

BANKING AND FINANCIAL AWARENESS DIGEST

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CONTENTS

| | |
|--|---|
| 1. Mauritius's SBM (State Bank of Mauritius) gets RBI approval for subsidiary | 2 |
| 2. Indian Bank revises interest rates on FCNR(B) (foreign currency non-resident (banking) deposits) | 2 |
| 3. RBI bars Fino Payments Bank from enrolling new customers | 2 |
| 4. Bandhan Bank surpasses YES Bank market capitalisation to becomes 7th most valued bank | 3 |
| 5. NHA1 to Sign MoU with SBI for a long term, unsecured loan of Rs 25,000 Crore..... | 3 |
| 6. On August 1, 2018 RBI releases its Third Bi-monthly Policy..... | 3 |
| 7. SBI launches unified payment terminal- MOPAD (Multi-Option Payment Acceptance Device) | 4 |
| 8. Rs 4,989.55 crore collected from customers in FY18 by 24 banks for not maintaining minimum account balance | 4 |
| 9. Exim Bank signs MoU with BRICS Development Banks to undertake "collaborative research" in distributed ledger/blockchain technology..... | 4 |
| 10. UAE top source of inward remittances in 2016-17: RBI | 4 |
| 11. In line with Budget estimate, RBI to pay Rs 50,000 cr dividend to govt for FY18 | 5 |
| 12. Bajaj Allianz General Insurance and Vijaya Bank entered into a bancassurance deal..... | 5 |
| 13. PayPal & HDFC Bank partner to offer seamless payment experiences to card holders | 5 |
| 14. UPI 2.0 unveiled by RBI Governor Urjit Patel with enhanced features developed by NPCI | 6 |
| 15. Bharti Axa ties up with Airtel Payments Bank to offer Jeevan Jyoti Bima | 6 |
| 16. India Ratings decreases growth forecast to 7.2% from 7.4% for FY19 | 7 |
| 17. PhonePe partners with IRCTC app Rail connect to facilitate convenient, fast and secure payments | 7 |
| 18. SBI ranked as India's most patriotic brand: Survey by UK based YouGov..... | 7 |
| 19. IRDAI directs insurance companies to cover mental illness in policies | 8 |
| 20. Home Ministry notifies new Standard Operating Procedures (SoPs) for refilling of ATMs | 8 |
| 21. HAL becomes first PSU to transact on Trade Receivable e-Discounting System (TReDS): The Receivables Exchange of India (RXIL) | 8 |
| 22. Ujjivan Small Finance Bank launches overdraft facility for micro, small enterprises | 9 |
| 23. Paytm Partners with Alibaba to launch "Paytm AI Cloud for India"..... | 9 |

BANKING AND FINANCIAL AWARENESS DIGEST: AUGUST 2018

MAURITIUS'S SBM (STATE BANK OF MAURITIUS) GETS RBI APPROVAL FOR SUBSIDIARY

- To operate in the country through a wholly-owned subsidiary route.
- After local incorporation was introduced in 2013, this is the first foreign lender to receive such a licence.
- In India, the subsidiary of SBM Group is under the name of SBM Bank (India) Ltd.
- Start Operate in India in 1994.
- Currently, it has four branches, in Mumbai, Chennai, Hyderabad and Ramachandrapuram.
- Expand its six new branches in Delhi, Bangalore, Kolkata, Pune, Ahmedabad and Jaipur by next year.
- **State Bank of Mauritius**
 - CEO: Raj Dussoye
 - Headquarters: Port Louis, Mauritius
 - Founded: 1973

INDIAN BANK REVISES INTEREST RATES ON FCNR(B) (FOREIGN CURRENCY NON- RESIDENT (BANKING) DEPOSITS)

- Account can be maintained by NRIs and PIOs in foreign currency. this is a Fixed Deposit Foreign Currency account.
- 1 year and above but less than 2 years (in US Dollar terms) to 3.68 % from 3.59 %.
- 2 years and above, but less than 3 years to 3.88 % from 3.77 %
- 3 years and above but less than 4 years to 3.97 % from 3.89 %
- 4 years and above but less than 5 years to 3.99 % from 3.92 %
- up to 5 years to 4 % from 3.93 %.
- **Indian Bank**
 - Headquarters: Chennai
 - CEO: Kishor Kharat
 - Tagline: your tech-friendly bank

RBI BARS FINO PAYMENTS BANK FROM ENROLLING NEW CUSTOMERS

- Fino Payments Bank has been alleged to have violated the norms related to the deposit limit which is as per RBI's operating guidelines up to ₹1 lakh per account in a year.
- Due to this, it was asked to immediately stop enrolling new customers until it takes corrective actions.
- **Fino Payments Bank**

