



NIBM

NEWSLETTER

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Dear Reader,

It gives us immense pleasure to bring to you this edition of NIBM's Newsletter. We share with you the key achievements of NIBM and update you on important events organized at this Institute in the last quarter. We enrich this edition with a summary of recent banking sector developments in India along with a faculty article on "Enhancing Cyber Security in Banks". We wish you a happy Festive season and look forward to your continued patronage and participation in our endeavor.

Dr K L Dhingra
Director

NIBM Events

NIBM's 49th Foundation Day Celebrations



On 24th September 2018, NIBM entered its Golden Jubilee Year and celebrated this event in a grand way. The Chief Guests were Shri Ashok Lavasa, Hon. Election Commissioner, Govt. of India and Dr. Bharat Vatwani, the winner of the Ramon Magsaysay Award, 2018.

While speaking on this occasion, Shri Ashok Lavasa focused on Ethics in Banking and pointed out the need for bankers to maintain a high degree of integrity in their business practices. Dr. Bharat Vatwani, in his soul-stirring speech, shared his experiences about compassionate and constructive treatment and rehabilitation of mentally ill persons in India.

On this special occasion, Special Covers and My Stamp issued by the Department of Posts, were released by the Chief Guests along with Dr K L Dhingra. Staff members who completed 25 years of service with the Institute were also felicitated.



Independence Day Celebrations 2018



The 72nd Independence Day was celebrated at NIBM Campus on 15th August 2018 with much fanfare and fervor. The Director Dr. K L Dhingra unfurled the tricolor at the campus and greeted the students, faculty members, staff and their family and programme participants on this occasion.

Training Programmes for International Participants



In the Academic Year 2017-18, NIBM saw a record high of 900 overseas participants from SAARC countries, South East Asia, Africa, Caribbean Island, Central America, Middle East and Europe. In the Academic Year 2018-19 till date, NIBM has conducted 10 International Programmes, which include two ITEC programme under the aegis of Ministry of External Affairs, and programmes for Sonali Bank Limited, Bangladesh Bank, Bhutan Development Bank, Bangladesh Institute of Bank Management, and Bangladesh Foreign Exchange Dealers' Association, BAFEDA. More than 250 overseas participants from 20 different countries have attended the various EDPs of this Institute.

Consultancy and Research Projects in 2018

Providing consultancy support to Banks and Financial Institutions has all along been one of the key strengths of the Institute. Since January 2018 till date, the Institute has successfully completed three consultancy / research projects in the areas of Risk Management, HR and Strategy.

- **Competency Mapping and Succession Planning for AGMs and CMs of Syndicate Bank.**
 - The project team was headed by Dr. K L Dhingra, and included Dr. Shomi Srivastava and Industry experts.
- **Validation of Framework, Systems and Models used in Risk Management Department of Allahabad Bank.**
 - The Project team was led by Dr. Arindam Bandyopadhyay and included Dr. Tasneem Chherawala, Dr. K L Dhingra and Industry experts.
- **Impact Study of Lifelong Learning for Farmers (L3F) Project by Mann Deshi Foundation and Mann Deshi Cooperative Bank.**
 - This study was conducted by NIBM faculty team comprising Dr. Naveen Kumar K, Dr. Manickraj, Dr. Sarita Bhatnagar and Dr. K Ramesha.

Awards

NIBM's PGDM (Banking and Financial Services) course was awarded the *"Outstanding B School for Finance and Banking in India"* at the World Education Summit & Awards 2018. The award was presented by Padma Bhushan, Ms Sharmila Tagore. Dr K L Dhingra, received the award on behalf of the Institute.

NIBM was conferred the *"Asia's Best Education Leadership Award"* on October 8, 2018 at an event organised by the World HRD Congress partnered with YES Bank



Colloquium on Analytics in Banking

The PGDM students organized *“NIBM Colloquium – A Flick Through Analytics”* on 11th August at the NIBM campus. The event was graced by Dr. Rajeev Uberoi (General Counsel and Group Head Legal & Compliance, IDFC Bank) and presided over by Dr K. L. Dhingra. The event was sponsored by Union Bank of India.



