
BANKING AND FINANCIAL AWARENESS

AUGUST 2020: WEEK II

RBI APPROVES RS 57,128 CRORE DIVIDEND TO CENTRAL GOVERNMENT FOR 2019-20

- The Reserve Bank of India has transferred a dividend of 57,128 crores (surplus) to the central government for the fiscal year 2019-20.
- RBI has decided to maintain a contingency risk buffer of 5.5 percent at the minimum threshold.
- This risk buffer was recommended by the Jalan committee.
- The approval of dividend was done at the 584th meeting of RBI. The agenda of the meeting was to discuss the financial operations and the balance sheet of the fiscal year.

RESERVE BANK REGULATES NORMS FOR CORE INVESTMENT COMPANIES

- RBI has tightened the norms for the core investment companies (CICs) on the recommendation of a working group under Tapan Ray.
- The working group was formed to review the Regulatory and Supervisory Framework of these companies.
- According to the new norms, the CIC with the largest asset size will have to form a group risk management committee (GRMC) which will be responsible for analysing the risks to group and its subsidiaries.
- Along with this, all the CICs with an asset size of over Rs 5000 crore will have to appoint a Chief Risk Officer.
- RBI has also limited the number of layers in CICs within a group to two, including the parent CIC.

SHAURYA KGC CARD LAUNCHED BY HDFC BANK

- HDFC Bank has launched the 'Shaurya KGC Card' for the armed forces. It is a first-of-its-kind card.
- The card is based on the guidelines of Kisan Credit Card by the government and will benefit more than 45 lakh users.
- Under the features of the card; the army personnel will get a Life cover of Rs 10 lakh.
- The card will also provide finance to army personnel for agricultural requirements.
- The Card was virtually launched by the Managing Director of HDFC Bank, Aditya Puri.

RBI MAKES SYSTEM-BASED ASSET CLASSIFICATION FOR URBAN CO-OPERATIVE BANKS MANDATORY

- The Reserve Bank of India has made it mandatory for the urban co-operative banks with assets of Rs 2,000 crore or more to implement system-based asset classification.
- System-based asset classification is the classification of assets by a computerized system.
- In addition to this, banks with assets of Rs 1,000 crore or above but less than Rs 2000 crore as on 31 March 2020 and have self-assessed under Level III or Level IV will have to implement it from September 30, 2021.

FEDERAL BANK PARTNERS WITH FISERV FOR THE LAUNCH OF ITS CREDIT CARD

- Federal Bank has partnered with the global financial services technology provider Fiserv to launch its independent credit card.
- The bank will be utilising FirstVision from Fiserv.
- FirstVision is an end-to-end managed services solution which enables end to end card issuing and processing cycle.

PAYTM LAUNCHES ALL-IN-ONE PORTABLE ANDROID SMART POS

- Paytm has launched a pocket android POS device named as Paytm All-in-One Portable Android Smart POS.
- Priced at a nominal price of Rs 499, the POS device looks like a smartphone and can be used to accept orders and payments.

MUKESH AMBANI IS THE WORLD'S 4TH RICHEST PERSON: BLOOMBERG

- According to the Bloomberg Billionaires Index, Mukesh Ambani is now the 4th richest person of the world.
- He has a total net worth of \$80.6 billion.
- Amazon founder and CEO Jeff Bezos is the world's richest person according to the index.

BSE SIGNS MOUS WITH TWO BULLION TRADE ASSOCIATIONS

- Bombay Stock Exchange has signed MoUs with two bullion trade associations in order to strengthen the commodity derivatives market in the country.
- The two bullion trade associations are - Akola Sarafa Association and Akola Sarafa Va Suvarnakar Yuva Sangh.