- Founded: 4 April 2017
- Parent organization: FINO PayTech
- Headquarter: Mumbai

BANDHAN BANK SURPASSES YES BANK MARKET CAPITALISATION TO BECOMES 7TH MOST VALUED BANK

- Now it becomes among India's 10 most valuable banks, sixth most valuable private sector bank and seventh most valued listed lender, with a market cap of Rs 55,596.64 crore.
- It mainly focuses on under-banked and under-penetrated regions in eastern India and has a strong network in states like West Bengal, Assam, and Bihar.
- It was registered as a non-banking financial company providing select banking services in 2009 and received the universal banking license in 2015.
- **Bandhan Bank**
 - Headquarters: Kolkata
 - CEO: Chandra Shekhar Ghosh

NHAI TO SIGN MOU WITH SBI FOR A LONG TERM, UNSECURED LOAN OF RS 25,000 CRORE

- It is for 10 years with 3 years of moratorium on repayments after that repayment will be done in 14 equal half yearly instalments.
- lent at the rate of one month MCLR.
- The largest amount of loan to have been sanctioned to NHAI in one stroke by any institution also largest long term unsecured loan sanctioned by SBI at a time to any entity.
- Loan tenure is 10 years and NHAI can repay or prepay it at any time without any prepayment penalty.

ON AUGUST 1, 2018 RBI RELEASES ITS THIRD BI-MONTHLY POLICY

- The 6-member meeting of the Monetary Policy Committee headed by Governor Dr. Urjit Patel.

| Policy rates | 3rd bimonthly in August 1,2018 |
|----------------------------------|--------------------------------|
| Repo Rate | 6.50% |
| Reverse Repo Rate | 6.25% |
| Marginal Standing Facility (MSF) | 6.75% |
| Bank Rate | 6.75% |
| Cash Reserve Ratio (CRR) | 4% |
| Statutory Liquidity Ratio (SLR) | 19.5% |

- Next meeting will be scheduled from October 3-5, 2018.

SBI LAUNCHES UNIFIED PAYMENT TERMINAL- MOPAD (MULTI-OPTION PAYMENT ACCEPTANCE DEVICE)

- It will help merchants for different kinds of transaction through one PoS machine and to get rid of operational inconvenience and streamline cash flow
- Also able to pay through cards (credit or debit), Bharat QR, Unified Payments Interface (UPI) and SBI Buddy (e-wallet) at a Point of Sale (PoS) terminal.
- SBI has 6.23 lakh PoS terminals and the bank plans to roll-out this new facility on all these terminals

RS 4,989.55 CRORE COLLECTED FROM CUSTOMERS IN FY18 BY 24 BANKS FOR NOT MAINTAINING MINIMUM ACCOUNT BALANCE

- SBI collected crore nearly half the amount raised by the 24 banks put together which was around Rs.2433.
- After SBI, the largest amount was collected by HDFC Bank around Rs 590.84 crore, Rs 530.12 crore collected by Axis bank and ICICI Bank charged Rs 317.6 crore.
- Under Basic Savings Bank Deposit (BSBD) scheme and Pradhan Mantri Jan Dhan Yojna customers are not required to maintain any minimum balance.
- **State Bank of India**
 - Chairperson: Rajnish Kumar
 - Managing Director: Arijit Basu
 - Headquarters: Mumbai
 - Founded: 1 July 1955

EXIM BANK SIGNS MOU WITH BRICS DEVELOPMENT BANKS TO UNDERTAKE "COLLABORATIVE RESEARCH" IN DISTRIBUTED LEDGER/BLOCKCHAIN TECHNOLOGY

- For identifying potential applications of the distributed ledger/blockchain technology, in the financial sector.
- It will replace the old processes and paperwork with a new-found innovative process that is faster, and can offer tangible outcome.
- under the BRICS Interbank Cooperation Mechanism, Exim Bank of India is the nominated member development bank.
- It will enhance cooperation among BRICS development banks, speed up and simplify processes, as a result reduce the cost of cross-border payment.
- **BRICS**
 - Founded: June 2006
 - Nations: India, China, Russia, Brazil, South Africa

UAE TOP SOURCE OF INWARD REMITTANCES IN 2016-17: RBI

- Kerala has received the maximum funds (19%) sent from abroad followed by Maharashtra (16.7%).
- Total 26.9% remittances were shared by UAE, followed by the United States (22.9%).
- From eight countries — UAE, the U.S., Saudi Arabia, Qatar, Kuwait, Oman, the United Kingdom and Malaysia, 82% of the total remittances received by India
- 58.7% of total remittances received by Kerala, Maharashtra, Karnataka and Tamil Nadu.
- The most popular channel of remittances is the rupee drawing arrangement (RDA), which accounts for 75.2% of remittances, followed by SWIFT (19.5%).
- **Reserve Bank of India**
 - Established – 1 April 1935
 - Governor – Urjit Patel
 - Headquarters – Mumbai
- **United Arab Emirates (UAE)**
 - Capital: Abu Dhabi
 - Currency: United Arab Emirates dirham