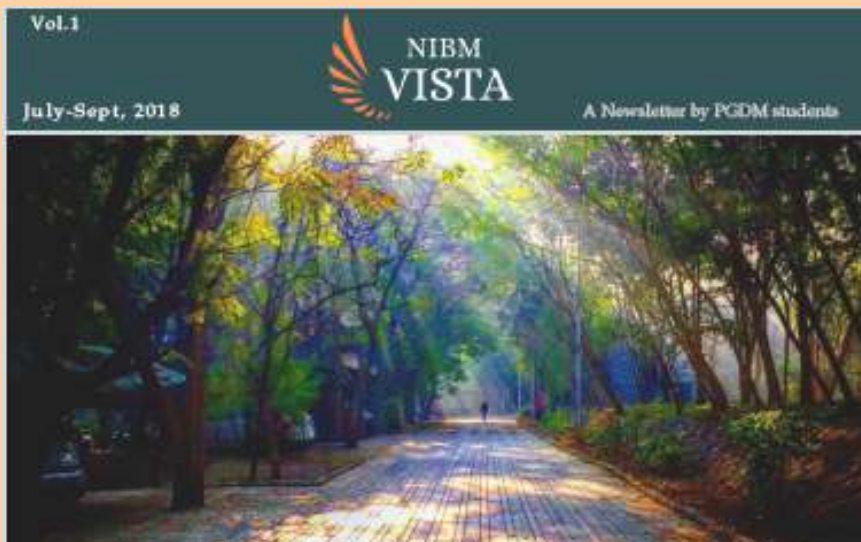
Mr. Shivaram K.R (CEO & Co-Founder, Curl Analytics), Mr. Mohan Rai (Co-Founder & Director, Imurgence-Simple and Real Analytics), Mr. Vilas Wakale (DGM-IT, Head - Applications, BI and IoT Solutions, Varroc Engineering Pvt. Ltd.), Mr. Pranav Varshney (Vice President, Credit Suisse), Mr. Sanat Kar (Senior Consultant, Cognizant), Mr. Pavan Shidhaye (Director & Head of Risk Engineering, Barclays Technology Centre) dwelt upon series of panel discussions on the emerging applications of Big Data, Machine learning, Robotics and Internet of Things in the banking and financial services Industry. The colloquium witnessed participation from senior bankers from industry and students from premier institutes.

Alumni Meet 2018

Alum Melange, the annual alumni meet of the PGDM students, was held at SPBT College, Mumbai on 9th September, 2018. Dr M. Manickraj, Associate Dean, NIBM proposed to have a formal association of NIBM Alumni to enhance their engagement with the Institute. The alumni wholeheartedly pledged support to this proposal.



Launch of PGDM Newsletter



NIBM Vista, an aesthetically designed student newsletter was launched by the current batch of PGDM Students on NIBM's 49th Foundation Day. It was lauded by the Alumni as a great initiative.

Mergers and Consolidation in Public Sector Banks



The Government of India announced the prospective merger of three state-owned banks – Bank of Baroda, Vijaya Bank and Dena Bank in September 2018. The Boards of all three banks approved the merger proposal and now await the Government's final nod to take it forward. The merger will lead to the creation of the country's third largest lender and second largest public sector bank (PSB). The Government is upbeat on this amalgamation. The expectation is that a union of better-performing and weaker banks will ultimately create a healthier entity, reduce the capital infusion required for crisis-ridden smaller banks and enhance the lending ability of the merged entity. However, unlike the effective merger of the subsidiaries of SBI with the parent bank, the success of this consolidation will hinge on how the challenges of integration of (i) HR (ii) technology and (iii) geographically diverse portfolios, are addressed.

NBFC Vulnerabilities

The series of defaults on short-term borrowing by IL&FS, a behemoth lender to various infrastructure projects, in August 2018, highlighted the liquidity risks and credit risks faced by many other NBFCs and term lending institutions. While NBFC share in outstanding credit rose to 12.6 per cent at the end of FY18 from 10.8 per cent two years ago, this asset growth in risky, long tenor loans was largely funded by short-term market borrowing and bank lending, creating huge ALM mismatches. Tightening liquidity conditions have now made it difficult for these Institutions to roll-over their liabilities by raising fresh funds from either the markets or from risk-averse banks. Amidst this crisis, RBI continues its clean-up act with a surge of cancellation of licenses of NBFCs which do not meet the tight capital norms set for this sector in 2014. Furthermore, unlike commercial banks, many NBFCs have started reporting their financials as per Ind AS, which may adversely impact their networth. Some respite might come from SBI's commitment of INR 45,000 crore loan portfolio purchases and NHB's increase in refinance amount to INR 30,000 crores, which will benefit some NBFCs that are looking for funds. As most SCBs try to recover from the NPA crisis, NBFCs are likely to be important drivers of credit growth in the near future. The IL&FS case reminds us of the urgent need for better regulation and supervision of this sector.



