



# IBS VIGYAN

## VISIONING BANKERS



### Evangelistically Speaking

**Dear Stakeholders,**

As the professional examination season approaches, this is a crucial phase for those preparing for examinations such as JAIIB, CAIIB, and other certified banking programs. The JAIIB examinations, as announced by IIBF, are scheduled to commence from 3rd May 2026, and the CAIIB examinations are starting from 31st May 2026. This is not the time to delay preparation, but the time to strengthen your commitment and accelerate your efforts.

Success in professional examinations is always the result of disciplined and consistent preparation. The most successful candidates are those who start early, stay regular, and remain connected with the learning process from the very beginning. Even if you feel you have started slowly, remember that what matters most now is your consistency from this point onward.

One of the most important factors in success is attending live classes regularly. Live classes provide structured guidance, real-time explanation of concepts, and the opportunity to clarify doubts instantly. They also help you stay motivated and maintain a steady preparation rhythm. While recorded sessions are an excellent support for revision, active participation in live classes gives you a clear advantage in understanding concepts deeply and preparing in an exam-oriented manner.

At IBS, we are committed to providing the best academic support through experienced faculty, updated study materials, and a focused training approach. Our goal is not just to help you pass examinations, but to help you build strong professional competence and confidence.

I encourage each one of you to utilise this time effectively, attend every class, revise regularly, and stay focused on your goal. Let this year be a year of progress, achievement, and professional success.

**My sincere best wishes to all of you.**

Looking forward to a sustaining engagement with all.

**Sincerely yours**

**Sathesh Kumar. S**  
**Managing Director**



## Curated Cube

### **The Global Reach of the Federal Reserve: Interest Rates and International Stability.**

The Federal Reserve serves as the United States' central bank, yet its interest rate policies resonate far beyond American borders. Because the US dollar acts as the world's primary reserve currency, the Fed's decisions are central to global capital flows, exchange rates, and overall economic stability.

In the wake of the COVID-19 pandemic and subsequent supply chain disruptions, the Fed implemented aggressive rate hikes to combat surging inflation. While higher rates successfully temper domestic inflation by raising borrowing costs and slowing spending, they trigger a complex chain of international consequences.

A primary result of rising US rates is the shift in global capital. Seeking higher returns, investors often migrate funds toward the United States, causing capital flight from emerging economies such as India. This exodus weakens local currencies against the dollar, making imports more expensive and inadvertently exporting inflationary pressures to those nations. Furthermore, higher US rates increase the burden of servicing dollar-denominated debt, creating severe financial strain for developing countries with high external borrowings. Global stock markets also feel the pinch as reduced liquidity dampens investor risk appetite.

*(Cube gives a third dimension in geometry. Curated Cube endeavors to conflate events in the market over the past month.)*

However, the relationship is not purely restrictive. When the Fed eventually enters a cycle of rate reductions, it acts as a catalyst for global liquidity. Lower rates encourage renewed investment in emerging markets, strengthen local currencies, and provide a necessary tailwind for international economic growth.

For countries like India, the Fed's trajectory is a critical variable. It directly dictates exchange rate volatility and foreign investment trends, often influencing the monetary policy actions of the Reserve Bank of India. Consequently, careful monitoring of US policy and international coordination among central banks are vital for preserving global financial health. In conclusion, the Fed remains a uniquely powerful instrument in the global economy, with a reach that defines the financial destinies of nations worldwide. Its policy direction remains crucial for global financial confidence and stability.

### **CAIIB - HINDI/TAMIL/TELUGU - JUNE 2026 BATCH - ADMISSION STARTED**

**START YOUR JAIIB/CAIIB PREPARATION AT THE EARLIEST WITH IBS**

Zoom platform live classes, Recorded sessions, Online Mock Tests, Whatsapp interaction, & Study materials

## **INSTITUTE OF BANKING STUDIES(IBS)**

**CORPORATE OFFICE, 3C, SI CAPITOL CENTER STATUE  
JUNCTION, THIRUVANANTHAPURAM - 6905001**

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**NOW AT : CHENNAI, BANGALORE, HYDERABAD, PUNE, VIJAYAWADA, JAIPUR**



## FOURTH PILLAR

### KNOW ABOUT THE BANKING SECTOR IN INDIA AT

**PRESENT:** Currently there are 12 Public Sector Banks, 21 Private Sector Banks, 44 Foreign Banks, 28 Regional Rural Banks, 11 Small Finance Banks, and 5 Small Payment Banks operating in India, totalling 128 commercial banks out of which 124 are Scheduled banks. As regards majority share of total banking assets, PSBs hold the majority about 60%. In terms of Credit, PSBs hold around 53 to 56% and the Private Banks holding around 47-49% of total credit as of FY 2024-25. The asset quality of Indian Banking system is improving continuously with the Gross NPA ratio declining to 2.2%. The Capital Adequacy Ratio of SCBs stood at 17% which is well above the regulatory minimum.

**CONTINUOUS CLEARING & SETTLEMENT (CCS):** CCS is a system launched by the Reserve Bank of India to replace traditional batch-based cheque processing with real-time, all-day clearing (10 am-4 pm) w.e.f. October 4, 2025. It significantly accelerates fund availability from T+1 or T+2 days to just a few hours by enabling multiple settlement sessions daily in Phase 1, while the Phase 2 would be aiming for a 3-hour processing window. The cheques are scanned and sent to the clearing house instantly, reducing the time for funds to become available. Instead of one end-of-day batch, multiple sessions operate throughout the day to increase the efficiency and the faster processing also reduces the settlement risks for banks.

