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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

RBI's revised norms for banks; link payout to capital ratio

The Reserve Bank of India (RBI) has revised prudential directions to link dividend payouts by commercial banks to their Common Equity Tier 1 (CET1) capital ratios. These payouts are structured across 10 capital-ratio buckets. Banks in the highest bracket (CET1 ratio above 20%) can pay up to 100% of their adjusted Profit After Tax (PAT), whereas, banks in the lowest bracket (CET1 ratio at or below 8%) are disallowed from paying any dividend. Regardless of the bucket, total dividend in aggregate cannot exceed 75% of PAT for the period. The revised guidelines have introduced the concept of "adjusted PAT". The eligibility criteria for banks to declare dividends or remit profits, include being compliant with applicable regulatory capital requirement before and after the dividend payment; carrying a positive adjusted PAT; and having no existing RBI restrictions on distributions. The RBI has issued separate norms for Small Finance Banks (SFBs), Regional Rural Banks (RRBs), Local Area Banks and Payments Banks. This new framework will get effective from FY 2026-27.

IFSCA issued revised FinTech Sandbox to test innovative products

The International Financial Services Centres Authority (IFSCA) has approved the FinTech Sandbox Framework, thus, expanding the scope for testing innovative financial products to create a multi-layered, structured environment encompassing Regulatory, Innovation, Interoperable and Overseas sandboxes. This framework enables fintechs to test solutions with real-world data and covers all financial services, products and institutions regulated by IFSCA.

IFSCA's NIRYAT PROTSAHAN scheme to help Indian exporters get liquidity beyond traditional bank credit

Micro, Small and Medium Enterprise (MSME) exporters will now be benefitted by the IFSCA's Support for Alternative Trade Instruments under Export Promotion Mission (EPM) - NIRYAT PROTSAHAN scheme. The scheme aims for a digital, transparent and prompt claim mechanism, managed via authorized IFSC Banking Units (IBUs) and Finance Companies/Units (FC/FUs). It provides up to 2.75% interest subvention and the annual total subvention amount is capped at ₹50 lakh per MSME in a given financial year.

IFSCA amended Cyber Security guidelines for REs in IFSCs

Amending its Guidelines on Cyber Security and Cyber Resilience for Regulated Entities (REs) in IFSCs, the IFSCA has granted a three-year exemption from certain stringent requirements to specific smaller, group-affiliated or foreign-linked entities *viz.* branches of Indian/foreign entities, group service entities, entities with fewer than 10 employees, foreign universities and new standalone entities.

IT reporting framework expanded to include crypto, CBDCs

The Central Board of Direct Taxes (CBDT) has expanded the financial account reporting framework to include crypto-assets, Central Bank Digital Currencies (CBDCs) and certain electronic money products, with effect from January 1, 2026. This has mandated crypto-asset service providers and certain financial institutions to report transactions and holdings involving such assets to tax authorities. Also, the definition of financial accounts has expanded to include newer digital financial products, thus, widening the scope of entities and assets covered under the Common Reporting Standard (CRS) reporting framework.

Government introduced CGSMFI-2.0 to protect banks assisting MFIs, NBFC-MFIs

The Government of India has introduced Credit Guarantee Scheme for Microfinance Institutions-2.0 (CGSMFI-2.0) to give Banks/Financial Institutions (FIs) a guarantee cover against expected losses on the financial assistance they give to Non-Banking Financial Company-Microfinance Institutions (NBFC-MFIs) and MFIs for on-lending to small borrowers. This coverage will be 80% of amount in default for small, 75% for medium and 70% for large NBFC-MFIs/MFIs.

Banking Policies

RBI amended rules for lenders' calculation of capital against CCR exposures

RBI has amended the capital adequacy framework for commercial banks to include how lenders must calculate and maintain capital against Counterparty Credit Risk (CCR) exposures. Equity contracts now carry add-on factors of 6%, 8% and 10% for maturities of up to 1 year, 1-5 years and over 5 years respectively. Precious metals (excluding gold) attract 7%, 7% and 8% across the aforementioned maturity bands; whereas, other commodities are pegged at 10%, 12% and 15%. Banks acting as clearing members of SEBI-recognised stock exchanges in equity and commodity derivatives segments, must compute and maintain a capital charge for CCR. The RBI has specified separate regulations for SFBs, Non-Banking Financial Companies (NBFCs) and All India Financial Institutions (AIFIs).

