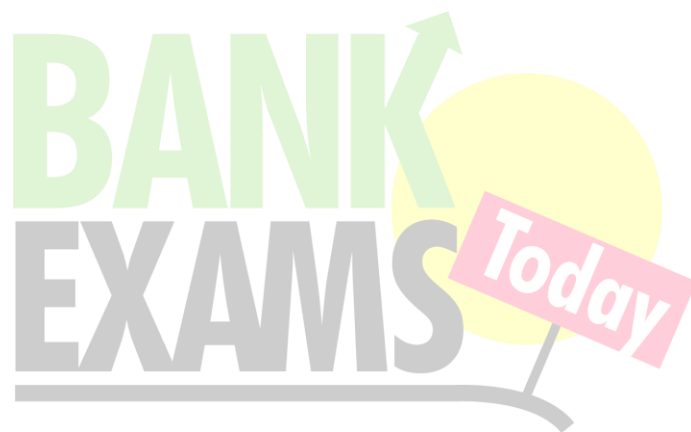


Banking and Financial Awareness Digest July 2018

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Bankexamstoday.com



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MONTHLY BANKING AND FINANCIAL AWARENESS: JULY 2018

RBI PROPOSES BOARD OF MANAGEMENT FOR ALL URBAN CO-OP BANKS

- It was recommended by the committee headed by former deputy governor of RBI R Gandhi.
- For protecting the interests of depositors, overcome constraints imposed by dual regulation.
- Objective is to oversee daily business operations.
- Opening of new branches and expansion of area of operation also allowed only for UCBs that have made such a provision in their law.
- Also The board of management may be appointed by the board of directors.
- Key responsibilities of Board of Management will include credit management, risk management and liquidity management.

BAJAJ FINANCE SURPASSES AXIS BANK IN M-CAP RANKING

- According to BSE It was a surge of 3%.
- Bajaj Finance stood at number 6th position in overall market-cap ranking.
- The m-cap of Bajaj Finance was of Rs 1,345.85 billion and for Axis Bank was Rs. 1,340.18 billion.
- **Bajaj Finance:**
 - Headquarter - Pune.
- **Axis Bank:**
 - CEO and Managing Director: Shikha Sharma.
 - Headquarter – Mumbai.
 - Tagline - Badhti ka Naam Zindagi.

EXIM BANK OF INDIA EXTENDS \$10 MN LOAN FACILITY TO SEYCHELLES FOR HEALTHCARE

- It is for healthcare and procurement of goods and projects.
- It is the first tranche of the \$50 million sanctioned by the Exim Bank
- **EXIM Bank:**
 - CEO - Shri Yaduvendra Mathur.
 - Headquarter – Mumbai.
- **Seychelles:**
 - Capital – Victoria.
 - Currency - Seychellois rupee.

MCX LAUNCHES 'COTTON MISSION' FOR MAHARASHTRA FARMERS

- It creates a value chain with final market linkages for thousands of cotton farmers in Vidarbha. Also it will support the farmers' in their upliftment and contribute to doubling their incomes by 2022.
- Partners for this project are Agriculture department, Farmer Producer Organisations for connecting MCX's organised market network for capacity building.
- **Multi Commodity Exchange:**
 - CEO: Mrugank M. Paranjape
 - Headquarters: Mumbai

IRDAI GIVES NOD TO LIC TO BUY STAKE IN IDBI BANK

- Under this, LIC can raise its stake in the public sector bank to 51 per cent, by injecting ₹10,000-13,000 crore in the debt-ridden lender.
- It will help increase its share of business through the bancassurance route.
- **Insurance Regulatory and Development Authority**
 - Founded: 1999
 - Sector: Insurance
 - Headquarters: Hyderabad
- **Life Insurance Corporation of India**
 - Headquarters: Mumbai
 - Founder: Government of India
 - Founded: 1 September 1956.

