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friends apart.

NRI BANKING
SERVICES



NRI Sampark

A Quarterly Newsletter for the esteemed NRI clients of IDBI Bank Ltd.

Dear NRI friends,

I am pleased to present the seventeenth edition of our quarterly newsletter “Sampark” encapsulating a wide spectrum of topics which, I am certain, you shall find useful and help you to take informed investment decisions.

With a wide network of 1892 branches & 3700 ATMs Pan India, IDBI Bank is well poised to service your banking requirements with an array of best suited products and offer solutions to meet your financial goals.

I am pleased to present the seventeenth edition of our quarterly newsletter “Sampark” encapsulating a wide spectrum of topics which, I am certain, you shall find useful and help you to take informed investment decisions.

Suggestions, as always are welcome and may be shared on e-mail id nri@idbi.co.in

Warm regards,

General Manager – Retail Banking Group

IDBI Bank



IDBI Bank in News

LIC's Investment in IDBI Bank: A win-win Deal

- Majority stake acquisition in IDBI Bank by LIC will lead to creation of one-of-its-kind financial conglomerate in the Indian banking space.
- Strategic Alliance is a win-win situation for both LIC & IDBI Bank making them well-positioned to unlock value-enhancing business opportunities for all the stakeholders.
- LIC and IDBI Bank can realize their business potential in numerous ways by focusing on cross-selling of products and services through the shared branch and staff network, which can help in driving the Bank's retail business growth, thereby de-risking its business portfolio, paving the way for improved operations and better financial performance.

IDBI Bank & LIC of India sign BANCA Agreement





IDBI Bank in News

Mumbai, February 27, 2019: LIC of India, the biggest insurance company in India, and IDBI Bank Ltd, has entered into a Service Level Agreement to offer LIC's insurance products through IDBI Bank's branches.

IDBI Bank as a Corporate Agent of LIC would get a window to provide LIC's entire gamut of insurance offerings to the Bank's 1.80 Cr customer base spread over 1800 branches across the country. Further, the Bank will become the preferred bank for LIC premium payments and also function as premium point to boost sale of LIC products.



Interest Rates on NRI Deposits

Non Resident Ordinary NRO Term Deposit rates less than Rs.2 Cr (Effective March 04, 2019)

15-30 days	5.75
31-45 days	5.75
46- 60 days	6.25
61-90 days	6.25
91-6 months	6.25
6 months 1 day to 270 days	6.50
271 days upto < 1 year	6.50
1 year	7.25
> 1 year - 2 years	7.20
>2 years to < 3 years	7.05
3 yrs to < 1100 days	6.85
1100 Days	7.30 / *(7.40)
> 1100 days to < 5 yrs	6.85
5 years	6.85
> 5 years - 7 years	6.25
>7 years - 10 years	6.25

Recurring NRO Deposits (Effective March 04, 2019)

Tenor	Interest Rate (% p.a.)
1 year	7.25
> 1 year - 2 years	7.20
>2 years to < 3 years	7.05
3 years to < 5 years	6.85
5 years	6.85
> 5 years - 7 years	6.25
>7 years - 10 years	6.25

Non Resident (External) NRE Term Deposit rates for deposit less than Rs.2 Cr (Effective March 04, 2019)

Maturity Slab	Interest Rate (% p.a.)
1 year	7.25
> 1 year - 2 years	7.20
>2 years to < 3 years	7.05
3 yrs to < 1100 days	6.85
1100 Days	7.30 / *(7.40)
> 1100 days to < 5 yrs	6.85
5 years	6.85
> 5 years - 7 years	6.25
>7 years - 10 years	6.25

Recurring NRE Deposits (Effective March 04, 2019)

Tenor	Interest Rate (% p.a.)
1 year	7.00
> 1 year - 2 years	7.05
>2 years to < 3 years	7.05
3 years to < 5 years	6.85
5 years	6.85
> 5 years - 7 years	6.25
>7 years - 10 years	6.25

The rates mentioned are subject to change from time to time. Please verify the rates on our website www.idbi.com

No interest is payable on NRE / FCNR (B) deposit closed prematurely in less than a year

Applicable to Non-Callable Deposits (Pre-mature withdrawal not permitted) for amount > **Rs.15 lakhs to < **Rs.2 Cr***

DTAA benefit available for TDS on NRO Deposits

Foreign Currency Non Resident (Bank) - FCNR (B) deposit rates (% p.a.)* (Effective May 01, 2019)

Maturity Slab	USD	GBP	EUR	AUD	CAD	JPY	SGD	HKD	CHF
1 yr to less than 2 yrs	3.27%	1.60%	0.22%	2.20%	2.48%	0.41%	2.59%	2.68%	0.00%
2 yrs to less than 3yrs	3.14%	1.71%	0.28%	2.14%	2.46%	0.36%	2.58%	2.68%	0.00%
3 yrs to less than 4 yrs	3.08%	1.79%	0.35%	2.15%	2.50%	0.33%	2.56%	2.66%	0.00%
4 yrs to less than 5 yrs	3.07%	1.85%	0.43%	2.34%	2.54%	0.29%	2.53%	2.70%	0.00%
5 years only	3.09%	1.90%	0.52%	2.42%	2.59%	0.26%	2.54%	2.73%	0.00%