RBI amended Directions for institutions to compute 'owned funds', quarterly profits

The RBI has amended the guidelines to revise how NBFCs, Housing Finance Companies (HFCs), Core Investment Companies (CICs), Mortgage Guarantee Companies (MGCs), Asset Reconstruction Companies (ARCs) and Standalone Primary Dealers (SPDs) compute "Owned Fund" and Tier 1 capital under their respective regulatory frameworks. Accordingly, the inclusion of quarterly profits is subject to the conditions: (i) the financial statements is subject to limited review/audit on a quarterly basis by the statutory auditors (ii) such profits shall be reduced by average dividend paid in the last three years.

RBI ask ADs to maintain daily NOP-INR exposure at $100 million

RBI has introduced a cap on banks' Net Open Position (NOP) in Indian rupee. Authorised Dealers (ADs) have been directed to comply with the RBI's mandate to maintain their Net Open Position in Rupee (NOP-INR) within a limit of US$100 million at the end of each business day, by April 10, 2026. These instructions apply to positions in the onshore deliverable foreign exchange market. The capping is aimed to control excessive build-up of open positions in the rupee, contain the risks arising from currency fluctuations and support orderly conditions in the forex market.

Banking Developments

RBI to banks: Disclose compliance to deposit insurance premium

As per RBI's mandate, with effect from April 1, 2026, a bank shall disclose in its annual report that deposit insurance premium as applicable was paid (or not paid) to Deposit Insurance and Credit Guarantee Corporation (DICGC) within the prescribed timelines. The mandate shall apply to all commercial banks, SFBs, RRBs, UCBs, Local Area Banks, Payments Banks and Rural Co-operative Banks.

LEI, UTI mandated by RBI for transparency in financial market transactions

In keeping with global standards for financial transparency, the RBI has mandated using Legal Entity Identifier (LEI) and Unique Transaction Identifier (UTI) for transactions in financial markets. LEI code is a 20-character unique identity code applicable to all OTC transactions undertaken by entities other than individuals in the markets for Government securities, money market instruments, foreign exchange instruments and derivatives. UTI is a unique identifier number to be generated or reported for all transactions in the OTC derivatives market undertaken in terms of the Governing Directions. The Directions on implementation of UTI will come into effect from January 01, 2027.

RBI made changes to norms on concentration risk

RBI has made amendments to the Directions on concentration risk or exposure norms for NBFCs. Accordingly, the Tier 1 capital used for regulatory compliance should be determined based on the NBFC's latest available financial statements that are audited or subject to limited review. However, additions to capital funds can be considered only after an external auditor's certificate is obtained and submitted to the RBI's Department of Supervision.

RBI issued Draft Amendment Directions for 'Review of Framework of Limiting Customer Liability in Digital Transactions'

RBI has issued Draft Amendment Directions for 'Review of Framework of Limiting Customer Liability in Digital Transactions' to enhance the scope of existing instructions on limiting liability of customers in unauthorised electronic banking transactions to cover other categories of fraudulent electronic banking transactions, reduce the time taken by banks to process complaints related to fraudulent electronic banking transactions and introduce a compensation mechanism for small value fraudulent electronic banking transactions. The compensation mechanism proposed to be introduced under these Amendment Directions will be in force for one year from the effective date of these Directions.

Capital Market

MF investors can lock their folios with SEBI's debit freeze facility

As a step forward towards digital security, with effect from April 30, 2026, the Securities and Exchange Board of India (SEBI) will offer a voluntary debit freeze facility for mutual fund investors across both demat and non-demat folios. Investors availing this facility will be able to lock their folios and ensure that no units are debited from their accounts until the folios are unlocked. The facility will only be available to Know Your Customer (KYC)-compliant investors who have a valid email ID and mobile number, both mandatory.

