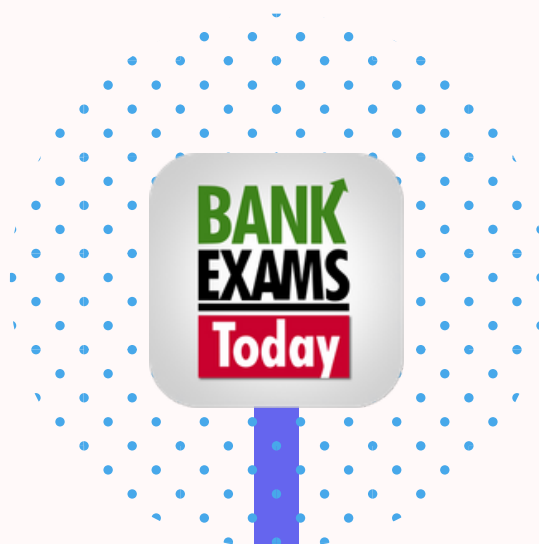


BANKING AND FINANCIAL AWARENESS

APRIL 2019



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DIGEST: APRIL 2019

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BANK OF BARODA BECAME THE 3RD LARGEST BANK AFTER ITS MERGER WITH DENA BANK & VIJAYA BANK

- On April 1, 2019 merger of three banks came into effect.
- Thus with this BOB became the India's second largest public sector bank and third largest commercial bank after SBI and HDFC.

RELIANCE MUTUAL FUND LAUNCHED VOICE BASED FINANCIAL TRANSACTIONS

- Reliance Nippon Life Asset Management has joined hands with Google to enable customers of Reliance mutual Fund to carry out voice-based financial transactions.
- Thus RNAM became the first company in India to provide conversational onterface which would help customers regarding fund transactions.

KOTAK MAHINDRA BANK BECAME THE FIRST LENDER TO CHARGE FOR UPI TRANSACTIONS

- The bank said it is going to levy charges on peer-to-peer (P2P) UPI transactions available across all platforms, namely, Paytm, Google Pay, PhonePe, Trucaller Pay among others starying from 1st of May, 2019.
- For each bank account first 30 UPI fund transfers will be free.
- Rs 2.50 would be charged for an amount value below or equal to Rs 1000 and Rs 5 for payment above Rs 1000.

Government has infused Rs 205 crore into Bank of Maharashtra

- After infusion, the shareholding of government in Bank of Maharashtra has increased to 87.74 % from 87.01%.
- The bank has issued and allotted its 15,47,16,981 equity shares at an issue price of Rs 13.25 per share to the govt.

RBI sets WMA(Ways and Means Advances) Limit for Government at Rs 75000 crore for the first half of the FY 2019-20

- Reserve Bank may trigger fresh floatation of market loans when government of India utilises 75% of WMA limit.
- WMA is a temporary loan facility provided by RBI to center and state governments.
- It was introduced in 1997 to meet any temporary mismatches in the receipts and payments to the government.

FIRST BI-MONTHLY MONETARY POLICY STATEMENT FOR 2019-20- RBI CUT REPO RATE BY 25 BASIS POINTS

- Reduced Repo Rate by 25 basis points to 6.0% from 6.25% with immediate effect.
- Reverse Repo Rate adjusted to 5.75%.
- Marginal Standing Facility and Bank Rate adjusted to 6.25%.
- GDP growth projected at 7.2%.
- MPC maintained neutral stance.

KARNATAKA BANK HAS SIGNED AGREEMENT WITH BHARTI AXA FOR INSURANCE PRODUCTS

- It has been signed to distribute Bharti AXA's life insurance products to provide insurance solutions to customers of Karnataka Bank.
- It will facilitate wide choices of life insurance products to its customers across all its 836 branches of bank supported by the customer centric products of the insurance company.

RBI HAS TWEAKED LCR NORMS TO BOOST LIQUIDITY

- It has been tweaked to provide an additional 2% window to lenders.
- It will harmonise liquidity requirements of banks and release additional money for lending.

LAKSHMI VILAS BANK TO MERGE WITH INDIABULLS HOUSING FINANCE

- The merged entity will be known as Indiabulls Lakshmi Vilas Banks.
- It will be among the top 8 private banks in India by size and profitability.

NTPC HAS INKED TERM-LOAN AGREEMENT OF RS.2,000 CRORE WITH CANARA BANK

- The Loan facility prolonged at an interest rate linked to 3-Month MCLR of Bank.
- The amount would be utilized to part finance its capital expenditure.
- The loan has a tenure of 15 years.