Interest Rates on loans for NRIs

The Bank offers Home Loans, Loan against property and Auto Loans to Salaried NRIs. Bank also offers Education Loan to students enrolling for various courses. The interest rates for various loans across loan amounts and tenure are as under:

(Effective March 12, 2019)

Products	Loan Amount	Rate of Interest	NRI Category	
Home Loan(Floating)	Up to Rs.35 lakhs Above Rs.35 lakh up to Rs.75 lakh Above Rs.75 lakh	6 months MCLR + 0.15% 6 Months MCLR + 0.30% 6 Months MCLR + 0.40%	Salaried	
Home Loan-Interest Saver(Floating)	For all loan amounts	1Yr MCLR + 0.35%	Salaried	
Home Loan (Fixed Rate)	For all loan amounts	For 3 Year Tenor: 10.25 For > 3 Year Tenor: 10.50%	Salaried	
Top Up Loans (For home loan customers)	For top-up amount up-to 100% of the original sanction	For housing purpose : Prevailing Home Loan Rate/ Product rate + 0.10% For non- housing purpose : Prevailing Home Loan Rate / Product Rate + 0.20%	Salaried	
Loan against Property	Up to Rs.2 Cr.	1 Yr. MCLR+ 1.25%	Salaried	
Loan against rent receivables.	Above Rs. 2 Cr. – Rs. 5 Cr. Above Rs. 5 Cr.	1Yr. MCLR + 1.60% 1 Yr. MCLR + 1.75%		
Loan Against Property-Overdraft(LAP-OD)/Loan against Property-Interest Saver (LAP-IS)	For all loan amounts	1 Yr. MCLR +1.65% for PSL 1 Yr. MCLR + 2.15% for Non PSL	Salaried	
Auto Loan (four wheeler)	For all loan amount	CIBIL Score	Salaried	
		801 and above		9.30%
		751 to 800		9.40%
		701 to 750		9.50%
		650 to 700		9.90%
		-1,1 to 5		9.90%
Below 650	Cases not considered			
Education Loan (Floating)	Sanction up to Rs.10 lakhs Sanction above Rs. 10 lakhs	<u>Non-Vocational Courses</u> 1 Yr MCLR+0.85% 1 Yr. MCLR+1.45%	Student should be Indian National	
	All Amounts	<u>Vocational Courses</u> 1Yr. MCLR+ 1.35%		
	All Amounts	<u>Studies in Premier Education Institutes (including ISB)</u> 6M MCLR+0.05%		

Note : The interest rates are subject to change from time to time. Please verify the rates on our website www.idbi.com

Product Focus – Insta Online Account Opening

NRI BANKING SERVICES INSTA ONLINE

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Download Completed Application

Continue with partially filled

NRI Product – RBG Liabilities is pleased to Announce the Going Live of the Application “NRI Insta-Online Account Opening” For NRI's / PIO's.

The Benefits Of The Application is as Below:

- Prompt opening / activation of new NRI SB account within a TAT of 48 hours and hence setting a benchmark vis-à-vis our peer Banks.
- Enabling the non-face to face & overseas NRI customer to open NRI accounts without much hassle.
- Cost-effective mode of opening new NRI accounts.
- Hassle free documentation process on account of acceptance of self-attested KYC documents by the Bank

The Salient Features Of The Application are as Follows :

- Facility for online application of both NRE & NRO accounts through the IDBI Bank website (<https://nri.idbibank.co.in/instaonline/>).
- NRE and NRO account online application can be submitted for any of the RBG branches of IDBI Bank.
- The customer shall be furnished with a reference number on submitting the application.
- NRIs residing in the identified countries can then opt for online upload of the copy of the signed NRI AOF & self-attested copies of the KYC.
- Post opening of the NRI account, all the deliverables (Debit Card, Chequebook etc.) will be dispatched to the customer's communication address.



Economic Outlook



GDP growth in FY2019 (second advance estimates as released by CSO on February 28, 2019): Supply and demand factors:

- Central Statistics Office (CSO) released the second advance estimates (SAE) for 2018-19 on February 28th, 2019, wherein GDP at Constant (2011-12) Prices in Q3 of 2018-19 is estimated at Rs. 35.00 lakh crore, as against Rs. 32.85 lakh crore in Q3 of 2017-18, showing a growth rate of 6.6%. GDP growth rates for Q1 and Q2 of 2018-19 at Constant Prices are 8.0% and 7.0% respectively.
- As per the second advance estimates (SAE), Real GDP or Gross Domestic Product (GDP) at Constant (2011-12) Prices in the year 2018-19 is projected at Rs. 141.00 lakh crore, as against the First Revised Estimate [released on 31st January 2019] of GDP for the year 2017-18 of Rs. 131.80 lakh crore. Growth in GDP during 2018-19 is estimated at 7.0% as compared to the growth rate of 7.2% in 2017-18. (Also refer the table mentioned below)
- On the supply side, Real GVA, i.e, GVA at Basic Constant Prices (2011-12) is anticipated to increase from Rs. 121.04 lakh crore in 2017-18 to ₹129.26 lakh crore in 2018-19 at a growth rate of 6.8 % in FY2019 as against 6.9 % in FY2018. The sectors which are likely to register growth rate of over 7.0% are 'Construction', 'Public Administration, Defense and Other Services', 'Manufacturing', 'Electricity, Gas, Water Supply and Other Utility Services' and 'Financial, Real Estate and Professional Services'. The growth in the 'Agriculture, Forestry and Fishing', 'Mining and Quarrying' and 'Trade, Hotels, Transport, Communication and Services related to Broadcasting' is estimated to be 2.7%, 1.2% and 6.8% respectively.
- SAE for 2018-19 has also projected a growth in gross fixed capital formation (GFCF) and private final consumption expenditure (PFCF) while witnessing a slowdown in government final consumption expenditure.

