



IBS VIGYAN

VISIONING BANKERS

Evangelistically Speaking



ONAM Greetings,

The virtual mode of pedagogy has expanded the reach exponentially,

leading to astronomical valuations of Edtech Companies. Beyond the commercial aspects of scale and reach, has it appropriately addressed in developing the cognitive and non-cognitive skills in students? The jury is still out. The high levels of self-discipline displayed by any Japanese team is attributed to the non-cognitive skill development in their education system. Extensive debate continues on the efficacy of the medium of education. The Government's SWAYAM learning portal has been able to roll out their courses in eight languages. IBS has also been able to offer its flagship courses in many vernacular languages, and the receptivity from students has been encouraging.

The receptivity to VIGYAN has been equally encouraging. The intent of a two-way learning is getting the right connect, as reflected by some feedbacks. As we move on, we hope to evolve more effectively. Keep bouncing your thoughts to us.

Looking forward to a meaningful and sustaining engagement

Sincerely Yours

Sathesh Kumar. S
Managing Director

Reflectively Speaking

Good read. Please give some insights and commentary beyond facts. As an independent commentator, you can voice an opinion.

(J.K.Shivan, MD, Dhanlaxmi Bank)

An enlightening initiative from IBS. Starting with a curious snippet about a country which is just a speck on the world map, adopting Bitcoin as legal tender to the global and domestic markets and concluding with the developments in the Indian financial regulatory ecosystem and a questionnaire on it, the IBS Vigyan has started on a bright note. Best wishes to the team behind this curated knowledge pack and the readers.

(Haridas K.V, Deputy Managing Director (Retired) State Bank)

IBS through its monthly bulletin, Vigyan has produced an excellent communication tool for young bankers to keep themselves abreast of the latest developments in today's world of fast moving changes with limited attention span. The bulletin distills and encapsulates important banking issues that one needs to and must know. My best wishes for all endeavors of IBS.

(Venkat Iyer, GM (Retired) OBC)

CURATED CUBE

If Interest Rates, Exchange Rates and Inflation form the three dimensions of a Cube, the underlying symmetry assumes an uneasy cohesion. All Central Banks are aware of this uneasy calm. The latest numbers in Retail Inflation at 5.60% may give some comfort to RBI, but the multitude of measures from their side has failed to keep the benchmark ten-year yield wrapped below 6%. The exchange rate volatility is kept in check with aggressive mopping up of inflows, as seen from the forex reserves climbing to 621 billion dollars.

The GIFT City could soon witness Indian Investors buying into top 50 US Stocks, thanks to the initiative from NSE. Let's wait to see the euphoria in owning a Google or Microsoft Stock directly in your portfolio. Meanwhile, the Chinese Government's intrusion into an otherwise free market saw considerable wealth destruction, especially for overseas investors. The Taxi aggregator Didi is one case in point.

The precipitous fall in US Consumer Confidence Index to a decade low of 70 triggered some whipsawing in asset prices. The launch of E-Rupi and its acceptance will be watched with interest. The speech by RBI Deputy Governor spelt out the Central Bank's roadmap for the introduction of Central Bank Digital Currency. Small is Beautiful, is becoming catchy with more Small Finance Banks poised to get listed and also get attractive valuations.

Reflectively Speaking

Enjoyed reading IBS VIGYAN. Quite informative and very useful for Bankers and Management Professionals. Worth collecting so that one can review before an important talk, interview or test. Congratulate IBS L&D Team for this novel initiative. Wish it was available for my generation decades ago.

(U.K.Sethumadhavan, MD, Xenturion Fintech)

Have gone through the maiden issue of VIGYAN, an initiative by IBS to encapsulate past month's market events. While its first part - Curated Cube- touches upon the implications of major international and national developments, the latter part - Fourth Pillar - picks up regulatory events. Looking forward to update through the upcoming issues.

(Ravi.M, Head, Treasury, Kerala Bank)

Good Idea - a monthly capsule of thorough update of the latest. Very well written and nicely structured. Q&A at the end entices one to be part of it. IBS Vigyan helps in attracting genuinely interested candidates to training and career.

(Gopikrishnan, Technocrat)

Cube gives a third dimension in geometry. Curated Cube is an endeavor to pack together the events in the market over the past month.