IN LINE WITH BUDGET ESTIMATE, RBI TO PAY RS 50,000 CR DIVIDEND TO GOVT FOR FY18

- RBI paid an interim dividend of Rs 10,000 crore at the insistence of the government to support fiscal position, earlier in March.
- RBI had transferred a surplus of Rs 30,659 crore as dividend to the government for the year ended June 30, 2017, which was low because of demonetisation.

BAJAJ ALLIANZ GENERAL INSURANCE AND VIJAYA BANK ENTERED INTO A BANCASSURANCE DEAL

- Insurance products such as health, personal accident, home, motor and travel along with a commercial line of insurance products will be offered through the bank's network of 2,129 branches.
- **Vijaya Bank**
 - Headquarters: Bengaluru
 - CEO: R. A. Sankara Narayanan
 - Tagline: A Friend You Can Bank Upon
- **Bajaj Allianz General Insurance**
 - Headquarters: Pune
 - CEO: Tapan Singhel
 - Tagline: Jiyo Befikar

PAYPAL & HDFC BANK PARTNER TO OFFER SEAMLESS PAYMENT EXPERIENCES TO CARD HOLDERS

- To offer safer, faster and convenient payment experiences to bank's card holders.

- Also it will enable consumers to easily open PayPal accounts and set it as their preferred payment method.
- **HDFC Bank**
 - CEO: Aditya Puri
 - Headquarters: Mumbai
 - Founded: August 1994.
 - Tagline: We Understand your world.

UPI 2.0 UNVEILED BY RBI GOVERNOR URJIT PATEL WITH ENHANCED FEATURES DEVELOPED BY NPCI

- **Features are:**
 - invoice in the inbox,
 - signed intent or QR,
 - UPI mandate with blocking of funds
 - UPI for overdraft account
- It will enable customers to check the invoice sent by merchant prior to making payment.
- This is for ensuring adequate importance on cybersecurity.
- **UPI 2.0 member banks as on date are:**
 - State Bank of India, ICICI Bank, HDFC Bank, Axis Bank, YES Bank, IDBI Bank, RBL Bank, Kotak Mahindra Bank, IndusInd Bank, Federal Bank and HSBC.
- **National Payments Corporation of India**
 - Headquarters: Mumbai
 - Founded: 2008
 - Subsidiary: RuPay

BHARTI AXA TIES UP WITH AIRTEL PAYMENTS BANK TO OFFER JEEVAN JYOTI BIMA

- To reach deep rural pockets and serve the underinsured and to uplift financial inclusion.
- The product (PMJJBY) Rs 2 lakh life insurance cover for a nominal premium of Rs 330 per annum provided by Bharti Axa Life Insurance offers
- It can be purchased by all existing or new Airtel Payments Bank savings bank account holders between the ages of 18-50.
- Also purchasing this policy is secure, paperless and completely digital, ensuring convenience for consumers.
- **Bharti AXA General Insurance**
 - CEO: Sanjeev Srinivasan
 - Headquarters: Mumbai
 - Founded: 2008
- **Airtel Payments Bank**

- CEO: Anubrata Biswas
- Founded: 2016
- Headquarters: New Delhi

INDIA RATINGS DECREASES GROWTH FORECAST TO 7.2% FROM 7.4% FOR FY19

- This is for Increasing crude prices and the government's decision to fix the minimum support prices of all kharif crops at 1.5 times of the production cost.
- Private final consumption expenditure to grow 7.6% in FY19 compared to 6.6% in FY18.
- India Ratings developed a comprehensive credit analysis approach based on:
 - An assessment of the relationship between the various tiers of government and an analysis of links between a public sector entity and sub-nationals.
 - The appropriate balance between economic and financial criteria as well as between objective and qualitative factors.
- The fiscal deficit target of 3.3% would be met.