RESERVE BANK OF INDIA HAS GIVEN SOME GUIDELINES FOR BANKS TO SET UP NEW CURRENCY CHESTS

- RBI gave some guidelines for banks to set up new currency chests, which includes a minimum area of 1,500 square feet for strong room and should have a processing capacity of 6.6 lakh pieces of banknotes per day.
- The guidelines are based on the recommendations of Committee on Currency Movement chaired by D K Mohanty.
- Those who are situated in the hilly areas should have a processing capacity of 2.1 lakh pieces of banknotes per day.
- These new chests shall maintain Chest Balance Limit (CBL) of Rs 10 billion or Rs 1,000 crore

BSE HAS SIGNED AN AGREEMENT WITH HDFC BANK

- It has been signed to strengthen the startup platform.
- It will help in spreading more awareness about the benefits of listing startups as well as to strengthen BSE startup platform.
- It will also encourage entrepreneurs to get listed and raise equity capital for their growth, expansion, and for trading in equities of small and medium enterprises (SMEs).

INDIA'S GROWTH RATE TO INCREASE FROM 7.3% IN 2019 TO 7.5% IN 2020

- As per the report World Economic Outlook recently released by IMF India's growth rate is expected to rise from 7.3% in 2019 to 7.5% in 2020.
- The report says, India's growth rate was 7.1% in 2018 against China's 6.6%.
- India will also remain the fastest growing major economy in the world.

GOVERNMENT RETAINED INTEREST RATE FOR GENERAL PROVIDENT FUND AT 8%

- It retained interest rate for General Provident Fund, Contributory Provident Fund and other related schemes at 8% for the first quarter of current financial year.

- It will be applicable on provident funds of central government employees, railways and defence forces.

SBI HAS SIGNED ITS FIRST-EVER CO-ORINATION LOAN AGREEMENT WITH PAISALO DIGITAL LIMITED

- The loan ticket is designed at Rs 10000 to Rs 2 lakh.
- Company expects to disburse 200,000 loan applications in FY20.
- PAISALO Digital Limited is a leading systemically important non-deposit taking NBFC, registered with the Reserve Bank of India and is in operations since 1992.

RBI HAS GRANTED 12 YEARS TO LIC FOR REDUCING STAKE IN IDBI BANK

- LIC has a 51 per cent stake in the bank.
- Insurance Regulatory and Development Authority (IRDAI) has claimed that LIC can take up to 15 per cent stake in any bank, which can stretch up to 30 percent as per the board approval.
- After 12 years LIC has to decrease stake in IDBI Bank by 10 per cent to 40 per cent.

HDFC BANK HAS BEEN NAMED INDIA'S NO. 1 BANK

- The bank has been identified as number 1 bank by customers in India as per Forbes World's bank survey.
- Customers were asked to rate banks on overall recommendations and satisfaction as well as 5 key attributes namely trusts, terms and conditions, customer services, digital services and financial advice.

RATNAKAR BANK LIMITED (RBL) HAS PARTNERED WITH CREDITVIDYA FOR IMPROVING CUSTOMER EXPERIENCE

- Through partnership the private sector lender will be able to gain significant insights into its customer base.
- Thus RBL will be able to segment its customers better offering them relevant credit products and build custom scorecards.

IDBI BANK HAS LAUNCHED NRI-INSTA ONLINE

- The bank has launched NRI-Insta Online account opening process for NRIs residing in Financial Action Task Force (FATF) member countries.
- It has been launched to open an account in the Bank without visiting the branch or submitting paper documents such as physical documents as well as KYC proofs.

- It is a paperless account opening facility for NRIs and the facility is available in IDBI Bank's website.

ADB AGREED TO GRANT USD 3 BILLION IN SOVEREIGN LOANS TO INDIA

- This is the highest ever loan amount since sovereign operations began in the country in 1986.
- ADB also in 2018 signed an arrangement with the International Solar Alliance for promoting solar energy deployment across Asia, the Pacific, and South Asia.

CANARA BANK BECAME INDIA'S FIRST PUBLIC SECTOR BANK TO MEET RBI'S EMV (EUROPAY, MASTERCARD AND VISA) MANDATE

- The bank became the 1st in the market to leverage ACI's UP Retail Payments solution and also the 1st public sector bank to shift to EMV chip and PIN for card based transactions across the country's vast ATM network.
- It will fasten the process of Aadhaar number linking, which in turn eases KYC (Know Your Customer) compliance at the bank's branches.
- The main objective of the EMV shift is to reduce fraud of lost and stolen card and to make forging of card fraud more difficult.

THE RBI ISSUED RS. 50 DENOMINATION BANK NOTES IN MAHATMA GANDHI (NEW) SERIES BEARING THE GOVERNOR'S SIGNATURE

- The design is exactly similar to the Rs 50 banknotes in Mahatma Gandhi (New) Series.
- RBI notified that all bank notes in the denomination of Rs. 50 issued by the Central Bank in the past will continue to be legal tender.
- The dimension is 66mm*135mm.
- On front side 50 is written in the Devanagari script along with Mahatma Gandhi's portrait in the centre.
- On reverse side, it has a Swachh Bharat logo printed on it with its slogan.
- The emblem of Ashoka Pillar is also printed on the front-right side of the note.
- The year of printing is mentioned on the back-left side of the note.