### REDEFINITION OF FORTNIGHT FOR CRR & SLR:

Previously a fortnight was defined in the RBI Act as from Saturday to the second following Friday. Currently the same has been redefined by RBI where the fortnight for CRR & SLR maintenance would be 1<sup>st</sup> to 15<sup>th</sup> of the calendar month, and 16<sup>th</sup> to the last day of the month. This aligns CRR/SLR reporting with the calendar-based scheduling, simplifying the regulatory cycle, and removing reliance on specific weekdays. As regards reporting, Banks are required to submit a single set of returns; Form A for CRR on a fortnightly basis, and Form VIII for SLR on monthly basis on the RBI's Centralised Information Management System (CIMS) portal using authorised

digital signatures.

### DECLINE IN FOREIGN HOLDING IN INDIAN PUBLIC SECTOR BANKS:

By the end of FY25, foreign investors reduced their stakes in several major public sector banks (PSBs), including State Bank of India (SBI), Bank of Baroda, and 3 other prominent PSBs. This trend marks a notable shift in foreign portfolio investor (FPI/FII) behaviour toward India's public sector banking space and reflects a confluence of macroeconomic, regulatory, and sector-specific factors.

**ATM NUMBERS DECLINING:** The enormous growth in digital payments is the reason for which the numbers of ATM in our country are declining, even though there has been expansion of bank branches. As of March 31, 2025, the total number of ATMs declined to 2.51 lakh, down from 2.53 lakh in the previous year. The reduction was driven mainly by public and private sector banks shutting down offsite ATMs, reflecting lower customer reliance on cash withdrawals due to increasing adoption of UPI and other digital payment modes. In contrast, white-label ATMs expanded, rising from 34,602 to 36,216, partially offsetting the decline.

**BSBD ACCOUNT NORMS AMENDED:** Basic Savings Bank Deposit accounts are no-frill accounts intended primarily for financially excluded and low-income individuals. Eligibility - any individual, including those without adequate KYC documents is eligible to open. BSBD accounts do not have minimum balance criteria. These accounts will carry interest at rates applicable to regular savings bank accounts of the bank. Banks are required to specify the number and value of free ATM as well as Bank cash withdrawals and deposits permissible per month. Digital banking facilities to be provided by the banks subject to the bank's risk management and customer consent. No charges or fees to be levied in BSBD accounts. Banks may offer overdraft facilities in BSBD accounts based on customer's internal credit assessment and satisfactory operation in the account.

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



## INQUISITIVELY SPEAKING

1. A Bank may maintain a Current Account or Overdraft Account of an entity without restrictions if the aggregate exposure of the borrower to the banking system is:  
a) Less than ₹2 Crore b) Less than ₹5 Crore  
c) Less than ₹10 Crore d) ₹10 Crore or more
2. As per the revised guidelines of RBI in case of gold & silver backed loans, the aggregate weight of coin/s pledged for all loans to a borrower shall not exceed .... gms in case of gold coins and..... gms in case of silver coins  
a) 50, 500 b) 100, 1000  
c) 500, 1000 d) 1000, 2500
3. Even though a bank exhausts its SLR limit, which special facility still allows the bank to borrow from RBI?  
a) Repo  
b) Marginal Standing Facility  
c) Standing Deposit Facility  
d) Variable Repo
4. Under the revised provisions of CGTMSE, what is the guarantee expiry date for Term Loan accounts?  
a) Original Guarantee Expiry Date + 1 month  
b) Original Guarantee Expiry Date + 3 months  
c) Original Guarantee Expiry Date + 4 months  
d) Original Guarantee Expiry Date + 6 months
5. In the case of invocation of Guarantee under the Credit Guarantee Scheme for Exporters (CGSE), NCGTC will release: amount within 60 days d) 100% of the guaranteed amount immediately.

- a) 50% of the guaranteed amount within 30 days  
b) 75% of the guaranteed amount within 30 days  
c) 90% of the guaranteed
6. What is the cap on the limit on equity investment by a bank in a any entity, including a group entity as per the last audited balance sheet of the audited/unaudited balance sheet of the previous quarter of the bank?  
a) Not exceeding 10% of bank's paid-up capital & reserves  
b) Not exceeding 15% of bank's paid-up capital & reserves  
c) Not exceeding 20% of bank's paid-up capital & reserves  
d) Not exceeding 25% of bank's paid-up capital & reserves
7. Which bank became the first Indian bank to implement compliance for the Digital Personal Data Protection Act 2023?  
a) HDFC Bank b) Axis Bank  
c) ICICI Bank d) SBI

### ANSWER KEY

1.d 2.a 3.b 4.c 5.a 6.a 7.b

## Stretch n Speak

**CALCS:** Capital Adequacy, Asset Quality, Liquidity, Compliance and System

**CGFTSI:** Credit Guarantee Fund Trust for Small Industries

**FIMMDA:** Fixed Income Money Market and Derivatives Association of India

**MEI:** Macro Economic Indicator

**MNBC:** Miscellaneous Non-Banking Company

**SASF:** Stresses Asset Stabilization Fund

**STRIPS:** Separate Trading for Registered Interest and Principal of Securities