PHONEPE PARTNERS WITH IRCTC APP RAIL CONNECT TO FACILITATE CONVENIENT, FAST AND SECURE PAYMENTS

- For facilitating convenient, fast and secure payments through PhonePe on the IRCTC Rail connect Android app.
- This partnership, will boost digital payments across India.
- For quick and hassle free payments, users have the choice of using UPI along with all the other payment methods available on the app.
- **PhonePe:**
 - CEO: Sameer Nigam
 - Headquarters: Bengaluru
 - Parent organization: Flipkart

SBI RANKED AS INDIA'S MOST PATRIOTIC BRAND: SURVEY BY UK BASED YOUNG

- The survey was conducted between August 2 and 8 among 1,193 respondents in India which covered 152 brands across 11 categories.
- Around 16% respondents ranked SBI followed by Tata Motors and Patanjali (eight percent each), telcos Reliance Jio and BSNL (six percent each), and LIC and Amul (five percent each).
- **State Bank of India**
 - Chairperson: Rajnish Kumar
 - Headquarters: Mumbai
 - Founded: 1 July 1955

IRDAI DIRECTS INSURANCE COMPANIES TO COVER MENTAL ILLNESS IN POLICIES

- As per Sec 21(4) of the Mental Healthcare Act, 2017 which has come to effect from 29th May 2018, every insurer shall make provision for medical insurance for treatment of mental illness same as is available for treatment of physical illness.
- As a result, all insurance companies are directed to abide by the provisions of the Mental Healthcare Act, 2017 with immediate effect.
- **Insurance Regulatory and Development Authority**
 - Founded: 1999
 - Headquarters: Hyderabad
 - Agency executive: Subhash Chandra Khuntia

HOME MINISTRY NOTIFIES NEW STANDARD OPERATING PROCEDURES (SOPS) FOR REFILLING OF ATMS

- From 8th February 2019, a new Standard Operating Procedures (SoPs) will start for cash refilling of automated teller machines (ATMs).
- Over 8,000 privately-owned cash vans operate across the country and they handle over Rs. 15,000 crores daily.
- **Features of new SoPs**
 - This is for preventing attacks on cash vans, cash vaults, ATM frauds and other internal frauds.
 - Cash loading of the ATMs or cash transportation activities will not be done
 - After 9 pm– in urban areas
 - After 6 pm– in rural areas
 - Before 9 am or after 4 pm– in districts notified by the central government as Left Wing Extremism affected areas or Naxal-hit areas
 - On private agencies handling these operations to collect money from banks in the first half of the day and transport them in armoured vehicles and Every cash van should have one driver, two armed security guards, two ATM officers/ custodians.
 - Cash transportation should be performed only in secured cash vans equipped with GPS tracking device and those vans should not carry cash more than Rs 50 million per trip.
 - Cash vans should be equipped with- small CCTV system with a minimum of 5 days of recording facility and 3 cameras installed in front, rear and inside of the cabin; a security alarm with GSM-based auto-dialer with a motorised siren; hooter, fire extinguishers and emergency lights.

HAL BECOMES FIRST PSU TO TRANSACT ON TRADE RECEIVABLE E-DISCOUNTING SYSTEM (TREDS): THE RECEIVABLES EXCHANGE OF INDIA (RXIL)

- It is an online electronic institutional mechanism for facilitating the capitalization of trade receivables of micro, small and medium enterprises (MSME).
- This is the first PSU to transact on TReDS across platforms. The transaction was financed by Bank of Baroda and since stands settled.

- Government mandated all major PSUs to join TReDS platform, last year for facilitating payments to MSME vendors.
- **RXIL:** -
 - India's first TReDS platform operating since January 2017, promoted by National Stock Exchange (NSE), Small Industries Development Bank of India (SIDBI), State Bank of India (SBI), Yes Bank and ICICI Bank.

UJJIVAN SMALL FINANCE BANK LAUNCHES OVERDRAFT FACILITY FOR MICRO, SMALL ENTERPRISES

- This facility is an add-on product to the existing MSE term loans offered by the bank.
- It offered to all MSEs with a turnover of Rs 50 lakh or more, at a competitive rate of interest for one year, with a credit limit between a minimum of Rs 11 lakh to a maximum of Rs 50 lakh, which can be renewed annually.
- For replenishing the credit limit back to its original amount, it allows customers to pay EMI only on the utilised amount and repay the amount at any time during the tenure.
- Ujjivan SFB also offers composite loans, where the overdraft facility can be combined with existing MSE term loan products.
- **Ujjivan Small Finance Bank:**
 - Headquarters: Bengaluru
 - Founder: Samit Ghosh
 - Founded: 1 February 2017

PAYTM PARTNERS WITH ALIBABA TO LAUNCH "PAYTM AI CLOUD FOR INDIA".

- Offers ready-to-use services to automate workflow, easy to integrate payments, messaging and customer engagement without the trouble of managing hardware and software.
- It offers affordable, ready-to-use apps, easy-to-access computing services, pattern recognition technology, pre-trained models and predictive computation to businesses.
- **Paytm:**
 - Founder: Vijay Shekhar Sharma
 - Founded: 2010
 - Headquarters – Noida, Uttar Pradesh