MUMBAI BASED SWADHAAR FINSERVE ACQUIRED BY RBL BANK

- It has raised its stake in Swadhaar Finserve Pvt. Ltd from 60.48% to 100%.
- The Swadhaar FinServe started operations as a non-banking finance company in 2008.
- **RBL Bank**
 - Headquarters: Mumbai,
 - MD & CEO: Vishwavir Ahuja,
 - Founded: August 1943.

BSE, BME (BOMBAY METAL EXCHANGE) TIE-UP TO DEVELOP COMMODITY DERIVATIVES MARKETS

- It is for the growth and systematic development of commodity derivatives markets in the non-ferrous metals complex like aluminium, copper, zinc, nickel and lead among others.
- Also work jointly on initiatives to deepen the understanding of commodity market among stakeholders.
- Also this tie up will help in launching new and innovative products, adding more value to the existing commodities value chain and ecosystem.
- **The Bombay Stock Exchange**
 - CEO: Ashish Chauhan

- It is Asia's first stock exchange.
- Founded: 9 July 1875.
- **Bombay Metal Exchange (BME)**
 - President: Rikab V.Mehta

LIC (LIFE INSURANCE CORPORATION) GETS IRDAI'S (INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY) NOD TO BUY STAKE IN IDBI BANK

- IRDAI approved LIC's proposal to hike its stake to 51 per cent in IDBI Bank from 10.8 per cent. Also it is expected to infuse Rs 13,000 crore into IDBI Bank.
- It will boost business through the bancassurance channel.
- This deal will save the government from having to infuse more funds into IDBI Bank.
- the permission is bringing down its holding to 15 per cent in future.
- **Life Insurance Corporation**
 - Headquarters: Mumbai
 - Founded: 1 September 1956
 - Owner: Government of India
- **Insurance Regulatory and Development Authority**
 - Founded: 1999
 - Headquarters: Hyderabad
 - Agency executive: Subhash Chandra Khuntia (Chairman)

NABARD SANCTIONS RS.735 CR FOR 86 PROJECTS IN WEST BENGAL

- NABARD sanctioned this under Rural Infrastructure Development Fund(RIDF)
- For facilitating the execution of 86 projects in which 6 solar power, 1 medium irrigation, 5 minor irrigation and 12 flood protection projects, 57 projects for the widening and strengthening of roads and 5 rural bridges are included.
- the solar power projects would generate 88.61 MU of green energy per annum.
- **National Bank for Agriculture and Rural Development**
 - Founded: 12 July 1982
 - Headquarters: Mumbai
 - Agency executive: Harsh Kumar Bhanwala (Chairman)

PNB AND ALLAHABAD BANK HIKES LENDING RATES BY UP TO 10 BASIS POINTS

- This will be effective from July 1,2018.
- The bank raised the marginal cost of funds-based lending rate for select tenors by 0.05-0.10 per cent.
- Also it has decided to revise the marginal cost of funds based lending rate (MCLR) with effect from July 1, 2018
- **Punjab National Bank:**
 - CEO: Sunil Mehta

- Tagline: The Name you can bank upon
- Headquarters: New Delhi
- **Allahabad Bank:**
 - CEO: Usha Ananthasubramanian (6 May 2017–13 Aug 2018)
 - Founded: 24 April 1865
 - Tagline: A tradition of Trust.
 - Headquarters: Kolkata.

WORLD BANK ARM INTERNATIONAL FINANCE CORPORATION (IFC) INVESTS \$100 MN IN MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. (M&M).

- This is for giving financial assistance to small and medium enterprises and enhance financial support towards tractor finance.
- This investment will also help to achieve the Prime Minister's vision of doubling farmer's income by 2022.
- **International Finance Corporation**
 - Headquarters: Washington D.C., US.
 - Founded: 20 July 1956.
 - Parent organization: World Bank
 - Member Countries: 184 countries
 - CEO: Philippe Le Houverou.

RBI GIVES NOD TO THE SECOND BANK FROM CHINA: BANK OF CHINA WHICH WILL SOON TO OPERATE IN INDIA

- This had been one of the commitments made by India during a meeting of the SCO summit in Chinese city of Qingdao, between Narendra Modi and Xi Jinping.
- It comes after China agreed to relax tariffs on non-Basmati rice, sugar and other commodities from India.

