



IBS VIGYAN

VISIONING BANKERS



Evangelistically Speaking

Dear Stakeholders,

As we step into September, the air carries a sense of renewal – the monsoon gradually gives way to clearer skies, and with it comes a season of festivals, fresh beginnings, and, for many of us in the banking fraternity, a time to recommit to learning and growth. September has always held special significance for bankers – it marks the midpoint of the financial year, a moment to pause, assess progress, and realign our goals for the months ahead.

I am delighted to share that at the Institute of Banking Studies (IBS), this spirit of renewal is reflected in our expanding academic calendar. Promotion-oriented classes for SBI have already commenced, and several new batches for other Public and Private Sector Banks are starting this month, designed to equip aspiring officers with the conceptual clarity and confidence needed to clear their promotion processes with distinction. Alongside these, our flagship JAIIB and CAIIB batches continue to attract enthusiastic learners eager to strengthen their foundational and advanced banking knowledge – subjects that remain the backbone of a competent banking career.

We have also seen strong participation in our certification courses, including modules on Trade Finance, Credit, KYC-AML, and other specialized areas that are increasingly vital in today's dynamic banking environment. These programs reaffirm IBS's commitment to being more than an institute – we aim to be a partner in every banker's journey of continuous learning.

September, much like the changing season, reminds us that growth requires consistency and adaptability. Whether you are preparing for a promotion interview, working through JAIIB/CAIIB modules, or pursuing a specialized certification, remember that every hour of disciplined study compounds into lasting expertise.

I encourage all our learners to make the most of this season – attend classes regularly, engage actively, and reach out to our faculty whenever in doubt. Together, let us make this September a month of meaningful progress.

Wishing you all continued success in your learning journey.

Sincerely yours

Sathesh Kumar. S
Managing Director

Curated Cube

Curated Cube: Global Economic Trends — September 2026

The global economic landscape today is a web of interconnected forces, and understanding one thread inevitably leads to the next. It begins with the US Federal Reserve's rate decisions, which remain the single biggest swing factor for world markets. A hawkish Fed keeps the dollar strong, pressuring currencies like the Indian Rupee — recently near two-month lows — while any hint of rate cuts triggers capital inflows into emerging markets. This dollar dominance fuels the second major trend: the de-dollarization debate within BRICS. As countries grow wary of over-reliance on a single currency subject to another nation's monetary policy, discussions around local-currency trade settlements and alternative payment systems have gained real momentum — a theme central to BRICS's expanding agenda.

These currency dynamics feed directly into the third trend: divergent global inflation patterns. While advanced economies like the US and EU show signs of stabilizing post their rate-hike cycles, emerging economies such as India continue battling food and fuel price volatility, and China faces the opposite problem — deflationary pressure from weak domestic demand. This inflation divergence often triggers policy responses that ripple into trade behavior, connecting us to the fourth trend: trade wars and tariffs.

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

As major economies impose tariffs to protect domestic industries amid these pressures, global supply chains are reshaping — with strategies like "China+1" benefiting hubs such as India and Vietnam.

All four threads converge at one landmark event this month: India hosting the 18th BRICS Summit on 12-13 September 2026 at Bharat Mandapam, New Delhi — marking India's fourth chairship and BRICS's 20th anniversary. Themed "Building for Resilience, Innovation, Cooperation and Sustainability," the summit will bring together leaders including Russia's Putin and China's Xi Jinping to discuss local-currency trade, energy security, and reform of global institutions — a fitting culmination of the trends shaping today's global economy. Through its steady economic growth, expanding diplomatic outreach, and fourth chairship of the bloc, India has firmly established itself as a formidable and increasingly influential member within BRICS.

ADMISSION STARTED - JAIIB/CAIIB - NOV-DEC 2026

START YOUR JAIIB/CAIIB PREPARATION AT THE EARLIEST WITH IBS

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FOURTH PILLAR

INFLATION: The headline consumer price index (CPI) inflation increased marginally to 4.45% (y-to-y) in July 2026 from 4.38% in June, which is primarily driven by 'food and beverages', while the core inflation (WPI) remained steady at 3.9% (y-to-y) in July 2026 with elevated inflation persisting in 'personal care, social protection and miscellaneous goods and services' and 'restaurant and accommodation services' category.

REVISION OF BASE YEAR: The Office of the Economic Adviser, Ministry of Commerce and Industry has revised the base year of the Index of Core Industry (ICI) from 2011-12 to 2022-23, bringing in line with the revised GDP. The revised series expands the coverage from eight to nine core industries with the inclusion of iron ore, reflecting its growing importance as a key input for steel production and infrastructure.