Exchange Rate Depreciation and Inflationary Impact



Over the last one year (Oct 2017 - Sep 2018), the Indian currency has depreciated by almost 11 per cent vis-a-vis the USD, from around 65.5 Rs./\$ to almost 72.7 Rs./\$. During the same period, the 10-year benchmark yield has also risen by more than 20 percent, from around 6.7 percent p.a. to more than 8 percent per annum. The correlation between USD-INR and the 10-year benchmark is more than 72 per cent. The concern is that a steady depreciation of the INR, has increased the cost of essential imports (in particular the rupee price of crude oil) and stoked inflationary tendencies. As a result, long-term yields have also risen. This may lead to large mark-to-market losses in the trading books of Indian

SCBs, which will worsen the equity erosion from the NPA crisis.

Leadership Changes in Banking Sector

New private sector banks in India are seeing major leadership upheavals due to resignations or impending term completions of incumbent CEOs. Thus, a whole set of new leaders will be taking charge of private sector banks in the near future. Public sector banks are also in the spotlight due to leadership changes. Around 30 top management level vacancies (many of them at CEO level, pending for more than eight months) have been only recently filled up with a spurt of government announced appointments based on the recommendations of the Banks Board Bureau. Of the new MD & CEO positions named, eight have taken charge of their respective banks. It remains to be seen how this overhauled leadership in Indian banking will be able to tackle the existing and emerging challenges of financial markets.



As Indian banks are seen adopting newer technologies and digital channels, the customers have also shifted their preferences towards digital platforms. However, considering some of the recent security breaches leading to siphoning of funds, it is perceived that the cyber security practices adopted by banks have not kept pace with the rate of technology adoption in banks. The Rs. 94-crore fraud at Pune's Cosmos bank, caused by a malware attack on the bank's systems is a classic case in point. It raises several questions about the security controls that the banks are adopting while offering digital services to their customers. Today, the serious cyber threats that the banks are facing, include breach of customer data privacy, loss of reputation, business disruption, and post breach costs in restoring systems and/or penal actions from regulators. In this regard, the Reserve Bank of India has been issuing various guidelines from time to time so that banks can strengthen their cyber security posture and have resilient infrastructure in the ever changing threat landscape. On the basis of these guidelines banks have been enhancing their security mechanism and technical controls. However, it is important for them not to overlook the need for continuous knowledge and skill upgradation of their officials at various levels. NIBM has always been proactively training bankers in the areas of Cyber/Information Security, Fighting Digital Frauds, etc.

Recently, RBI has issued a circular (August 31, 2018), emphasizing the need for bank management to get certified in the areas of Information Technology and Cyber Security. In light of this, NIBM plans to announce such certification programmes for senior management of banks.