ADB (ASIAN DEVELOPMENT BANK) APPROVES USD 503 MN LOAN AGREEMENT FOR LINING PROJECT OF THE SON CANAL IN BIHAR

- Union Minister of State (IC) for Power and New & Renewable Energy Shri R.K Singh took a meeting, with the officials from ADB (Asian Development Bank) and Finance Ministry to review the progress of this project.
- Out of USD 503 million (Rs 3272.49 crore), USD 352 million is being provided by ADB.
- it benefits to the agriculture sector of Shahabad – Bhojpur region of Bihar.
- **Asian Development Bank:**
 - Headquarters: Manila, Philippines
 - President: Takehiko Nakao
 - Founded: 19 December 1966
 - Membership: 67 countries
- **Bihar:**

- Capital: Patna
- Chief minister: Nitish Kumar
- Governor: Satya Pal Malik

MICROSOFT SIGNS MOU WITH RAJASTHAN GOVERNMENT FOR DIGITAL TRAINING TO 9,500 STUDENTS

- This agreement will the enhancement of digital learning and capacity building of college.
- signed for one year.
- The company will run MS office specialist training programme in 50 government colleges.
- Microsoft will also train educators from government colleges through the Microsoft Innovative Educator Programme.
- **UNESCO (The United Nations Educational, Scientific and Cultural Organization)**
 - Headquarters: Paris, France
 - Head: Audrey Azoulay
 - Founded: 16 November 1945, London, United Kingdom.

INDIA SURPASSES FRANCE TO BECOME THE WORLD'S SIXTH LARGEST ECONOMY: WORLD BANK DATA

- India has recorded a GDP of USD 2,597,491 million, followed by USD 2,582,501 of France.
- World Bank has predicted the GDP of India in FY2019 to be 7.3%.
- The world's largest economy is US, with a size of USD 19.39 trillion, followed by China (USD 12.23 trillion)
- Japan (USD 4.87 trillion) and Germany (USD 3.67 trillion) are at the third and fourth places, respectively.
- **World Bank:**
 - Headquarters: Washington, D.C., United States
 - President: Jim Yong Kim
 - CEO: Kristalina Georgieva
 - Membership: 189 countries

INDIAN ARMY INKS MOU WITH SBI ON DEFENCE SALARY PACKAGE

- The 1st MoU between SBI and the Indian Army was signed in 2011 and was renewed on 23 Feb 2015.
- This MOU will meet the requirements of serving soldiers, pensioners and families and benefit a large number of serving and retired Army personnel who are having their accounts with SBI.
- This MoU will be valid till 3rd Jan 2019. After that, the continuation will be subject to review.
- **State Bank of India (SBI):**
 - Chairman: Rajnish Kumar
 - Founded: 1 July 1955
 - Headquarters: Mumbai
 - Tagline: With you all the way, Pure Banking Nothing Else, The Nation's banks on us

INDIA BECOMES 69TH SHAREHOLDER OF EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT (EBRD)

- The Indian government applied for this EBRD membership in December 2017.
- The EBRD held its inaugural business forum in Mumbai on 22th June 2018.
- Co-hosted with the Federation of Indian Chambers of Commerce and Industry (FICCI), the Export-Import Bank of India, under the banner of “Mobilising private sector finance in the EBRD region and how Indian companies can benefit”.
- **European Bank for Reconstruction & Development (EBRD):**
 - Set up – 1991
 - Headquarters – London
 - President – Suma Chakrabarti

PROPOSAL BY DELHI-MUMBAI INDUSTRIAL CORRIDOR (DICDL) TO ALLOW PARTNERSHIP OF AAI & GUJARAT GOVERNMENT FOR RS. 2000 CRORE WORTH DHOLERA AIRPORT PROJECT

- The Equity participation between AAI will be 51% and government of Gujarat 49%.
- The airport at the biggest upcoming greenfield city in India, will be built over four years.
- **Gujarat**
 - Capital: Gandhinagar
 - Chief minister: Vijay Rupani
 - Governor: Om Prakash Kohli