SEBI revamped AIF reporting norms, introduces annual filing system

SEBI has overhauled the regulatory reporting framework for Alternative Investment Funds (AIFs). Accordingly, AIFs will now be required to submit a comprehensive Annual Activity Report within 30 calendar days from the end of each financial year. The first such report, for the year ending March 2026, must be filed by May 31, 2026. In addition, AIFs will file a limited Quarterly Activity Report in a revised format within 15 days of the end of each quarter, starting with the quarter ending June 2026.

Securities Contracts (Regulation) Amendment Rules, 2026

Giving a major boost to the Initial Public Offering (IPO)-bound firms, the rules for minimum public offers floated by companies for getting listed on stock exchanges, have been tweaked and linked it with post-issue capital. The companies with post-issue capital of more than Rs. 1,600 crore and below Rs. 5,000 crore will have to increase their public shareholding to at least 25% within three years from the day of listing in the manner specified by the SEBI. The rule also allows recognised stock exchanges to impose penalties on companies for non-compliance with public shareholding norms committed before the amendment rules came into force.

SEBI revised valuation norms for gold and silver held by mutual funds

SEBI revised the valuation methodology for physical gold and silver held by mutual fund schemes, mandating the use of polled spot prices published by recognised stock exchanges for determining their value. This new framework has come into effect from April 1, 2026. Earlier, physical gold and silver held by gold and silver exchange traded funds value their holdings based on the AM fixing prices of the London Bullion Market Association.

SEBI made reforms in guidelines for Social impact funds

SEBI has approved a sharp reduction in the minimum investment threshold for individual investors in Social Impact Funds (SIFs) to ₹1,000 from ₹2 lakh. The registration validity for Non-Profit Organisations (NPOs) on the Social Stock Exchange has increased from two years to three years. The minimum subscription requirement for Zero Coupon Zero Principal (ZCZP) instruments from 75% to 50% in specific, clearly defined projects. The Social Venture Funds (SVFs) under AIF regulations are renamed as Social Impact Funds (SIFs) to better reflect their purpose.

SEBI issued rules for Intraday borrowing

SEBI has issued rules for Intraday borrowings. Accordingly, with effect from April 01, 2026, the Intraday borrowings will be used only for the purpose of repurchase or redemption of units or payment of interest or Income Distribution cum Capital Withdrawal payout to the unitholders. The amount of intraday borrowings shall not exceed the guaranteed receivables due on the same day from Government of India, Reserve Bank of India and Clearing Corporation of India Limited.

Reporting norms, compliance burdens eased by SEBI for brokers

To ease out certain reporting requirements for stock brokers and depository participants, SEBI has asked brokers that are also banks to report only those bank accounts that are used for stockbroking activities, instead of all accounts. Brokers are required to inform Stock Exchange of existing and new demat accounts. All new bank and demat accounts shall be named as per a uniform nomenclature. Depositories shall provide details of all demat accounts opened/closed by a stock broker, to the concerned stock exchanges.

SEBI eased SGF norms for commodity exchanges

To facilitate the ease of doing business, SEBI has eased the core Settlement Guarantee Fund (SGF) norms for commodity exchanges. Accordingly, the strict enforcement of provisions relating to the SGF in the commodity derivatives segment, may be exempt or relaxed by SEBI on a case-to-case basis, after considering the prevalent market conditions, the adequacy of applicable risk management framework and the overall objective of investor protection.

Regulator Speaks

At its core, finance is a people business: Deputy Governor, RBI

Speaking at the Third International Finance and Accounting Conference (IFAC) at the Indian Institute of Management (IIM), Jammu, Mr. Swaminathan J, Deputy Governor, RBI, said that finance is mostly associated with numbers, models and markets; but, at its core, finance is a people business. Behind every deposit, there is a household trying to be secure. Behind every loan, there is an ambition to grow. The financial statements tell you what is sustainable and what is not. The Deputy Governor advised to look beyond profits to the quality of assets, the stability of funding, the adequacy of buffers and the concentration of exposures.