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FOURTH PILLAR

- Banks can sanction personal loans to Directors, relatives of Directors of other Banks for an amount up to ₹ 5 crores without the prior approval of the Board and Management Committee.
- In the first phase, authorized non-bank PSPs, viz. PPI Issuers, Card Networks and White Label ATM Operators shall be eligible to participate in Centralized Payment Systems (CPS) viz. Real Time Gross Settlement (RTGS) and National Electronic Fund Transfer (NEFT) systems, as direct members.
- In case of borrowers who have not availed of CC/OD facility from any bank, there is no restriction on opening of current accounts by any bank if exposure of the banking system to such borrowers is less than ₹5 crores.
- In case of borrowers who have not availed of CC/OD facility from any bank and the exposure of the banking system is ₹5 crores or more but less than ₹50 crores, there is no restriction on lending banks to such borrowers from opening a current account. Even non-lending banks can open current accounts for such borrowers, though only for collection purposes.
- For loans to SHGs above ₹10 lakh and up to ₹20 lakh, no collateral should be obtained, and no lien should be marked against savings bank account of SHGs. However, the entire loan (irrespective of the loan outstanding, even if it subsequently goes below ₹10 lakh) would be eligible for coverage under Credit Guarantee Fund for Micro Units (CGFMU).
- Change in the terms of a derivative contract on account of change in reference rate necessitated due to transition from LIBOR to an alternative reference rate shall not be treated as restructuring of the derivative contract, provided all other parameters of the original contract remain unchanged.
- In view of the resurgence of the Covid-19 pandemic in 2021 and recognising the difficulties it may pose for the borrowers in meeting the operational parameters, it has been decided to defer the target date for meeting the specified thresholds in respect of the four operational parameters, viz. Total Debt / EBITDA, Current Ratio, Debt Service Coverage Ratio (DSCR) and Average Debt Service Coverage Ratio (ADSCR), along with the ratio Total Outside Liabilities / Adjusted Tangible Net Worth (TOL/ATNW) to October 1, 2022. The target date for achieving the ratio TOL/ATNW, as crystallised in terms of the resolution plan, shall remain unchanged as March 31, 2022.
- The banks were allowed to avail of funds under the MSF by dipping into the Statutory Liquidity Ratio (SLR) up to an additional one per cent of their net demand and time liabilities (NDTL), i.e., cumulatively up to three per cent of NDTL. This facility, has been extended up to December 31, 2021, providing comfort to banks on their liquidity requirements and also to enable them to meet their Liquidity Coverage Ratio (LCR) requirements.

Fourth Pillar strives to position beyond the three pillars of Basel and is culled from the Four Estates

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Inquisitively Speaking

1) As per RBI guidelines, all Primary (Urban) Co-operative Banks having asset size of _____, shall appoint a Chief Risk Officer (CRO).

- a. ₹ 2000 crores or above
- b. ₹ 3000 crores or above
- c. ₹ 5000 crores or above
- d. ₹ 10000 crores or above

2) Ministry of Finance has allowed Housing Finance Companies (HFCs) with asset size of over _____ to recover the dues using SARFAESI Act 2002.

- a. ₹ 500 crores
- b. ₹ 1000 crores
- c. ₹ 300 crores
- d. ₹ 100 crores

3) The Union Cabinet has approved the Deposit Insurance and Credit Guarantee Corporation (Amendment) Bill, 2021. The Bill provides account holders security of their money by allowing access to up to Rs 5 lakh within _____ of a bank coming under a moratorium.

- a. 90 days
- b. 120 days
- c. 180 days
- d. 365 days

4) Government of India has extended the 'Stand Up India Scheme' up to _____

- a. 2024
- b. 2025
- c. 2026
- d. 2027

Answer Key

- 1. (c) ₹ 5000 crores or above
- 2. (d) ₹100 crores
- 3. (a) 90 Days
- 4. (b) 2025

Stretch n Speak

- 1. **MFI** Micro-Finance Institutions
- 2. **SFB** Small Finance Banks
- 3. **UAPA** Unlawful Activities (Prevention) Act
- 4. **UNSC** United Nations Security Council
- 5. **V-CIP** Video based Customer Identification Process

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