AIRTEL PAYMENTS BANK GETS NOD TO RESUME ENROLLING CUSTOMERS FROM RBI

- last year, the UIDAI had temporarily suspended Airtel and its payments bank from conducting Aadhaar-based verification of its mobile customers. After that RBI directed the bank not to onboard new customers.
- In March, RBI also imposed a penalty of ₹5 crores on the bank for violating operating guidelines and KYC norms.
- The telco had deposited ₹2.5 crore as penalty with the UIDAI and credited back ₹138 crore of funds under the direct benefit transfer (DBT) scheme to the original accounts of 5.6 million beneficiaries.

STATE BANK OF INDIA (SBI) TO ORGANISE A NATION-WIDE KISAN MELA:

- This program is for helping imparting financial literacy to the farmers and would cover 10 lakh farmers in 14000 rural and semi urban branches.
- The initiative by SBI for resolving farmer’s grievances and educate them about their rights and to educate farmers about the benefits of renewing KCC account.
- The bank will also issue Kisan Credit Card (KCC) with 10% of enhancement on their credit limit.

- **SBI:**
 - Chairperson: Rajnish Kumar
 - Headquarters: Mumbai
 - Founded: 1 July 1955

7TH EDITION OF 'TRANSFORMATION SERIES CHALLENGE' TO BE UNVEILED BY YES BANK:

- To address India's urban development concerns through Technology, it has partnered with 12 global leaders like Microsoft, Cisco, IBM and Adobe for the collaboration.
- The theme is 'Tech for Urban Development' and its main focus on Collaborative Innovation – Collaboration as a Service (CaaS) which is an extension of the bank's ART (alliances and relationships driven by technology) philosophy.
- A cash prize of ₹5 lakhs will be awarded to the winning team, followed by ₹3 lakhs and ₹2 lakhs to the runners-up, over 30,000 students submitted solutions last year.
- **Yes Bank**
 - Headquarters: Mumbai
 - CEO: Rana Kapoor
 - Tagline: Experience our Expertise

INDIA GROWTH FORECAST CUT BY 0.1% FOR 2018 TO 7.3%: IMF (THE INTERNATIONAL MONETARY FUND):

- the GDP growth to be 7.3% in 2018-19, earlier estimate of 7.4%, slightly less 0.1 percentage point in 2018 and 7.5% in 2019 for India as against 6.7% in 2017.
- cut is due to higher oil prices on domestic demand, Despite India's slight downgrade in the projections, it continues to outperform China.
- The global growth is projected to reach 3.9% in 2018 and 2019.
- **World Economic Outlook (WEO)**
 - survey conducted and published by IMF.
 - IMF Headquarters: Washington, D.C, United States
 - CEO: Christine Lagarde (5 Jul 2011–)
 - Membership: 189 countries

FINANCE MINISTRY APPROVED RS 11,336 CR CAPITAL INFUSION IN 5 PSU BANKS:

- The 5 banks are: Punjab National Bank (PNB), Andhra Bank, Corporation Bank, Indian Overseas Bank and Allahabad Bank.
- To enable the banks to make interest payments on additional Tier 1 bonds issued by banks.
- It would be the part of remaining Rs 65,000 crore out of Rs 2.11 lakh crore capital infusion over two financial years.

RBI TO ISSUE NEW 100 RUPEE NOTES WITH SPECIAL GUJARAT CONNECTION AND MOTIF OF GUJARAT'S 'RANI KI VAV'

- It is a part of the revised design series introduced after demonetization in November 2016.
- The note has Swachh Bharat logo and slogan on its reverse and The base colour of the note is lavender.
- Dimension of the banknote will be 66 mm x 142 mm.
- **"RANI KI VAV":**
 - Situated in the town of Patan in Gujarat, on the banks of Saraswati River
 - Added to the list of UNESCO's World Heritage Sites on 22 June 2014.