Digital inclusion is moving towards capability and confidence: Deputy Governor, RBI

Speaking at the College of Agricultural Banking-National Institute of Bank Management (CAB–NIBM) International Conference, Mr. Swaminathan J, Deputy Governor, RBI said that now, inclusion is moving beyond access into its next deeper phase of capability and confidence. Inclusion becomes truly meaningful when households and small businesses can use financial products and payment rails regularly and safely; which is why, design matters. Long-lasting digital inclusion can be achieved by designing products and processes that overcome the gender gap. Furthermore, simple interfaces, low-data design, assisted options and clear grievance pathways should be treated as core features.

Economic Wrap Up

The Department of Economic Affairs released Monthly Economic Review, March 2026. Its key highlights are as follows:

- In January 2026, bank credit to MSME sector rose 28.5% YoY, compared with 12.2% in January 2025.
- The country's total exports (goods & services) have grown by 5.8% (YoY), reaching USD 790.9 billion.
- India's current account deficit widened to 1.3% of Gross Domestic Product (GDP) in Q3 of FY26, from 1.1% of GDP in Q3 FY25.
- The Purchasing Managers' Index (PMI) for manufacturing rose to a four-month high of 56.9 in February, while the services PMI stood at 58.1, signalling continued expansion in both sectors.

- The combined Index of Eight Core Industries registered a provisional growth of 2.26% in February 2026 on a year-on-year basis.
- The retail inflation registered a 10-month high in February 2026, rising to 3.21%.
- During April-January FY26, gross Foreign Direct Investment (FDI) inflows increased to USD 79.3 billion from USD 69.2 billion in the corresponding period of the previous year.

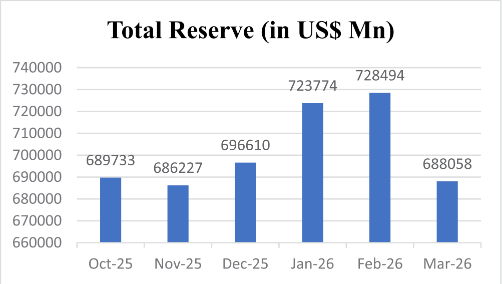
New Appointments

Name	Designation
Mr. Vinay Muralidhar Tonse	Managing Director & Chief Executive Officer, Yes Bank

Forex

Foreign Exchange Reserves		
Item	As on March 27, 2026	
	₹ Cr.	US$ Mn.
	1	2
1 Total Reserves	6520745	688058
1.1 Foreign Currency Assets	5222593	551072
1.2 Gold	1075852	113521
1.3 SDRs	176739	18649
1.4 Reserve Position in the IMF	45561	4816

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 March 30, 2026, applicable for the month of April 2026

ARR Name	Base Rates of ARR (%)
SOFR (USD)	3.65
SONIA (GBP)	3.7282
€STR (EUR)	1.930
TONA (JPY)	0.727
CORRA (CAD)	2.3200

ARR Name	Base Rates of ARR (%)
AONIA (AUD)	4.10
SARON (CHF)	-0.046172
OCR (NZD)	2.25
SWESTR (SEK)	1.637
SORA (SGD)	1.1783

ARR Name	Base Rates of ARR (%)
HONIA (HKD)	2.26048
MYOR (MYR)	2.75
DESTR (DKK)	1.5280

Source: *www.fbil.org.in*

Glossary

Net Open Position

A Net Open Position (NOP) measures a bank or investor's unhedged exposure to foreign exchange risk, calculated as the difference between total foreign currency assets and liabilities. It determines the risk of loss (or gain) from currency fluctuations and a higher NOP indicates a larger exposure on the currency.

Financial Basics

Barbell Investment Strategy

The barbell investment strategy is a portfolio management approach, focuses on investing in high-risk and no-risk assets, avoiding moderately risky ones. It aims to reduce overall risk while still having the chance to earn big rewards.

