
BANKING AND FINANCIAL AWARENESS

FEBRUARY 2019 WEEK IV

1. J P MORGAN BECAME FIRST US BANK WITH CRYPTOCURRENCY

- J P Morgan will use the crypto currency to see its potential in using digital coins to reduce risk and for enabling instant transfers.
- It is not for retail customers and will be used internally by bank to enable instant transfers of payments between institutional accounts.
- The bank stressed that all the information required by the regulators will be tracked and that only with the approval of regulators and clearing money laundering, clients can use the blockchain network.

2. RESERVE BANK OF INDIA LIFTED CAP ON FOREIGN PORTFOLIO INVESTMENT IN CORPORATE BONDS

- RBI has withdrawn the 20% limit on investments by FPIs in corporate bonds of an entity.
- It was withdrawn with a view to encourage more foreign investments.

3. RBI SLAPPED A PENALTY OF RS 3.5 CRORE ON PNB, OBC AND BANK OF INDIA

- The penalty was imposed due to deficiencies in regulatory compliance with the directions issued by RBI on monitoring end use of funds, information exchange with other banks and on restructuring of accounts.
- Oriental Bank of Commerce was fined Rs 1.5 crore, Punjab National Bank Rs 1 crore and Bank of India Rs 1 crore.

4. LIFE INSURANCE CORPORATION (LIC) LAUNCHED A NEW MICRO INSURANCE PLAN 'MICRO BACHAT'

- It is the first micro-insurance plan to do so and provides a coverage of up to 2 lakhs.
- It also provides both protection and savings and is also a regular premium, non-linked, participating endowment micro insurance plan.
- The new insurance plan can be availed only by standard healthy citizens who are in the age group of 18-55 years without undergoing any medical examination.
- The plan will be eligible for loyalty additions after 5 years, the decision of which will lie with the organisation.
- People can also avail the loans from this plan provided that premiums have been paid for three full years.

5. FINANCE MINISTRY ANNOUNCED A CAPITAL INFUSION OF RS 48,239 CRORE IN 12 PUBLIC SECTOR BANKS (PSBS)

- Its done to meet their regulatory capital requirements and to increase availability of credit for stronger lenders.
- The beneficiaries are as follows:

Corporation Bank	-	Rs. 9086 crores
Allahabad Bank	-	Rs. 6896 crores
Bank of India	-	Rs. 4,638 crores
Bank of Maharashtra	-	Rs. 205 crores
Punjab National Bank	-	Rs. 5,908 crores
Union Bank of India	-	Rs. 4,112 crores
Andhra Bank	-	Rs. 3,256 crores
Syndicate Bank	-	Rs .1,603 crores
CBI, United Bank, UCO Bank and IOB	-	Rs. 12,535 crores
- The infusion takes total government infusion to Rs 100958 crore out of total Rs 1.06 lakh crore.

6. MERGER OF VIJAYA BANK AND DENA BANK WITH BANK OF BARODA TO BE EFFECTIVE FROM APRIL 1

- The scheme has been named as Amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda Scheme, 2019.
- The shareholders of Vijaya Bank will get 402 equity shares and that of Dena Bank will receive 110 equity shares of Bank of Baroda for every 1,000 shares held.

7. HDFC ERGO LAUNCHED FIRST OF ITS KIND TRIP PROTECTOR POLICY

- India's third largest non-life insurance provider in the private sector HDFC ERGO launched Trip Protector policy, a pioneering policy in non-life insurance segment.
- In the event of a cancellation, either a flight or hotel booking, the policy will safeguard travellers financially against the cost of cancellation levied by hotels or airlines.

8. RESERVE BANK OF INDIA TO PAY RS 28000 CRORE AS INTERIM DIVIDEND TO GOVERNMENT

- RBI will transfer an interim surplus of Rs 28000 crore to the central government for half-year ended 31st December 2018.
- Thus government will get a total fund of Rs 68000 crore from the central bank for the current financial year.