Foreign Trade and Reserves:

- India's overall exports (Merchandise and Services combined) in April-December 2018-19 are estimated to be USD 396.73 Billion, witnessing a growth of 13.8 % over the same period last year. Overall imports in April-December 2018-19 are estimated to be USD 479.46 Billion, exhibiting a positive growth of 14.6 % over the same period last year.

Economic Outlook



- Overall trade deficit for April-December 2018-19 is estimated at US \$ 82.72 Billion as compared to US \$ 69.63 Billion in April-December 2017-18.
- India's foreign exchange reserves were at US\$ 400.2 billion as on February 1, 2019.

Systemic liquidity:

Currency in circulation expanded sharply during December 2018 and January 2019. The liquidity needs arising out of expansion in currency were met by the Reserve Bank through injection of durable liquidity amounting to Rs. 500 billion each in December and January through purchases under open market operations (OMOs). Accordingly, total durable liquidity injected through OMOs has aggregated Rs. 2.36 trillion during 2018-19 so far. Liquidity injected under the LAF was Rs. 996 billion in December 2018 on an average daily net basis, and Rs. 329 billion in January 2019. In February, however, the average daily liquidity position turned into surplus with an average absorption of Rs. 279 billion.

Retail Inflation:

Retail inflation, measured by y-o-y change in the CPI, declined from 3.4% in October 2018 to 2.2 % in December 2018, witnessing lowest figure in the last eighteen months. Continuing deflation in food items, a sharp fall in fuel inflation and some edging down of inflation excluding food and fuel contributed to the decline in headline inflation.

Outlook:

CSO has estimated GDP growth at 7.0 % for 2018-19. The growth outlook is likely to be influenced by the following factors. First, aggregate bank credit and overall financial flows to the commercial sector continue to be strong, but are yet to be broad-based. Secondly, in spite of soft crude oil prices and the lagged impact of the recent depreciation of the Indian rupee on net exports, slowing global demand, trade tensions and associated uncertainties could pose challenges to export growth. GDP growth for 2019-20 is projected in the range of 7.0-7.2%.

Policy rates:

RBI [Monetary Policy Committee (MPC)], in its sixth bi-monthly policy has reduced the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points from 6.5 % to 6.25%. Consequently, the reverse repo rate under the LAF stands adjusted to 6.0 %, and the marginal standing facility (MSF) rate and the Bank Rate to 6.5 %.



RBI throws open rupee interest rate alternatives market to Non-Residents

RBI has given a green signal for non-residents to undertake transactions in the rupee interest rate derivatives markets, to hedge an exposure to rupee interest rate risk and for purposes other than hedging. Non-residents may undertake rupee interest rate derivative transactions in India to hedge its interest rate risk using any permitted product transacted on recognized stock exchanges, electronic trading platforms (DTPs) or OTC markets. A non-resident has to ensure that its transactions conform to the relevant provisions of RBI Act, 1934, as well as applicable provisions of the Foreign Exchange Management Act, 1999, and the rules regulations and directions issued thereunder.

RBI raises FPI investment limit in G-Secs for FY20

RBI has upped the investment limit for FY2019-20 for FPIs in Central Government securities (G-Secs) to 6% of outstanding stock of securities from 5.5% in FY2018-19. The allocation of increase in G-Sec limit over the two sub-categories – general and long-term - has been set at 50:50 for the year 2019-20. The entire increase in limits for SDLs (State Development Loans) has been added to the general sub-category of SDLs. The coupon reinvestment arrangement for G-Secs will be extended to SDLs too.

RBI forms task force on offshore Rupee Markets

The Reserve Bank of India (RBI) has announced an eight-member task force headed by its former Deputy Governor Ms. Usha Thorat to examine issues related to offshore rupee markets, and, recommend policy measures to ensure stability of the external value of the domestic currency. The panel will assess the causes behind the development of the offshore rupee market and study its effects on the rupee exchange rate and market liquidity in the domestic market. RBI may also recommend measures to address any concerns arising out of offshore rupee trading, besides proposing measures to generate incentives for non-residents to access the domestic market. The panel will also examine how international financial services centers can help in addressing the concerns. The panel will submit its report by the end of June 2019. RBI has been guided by the objective of developing deep and liquid on-shore financial markets that act as a price setter of the rupee globally.

Reach us at

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