Institute's Training Activities

Training Programmes for the month of April 2026

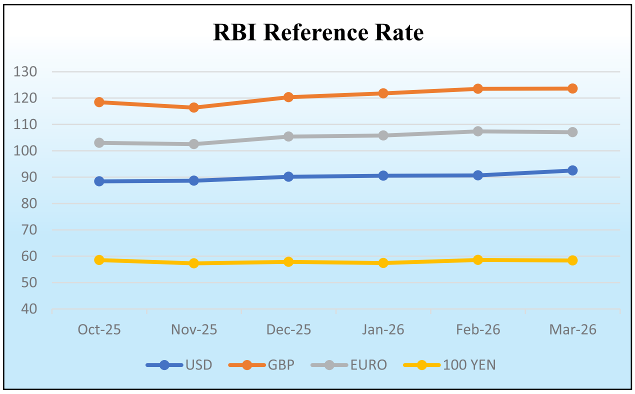
Programmes	Dates	Location
JAIIB/DB&F Contact Classes	3rd April-1st May, 2026	Virtual
CAIIB Contact Classes	5th April-24th April, 2026	Virtual
JAIIB/DB&F Contact Classes	5th April-26th April, 2026	PDC Lucknow
JAIIB/CAIIB Contact Classes	5th April-24th May, 2026	PDC-East Zone, Kolkata
Workshop on Smart Banking with AI - A Deep Dive for Bankers	10th April, 2026	Virtual
Post Examination Training for Certified Credit Professional	15th-17th April, 2026	Virtual
Programme on Preventive Vigilance & Fraud Management	15th-17th April, 2026	Virtual
Programme on Equity Dealings with Risk Management & Settlement for Banks, NBFCs & FIs	17th -18th April, 2026	Leadership Centre, Indian Institute of Banking & Finance, Mumbai
Programme on MSME Financing & Restructuring for Banks, NBFCs & FIs	21st-23rd April, 2026	Virtual

News from the Institute

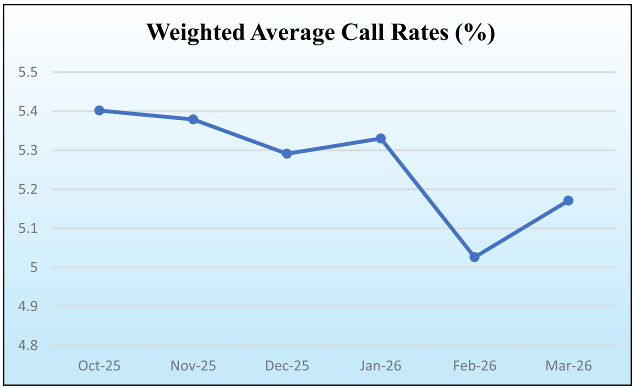
Bank Quest Theme for upcoming issue

The theme for the April-June 2026 Issue of Bank Quest is "Financial Inclusion – The Next Phase".