NIBM Training Programmes

November 2018 to January 2019

No.	Title	Duration	From	To	Target Group	Coordinators
NOVEMBER						
1.	Programme on Information Systems Audit	3 Days	15/11/20	18/11/2018	Middle & Senior Management	Deepankar Roy
2.	Programme on Branch Business Management of Rural & Semi-urban Branches (Chandigarh)	4 Days	14/11/2018	16/11/2018	Middle Management	Dinesh Jain
3.	Programme on Enhancing Leadership Skills for Controlling Heads	4 Days	14/11/2018	17/11/2018	Middle & Senior Management	Shomi Srivastava
4.	Workshop on Innovations in Rural Banking & Finance: Best Practices from Industry	2 Days	19/11/2018	20/11/2018	Middle & Senior Management	Naveen Kumar K
5.	Programme on Treasury Back Office (Focus: Treasury Accounting, Valuation, Document and Settlement)	6 Days	20/11/2018	25/11/2018	Middle & Senior Management	S V Kuvalekar & Gargi Sanati
6.	Scientific and Practical Actions for Branch Managers for Effectively Managing Branch Employees	3 Days	19/11/2018	21/11/2018	Middle Management	Badrinarayan Pawar
7.	Programme on Achieving Excellence at Branch Business Management in Rural and Semi Urban Areas	3 Days	19/11/2018	21/11/2018	Middle Management	Dinesh Jain
8.	Bank Executive Programme (BEP)	5 Days	19/11/2018	23/11/2018	Middle & Senior Management	Shomi Srivastava
9.	Certification Programme in IT and Cyber Security (Venue: Mumbai)	2 Days	23/11/2018	4/12/2018	Senior Management	Alka Vaidya & Deepankar Roy
10.	Programme on Implementation of Indian Accounting Standards (Ind AS converged with IFRS) in Banks and Non Banking Financial Institutions	5 Days	26/11/2018	30/11/2018	Middle & Senior Management	Dipali Krishnakumar
11.	Programme in Credit Analysis (Focus: Lending to Manufacturing and Services Sector)	10 Days	26/11/2018	05/12/2018	Junior & Middle Management	Elizabeth James & Richa Verma Bajaj
12.	Programme on Financial Derivatives	5 Days	26/11/2018	30/11/2018	Middle & Senior Management	Kedar nath Mukherjee & Tasneem Chherawala
13.	Programme on Lead Bank Scheme: Preparation & Management of District Credit Plan for Inclusive Growth	4 Days	27/11/2018	30/11/2018	Middle & Senior Management	Naveen Kumar K
14.	Advanced Programme on Asset Liability Management (ALM)	5 Days	27/11/2018	01/12/2018	Middle & Senior Management	S V Kuvalekar
15.	Programme on Lending Strategies to Emerging Areas of Agriculture and Agribusiness (Bangladesh)	3 Days	28/11/2018	30/11/2018	Middle Management	Dinesh Jain & Naveen Kumar K
16.	Programme on Forex Dealing with Bourse Game	10 Days	29/11/2018	08/12/2018	Junior & Middle Management	Jiji Mathew & Gargi Sanati
DECEMBER						
17.	Programme on Leadership Skills Development & Control of Forex Business for Senior Executives of Banks	2 Days	03/12/2018	04/12/2018	Middle & Senior Management	Jayant M Keskar & Rajiv Abhyankar
18.	Advanced Programme on Card Payment System	3 Days	03/12/2018	05/12/2018	Middle & Senior Management	Deepankar Roy
19.	Programme on Marketing Research and Customer Analytics in Banking	4 Days	03/12/2018	06/12/2018	Middle & Senior Management	Ateeque Shaikh & Kaushik Mukerjee
20.	Programme on Retail Credit Management	5 Days	03/12/2018	07/12/2018	Junior & Middle Management	Elizabeth James & Richa Verma Bajaj
21.	Programme on Market Risk Capital Charges under FRTB - The Internal Models' Approach	5 Days	04/12/2018	08/12/2018	Middle & Senior Management	Sanjay Basu
22.	Programme on Marketing for Branch Manager (Focus: Retail and MSME)	4 Days	10/12/2018	13/12/2018	Middle Management	Sarita Bhatnagar
23.	Programme on Lending Strategies to High Value Agriculture and Agribusiness Projects	4 Days	10/12/2018	3/12/2018	Middle & Senior Management	Naveen Kumar K & Rakesh Gupta
24.	International Programme on Corporate Governance and Leadership for Top Executives from the Financial System	6 Days	10/12/2018	15/12/2018	Senior Management	Kaushik Mukerjee & B V Chaulal
25.	Programme on Project Finance (Focus: Credit Appraisal, Risk Management and Deal Structuring)	5 Days	11/12/2018	15/12/2018	Senior Management	Harish K Kaushik & Tasneem Chherawala

For more details please visit www.nibmindia.org

No.	Title	Duration	From	To	Target Group	Coordinators
26.	Programme on LC Business (Focus: Case Studies on ICC Rules)	3 Days	12/12/2018	14/12/2018	Junior, Middle & Senior Management	Gargi Sanati & Smita Roy Trivedi
27.	Programme on Relationship Management in Corporate Banking	4 Days	17/12/2018	20/12/2018	Middle Management	Anjan Roy & Sarita Bhatnagar
28.	Programme on Information Security and Compliance	4 Days	17/12/2018	20/12/2018	Middle & Senior Management	Alka Vaidya & Deepankar Roy
29.	Programme in International Banking and Foreign Exchange Business	5 Days	17/12/2018	21/12/2018	Junior, Middle & Senior Management	Jiji Mathew & G Nagaraju
30.	Programme on Legal Aspects of Credit Management	3 Days	19/12/2018	21/12/2018	Middle & Senior Management	Naveen Kumar