THE WORLD BANK AND THE INTERNATIONAL MONETARY FUND (IMF) LAUNCHED QUASI-CRYPTOCURRENCY LEARNING COIN

- The currency has been launched for better understanding of blockchain technology and the function of crypto assets.
- It will only be available for use within the IMF and the World Bank.

- It has no monetary value, means it is not a true cryptocurrency.
- After the testing period, the IMF and the World Bank may use blockchain technology to create smart contracts, fight money laundering, and improve transparency.

EXIM BANK GAVE LOANS WORTH 267\$ MILLION FOR PROJECTS IN RWANDA

The funding for the projects has been done in 3 distinct tranches.

- for supporting agricultural projects (\$100 mn for 3 agri projects)
- for the development of Special Economic Zones (\$100 mn for 2 SEZs)
- for financing road projects in Rwanda (\$66.60 mn for the Base-Butaro-Kidaho Road Project)

AIRTEL PAYMENTS BANK JOINED HANDS WITH BHARTI AXA GENERAL INSURANCE

- They have joined hands for a two-wheeler insurance product offering which is available on MyAirtel App and at over 40,000 Airtel Payments Bank points across India.
- It offers benefits such as 70 percent savings on an annual premium, personal accident cover, protection against third-party liabilities and inspection-free renewal through a paperless process.
- Customers can also avail towing services at no extra cost on claim intimation, at the time of insured vehicle breaks down.
- Customers not having Airtel Payments Bank account can also avail this policy and can renew their two-wheeler insurance at Airtel Payments Bank banking point.

SBI General launched cyber defence insurance

- It has been launched to protect businesses from financial and reputational losses due to cyber attacks.
- It offers protection against the growing threat of cyber breaches like hacking attacks, identity theft, disclosure of sensitive information and business interruption. Also, provides IT forensic investigations, legal advice, reputational and PR management.

AUTHORISED CAPITAL OF ALLAHABAD BANK HAS BEEN RAISED TO RS. 8000 CRORE

- Central government has increased the authorized capital of Allahabad bank from Rs 3000 cr to 8000 cr.

BEML HAVE JOINED HANDS WITH SYNDICATE BANK FOR FINANCING EARTH MOVING AND CONSTRUCTION EQUIPMENT

- It will facilitate the availability of loans and address the growing demand for higher capacity equipment in the Mining Industry.
- Customers will be provided loans in the range of Rs 20 Lakh to Rs 300 Lakh and preferential pricing by Syndicate Bank.

KOTAK MAHINDRA BANK BECAME THE FIRST DESTINATION BANK TO LAUNCH DEBIT CARD BASED E-MANDATES ON NPCI'S E-MANDATE API PLATFORM

- The objective is to enable Kotak customers to create electronic mandates similar to the former eNACH with Aadhaar + OTP via both debit card and net banking provision.
- As API based e-mandates are customer-friendly, fast, frictionless and paperless, the initiative would help in making its customers' lives hassle free for handling recurring payments.

RBI BECAME THE FIRST ASIA-PACIFIC CENTRAL BANK TO BEGIN INTEREST RATE EASING CYCLE

- The Monetary Policy Committee had cut rates in February and April by citing prospects of benign inflation.
- It has been notified by Fitch ratings.

IRDAI HAS SET UP A COMMITTEE TO REVIEW REGULATORY FRAMEWORK ON MICRO-INSURANCE

- A 13-member committee will be headed by Suresh Mathur.
- It has been set up in order to review regulatory framework on micro insurance, and suggest the steps to be taken to raise demand for such products in India.
- The committee was formed because of less than desired offtake of microinsurance products in spite of their immense benefits in India.
- It will give recommendations about an alteration in distribution structure, that is, creating effective awareness programmes and making web-based technology-driven solutions.
- Their suggestions have to be submitted within a three month time frame, that is within 90 days.

RBI HAS EXTENDED THE PREVIOUS OMBUDSMAN SCHEME TO NON-DEPOSIT TAKING NBFCs

- Reserve Bank of India extended the ombudsman scheme coverage to non-deposit taking (NBFCs) Non-banking Financial Companies having an asset size of Rs.100 crore or higher.
- The objective - to provide a cost-free and swift complaint-redressal mechanism relating to shortage in the services, concerning loan and other issues by NBFCs under the scheme.

RBI ISSUED NEW RS 20 DENOMINATION BANKNOTE

- It has a base colour of greenish yellow with size of 63*129 mm.
- It have a motif of Ellora Caves on dorsal side.
- The front side have a transparent register with denominational numeral 20, a latent image with a numeral and also a Devanagari version of '20'.
- In the centre of the new note there is a portrait of Mahatma Gandhi and towards the right of the portrait is written in micro letters, RBI, Bharat, India and 20, the guarantee clause, Governor's Shaktikanta Das' signature, the promise clause and RBI emblem, Ashok Pillar emblem and electrotype (20) watermark is on the top left and bottom side.