Market Roundup



Source: FBIL



Source: Weekly Newsletter of CCIL

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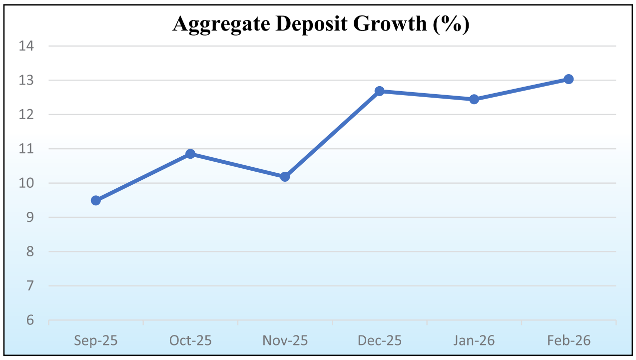
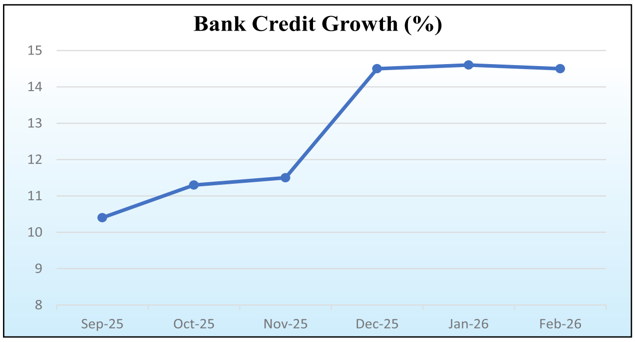
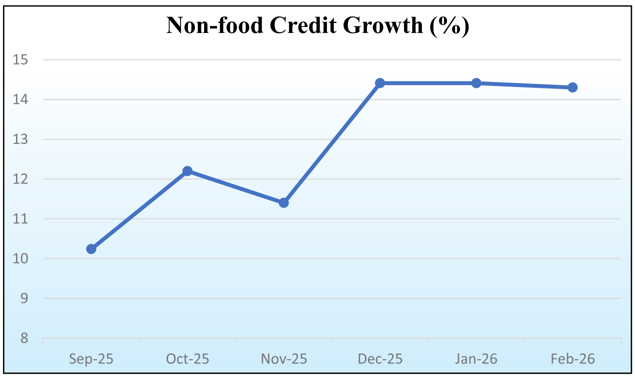


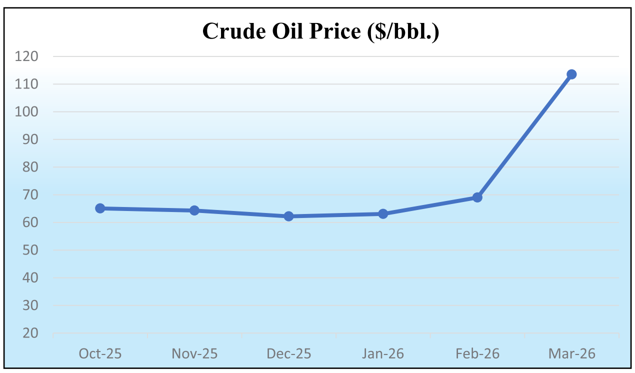
Source: Monthly Review of the Economy, CCIL, February 2026



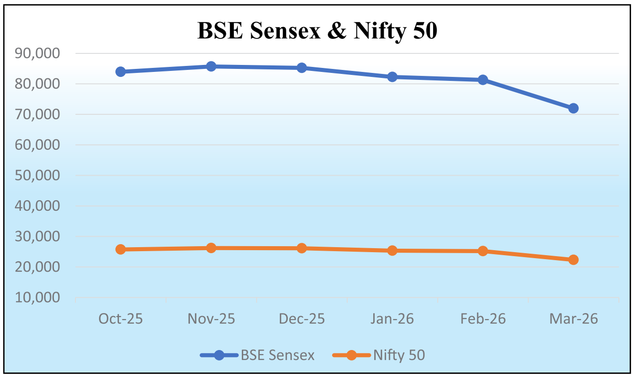
Source: Reserve Bank of India



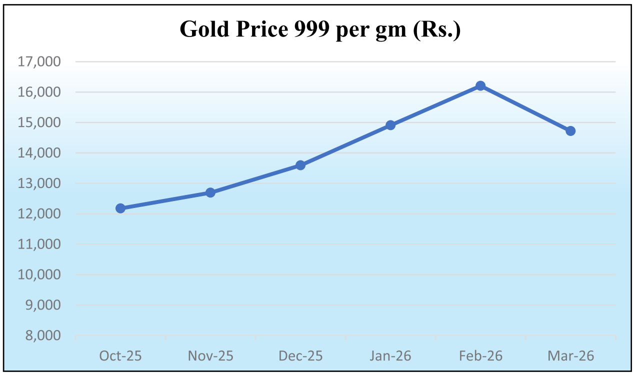
Source: Monthly Review of the Economy, CCIL, February 2026



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.

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.

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