SBI ATM RULE CHANGE FROM 1ST OCTOBER 2026:

State Bank of India has tightened its rules for Salary Package Account Holders, starting from 1st Oct 2026, the monthly limit for free transactions at other banks' ATMs and Automated Deposit cum Withdrawal Machines (ADWMs) are going to be reduced from 10 to 5. The new limit will apply regardless of the city or location. The 5 free transaction limit covers both financial and non-financial activities, including cash withdrawals, balance enquiries and other banking services, with all transactions counted under the same pool. However, SBI has not increased its per-transaction charges, beyond the free transactions, cash withdrawals will cost ₹23 plus GST, while non-financial transactions will attract a charge of ₹11 plus GST.

INDIA'S BALANCE OF PAYMENT SITUATION:

India's overall BoP position shows a manageable current account deficit (CAD) alongside robust foreign exchange reserves and future surplus projections. The CAD stands at roughly 0.9% to 1% of GDP, remaining at a sustainable and comfortable level. India's Foreign exchange reserve hovers around \$729 billion (as on 21st Aug 2026), providing a strong import cover of approximately more than 11 months. The external debt remains low at around 19% of GDP (\$685 billion), keeping India in a safe tier among major emerging markets.

PSBs REQUEST TO RBI FOR REDUCTION OF CRR ON GREEN DEPOSITS:

In a significant move to accelerate India's transition towards Net-Zero economy, public sector banks have approached the RBI seeking reduction in the Cash Reserve Ratio applicable to Green Deposits. PSBs are advocating for an initial CRR reduction up to 100 bps on Green Deposits to make Green Lending cheaper and prioritize it as a preferred credit option. A lower CRR would reduce funding costs and free up capital, compensating banks for higher compliance costs incurred in continuous project evaluation to prevent greenwashing (misuse of green funds).

UPI MERCHANT DISCOUNT RATE STANCE:

The government and the National Payments Corporation of India (NPCI), with full backing from the Reserve Bank of India (RBI), have officially changed their stance by introducing a 0.4% Merchant Discount Rate (MDR) on select high-value UPI transactions, with a proposed effective date from 15th October 2026. The Person-to-Person (P2P) transaction will have 0% MDR, meaning transaction between individuals remain entirely free regardless of the amount. Transactions made at standard merchant outlets up to ₹2000 will have also 0% MDR, however, transactions above ₹2000 will be levied a MDR of 0.4%, which will be paid by the merchant. Transactions made for essential sectors (Railways, Fuel, Insurance, Telecom and Agri) will carry a flat rate of ₹5 per transaction above the free threshold limit of ₹2000. For Capital Market transactions (Mutual Funds, Stockbrokers and Securities), the MDR would be 0.02% with a maximum cap of ₹300.

TATA SONS IN NEWS: RBI formally turned down Tata Sons' plea to exit the Upper Layer Non-Banking Financial Company (NBFC-UL). Although Tata Sons became debt-free by March 2024, its standalone asset size crossed ₹2.01 lakh crore by March 2026—double the ₹1 lakh crore limit that triggers closer central bank oversight under the scale-based regulation.

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

INQUISITIVELY SPEAKING

1. As of July 2026, approximately how many banks were live on the UPI platform?

- a) 503 b) 603 c) 741 d) 841

2. The Gross NPA ratio of Public Sector Banks declined to which level as on 31st March 2026?

- a) 2.93% b) 2.39% c) 1.39% d) 1.93%

3. As per data available in July 2026, approximately what percentage of India's inhabited villages were served by a banking outlet within 5-km radius?

- a) 99.92% b) 92.50% c) 95.75% d) 98.10%

4. A "Money Mule" account is primarily used for:

- a) Facilitating legitimate international remittance
b) Receiving and transferring proceeds of frauds on behalf of criminals
c) It's a type of Escrow account
d) It's an account from which crypto currencies are being traded

5. Which statement regarding a customer whose account is being used as a money mule is CORRECT?

- a) Valid KYC automatically means the account cannot be treated as suspicious
b) Only the person who originated the fraud can face consequences
c) A person may face account suspension and potential legal consequences even if recruited as a third party
d) Banks are prohibited from monitoring such accounts after opening

6. Which of the following best describes Merchant Discount Rate on UPI transactions?

- a) Interest charged by RBI on UPI transactions
b) GST applicable on UPI transactions
c) Fee charged to individual customer for maintaining UPI ID
d) Fee charged to a merchant for processing a digital payment transaction

7. Under the zero-MDR framework for UPI, who bears the cost of providing the payment infrastructure to the extent supported by the Government's incentive mechanism?

- a) RBI b) The Merchant
c) The UPI service provider
d) The Government

ANSWER KEY

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

Stretch n Speak

APL: Above Poverty Line

ALD: Aggregate Liabilities to the Depositors

CPSS: Committee on Payment & Settlement System

FRBM: Fiscal Responsibility & Budget Management

LIFFE: London Inter-bank Financial Futures Exchange

NOAPS: National Old Age Pension Scheme

RNBC: Residuary Non-Banking Company

SEFT: Special Electronic Fund Transfer

WADR: Weighted Average Discount Rate