Strategy, Diversity and Inclusion Management, HR Audit.

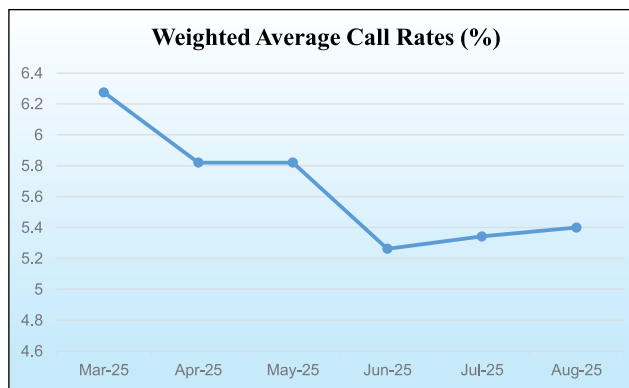
Cut-off date of guidelines/important developments for examinations

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: (i) 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. (ii) 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

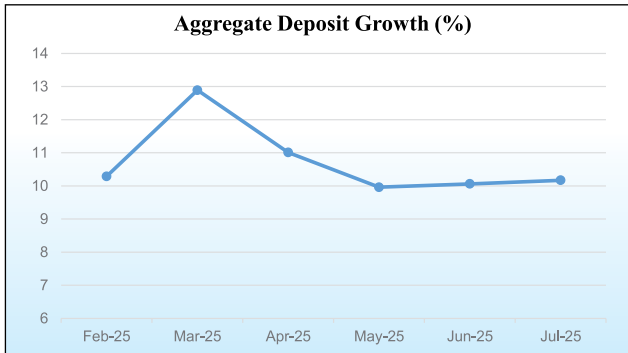


Source: FBIL

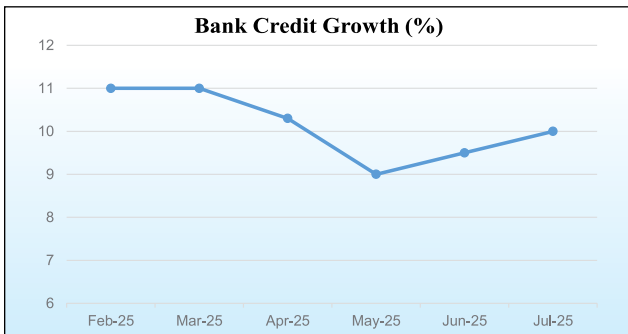


Source: Weekly Newsletter of CCIL

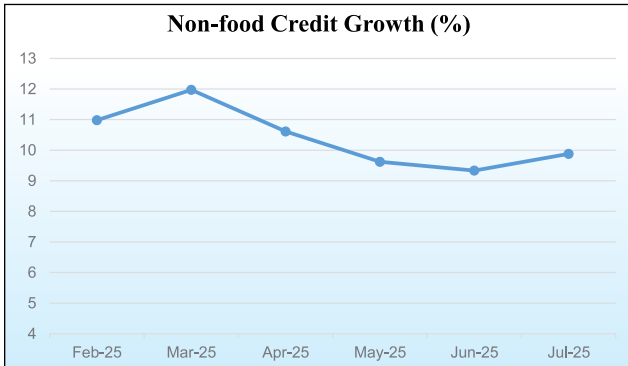
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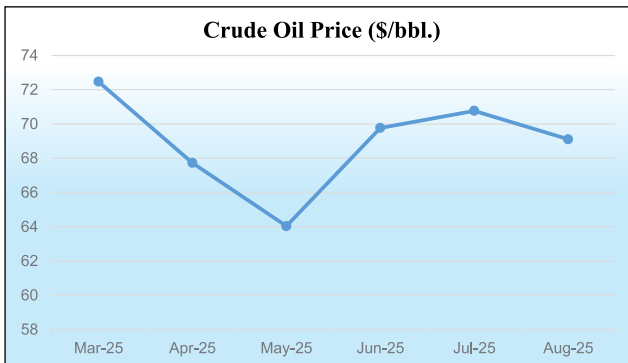
Source: Monthly Review of the Economy, CCIL, August 2025



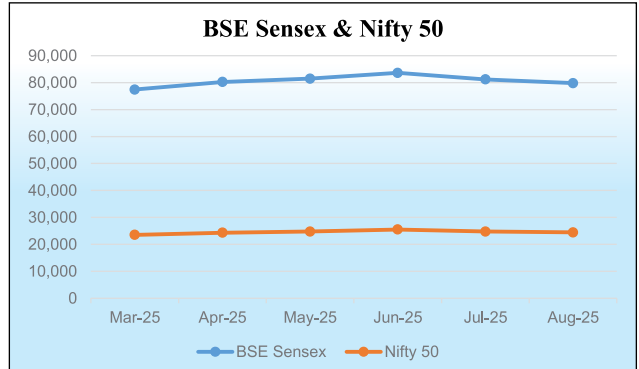
Source: Reserve Bank of India



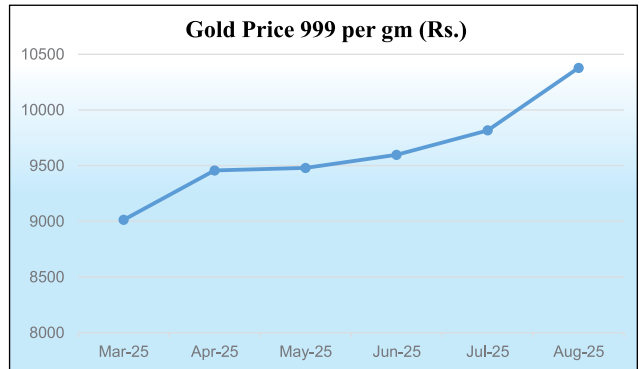
Source: Monthly Review of the Economy, CCIL, August 2025



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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