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31.	Programme on Trade Based Money Laundering and Frauds in International Business	2 Days	07/01/2019	08/01/2019	Middle Management	Jayant M Keskar & Smita Roy Trivedi
32.	Programme on NRI Business and Foreign Exchange Facilities for Individuals	4 Days	07/01/2019	10/01/2019	Middle & Senior Management	G Nagaraju & Jiji Mathew
33.	International Programme in Bank Financial Management (Focus: Risk Management & Basel II & III Accord)	13 Days	07/01/2019	19/01/2019	Middle & Senior Management	S V Kuvalekar & Sanjay Basu
34.	Programme on Integrated Risk Management under Final Basel III Framework	5 Days	07/01/2019	11/01/2019	Middle & Senior Management	Arindam Bandyopadhyay & Tasneem Chherawala
35.	Programme on HRM in Banks and Financial Institutions	5 Days	07/01/2019	11/01/2019	Middle & Senior Management	Shomi Srivastava
36.	Programme on Digital Marketing for Banking and Financial Services	3 Days	08/01/2019	10/01/2019	Middle & Senior Management	Ateeque Shaikh & Kaushik Mukerjee
37.	Onlocation Programme on Financing Hi-Tech Agriculture and MSME (Venue: Mangalore)	3 Days	09/01/2019	11/01/2019	Middle & Senior Management	Naveen Kumar K & M Manickaraj
38.	Forex Dealing with Bourse Game in Simulated and Live Environment	11 Days	10/01/2019	20/01/2019	Junior, Middle & Senior Management	Gargi Sanati & Rajiv Abhyankar
39.	Programme on 'Indian Accounting Standards (Ind AS) for Credit Officers of Banks with KPMG in India as Knowledge Partner	3 Days	14/01/2019	16/01/2019	Junior & Middle Management	Dipali Krishnakumar
40.	Business Analytics for Competitive Advantage	3 Days	14/01/2019	16/01/2019	Middle & Senior Management	Alka Vaidya
41.	Programme on Credit Analysis:lending to Services Sector	5 Days	14/01/2019	18/01/2019	Junior & Middle Management	Elizabeth James
42.	MDP for Regional Rural Banks: Enabling RRBS for Future Banking Landscape	3 Days	16/01/2019	18/01/2019	Middle & Senior Management	Naveen Kumar K
43.	Programme on Digital Banking and Payments: Changing Landscape	3 Days	21/01/2019	23/01/2019	Middle & Senior Management	Deepankar Roy
44.	Programme on Enhancing Bank Employees' Performance Wellbeing through Leadership, Justice, Support, and Spirituality	3 Days	21/01/2019	23/01/2019	Middle & Senior Management	Badrinarayan Pawar
45.	Programme on Marketing Strategies for MSME Business Developmen	14 Days	22/01/2019	25/01/2019	Middle & Senior Management	Sarita Bhatnagar
46.	Advanced Programme in Integrated Treasury Management	6 Days	22/01/2019	27/01/2019	Middle & Senior Management	S V Kuvalekar
47.	Programme on Managing Operational Efficiency and Risk in Back Office Operations	4 Days	28/01/2019	31/01/2019	Middle & Senior Management	Anjan Roy & B V Chaubal
48.	Management of Non-Performing Advances: Effective Strategies for Prevention, Restructuring and Recovery (Focus: Insolvency and Bankruptcy Code, 2016)	5 Days	28/01/2019	01/02/2019	Middle & Senior Management	Richa Verma Bajaj & Dipali Krishnakumar
49.	Programme on Financing MSMEs	5 Days	28/01/2019	01/02/2019	Middle & Senior Management	M Manickaraj
50.	Programme on Technical Analysis for Dealers	6 Days	28/01/2019	02/02/2019	Junior & Middle Management	Smita Roy Trivedi & Arindam Bandyopadhyay