ALL-WOMEN J&K BANK BRANCH INAUGURATED BY FIRST LADY USHA VOHRA

- 13 all women staffers of the inaugurated bank were given badges of distinction by the first lady.
- The bank will provide special service exclusively for women clients of the bank which include: Pink Gold and Platinum Saving Scheme, Special Loan facility for Women Entrepreneurs, Pink Gold Debit Card and Platinum Credit Card.
- **Jammu & Kashmir:**
 - Capitals: Jammu (Winter), Srinagar (Summer)
 - Governor: Narinder Nath Vohra.

GOVERNMENT CUT MINIMUM YEARLY DEPOSIT FOR SUKANYA SAMRIDDHI ACCOUNT

- The government has cut the minimum annual deposit requirement for accounts from Rs 1,000 earlier to Rs 250 for enabling more number of people to take advantage of this scheme.
- It was launched in 2015.
- To avail this, a parent or legal guardian can open an account in the name of the girl child until she attains the age of 10 years and it will be valid for 21 years from the date of opening, after which it will mature and the money will be paid to that girl child.

INDIAN BANKS AND FINANCIAL INSTITUTIONS (FIS) SIGNED AN INTER-CREDITOR AGREEMENT (ICA)

- To expedite the resolution of banks' non-performing assets (NPAs), or bad loans, and enable smooth credit flow.
- The committee headed by Punjab National Bank (PNB) Chairman Sunil Mehta under the control of Indian Banks' Association (IBA) worked under the Insolvency and Bankruptcy Code (IBC).
- Public sector banks, including the India Post Payments Bank, private sector banks, foreign banks, major financial institutions like LIC and HUDCO and private organisations like ICICI Bank will join the ICA.
- For taking joint actions for resolution of stressed accounts, ICA will act as a platform for banks and financial institutions.

SEBI APPROVES BHARTI INFRATEL, INDUS TOWER MERGER DEAL

- It has received clearance from the BSE and NSE for the merger and will approach for approval of National Company Law Tribunal.
- This merger would create the largest mobile tower operator in the world outside China.
- Have over 163,000 towers across 22 telecom service areas in India.
- **Bharti Airtel**
 - CEO: Gopal Vittal
 - Headquarters: New Delhi

OXIGEN ANNOUNCES SIGNS MOU WITH FINCARE SMALL FINANCE BANK

- For starting branchless banking
- Through internet and mobile banking, the Bank will offer bill pay services to its customers, also expand other payments services such as POS network, micro-ATMs, pre-paid cards, Bharat Bill Payment System (BBPS), UPI and Bharat QR and Aadhaar Enabled Payment System (AEPS) through Oxigen.
- **Fincare small finance bank:**
 - Headquarters: Bengaluru, Karnataka.
- **Oxigen:**
 - Founded: 2004.
 - Headquarters: Gurugram.

IRDAI HAS CONSTITUTED A 16-MEMBER COMMITTEE TO MONITOR THIRD PARTY PRICING AND PREMIUM RATES

- It is to examine motor third party insurance pricing and make recommendations on the premium rates for 2019-20, Also been tasked to revisit the classification of vehicles, in view of the development in the industry.
- P.J. Joseph is the chairman of the committee.
- The formation of the committee comes in the backdrop of a cargo transporters strike to highlight various demands.
- **IRDAI:**
 - Founded: 1999
 - Headquarters: Hyderabad.
 - Chairman: Subhash Chandra Khuntia.

SOFTBANK AND PAYTM PARTNER TO LAUNCH CASHLESS PAYMENTS SERVICE IN JAPAN

- launched by SoftBank's joint venture company PayPay.
- Utilise Paytm's technology and expertise in mobile payments also promote cashless payment in Japan.
- To help and boost the government's decision of raising the cashless payment ratio to 40 per cent by 2025 this decision was taken, because Cash is mainly used for payment in Japan with cashless payments only remaining at 20%.

- **Paytm:**

- Parent Company: One97 Communications.
- Founded: 2010.
- Founder: Vijay Shekhar Sharma.
- Headquarters: Noida, Uttar Pradesh.

