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# **BANKING AND FINANCIAL AWARENESS**

## **DECEMBER 2019: WEEK III**

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### **ADB AND INDIA SIGNED \$ 490 MILLION LOAN FOR MADHYA PRADESH**

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- The Asian Development Bank (ADB) and the Government of India have signed a loan of \$490 million for public-private partnership (PPP) project in order to upgrade about 1,600 km of state highways and major district roads (MDRs) from single-lane to two-lane in the state of Madhya Pradesh.
- In addition to this, an investment of \$286 million will also be mobilized through private sector participation under the partnership.
- The project will upgrade 750 km of state highways and 850 km of MDRs to two-lane widths.

### **HDFC BANK CROSSED \$100 BN MARKET CAPITALISATION**

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- HDFC Bank Ltd crossed \$100 billion market capitalization in intraday trading.
- With this, the bank became the third company in India to achieve this milestone.
- The bank now ranks 26th among most valued banks and financial companies around the world which have a market capitalization of more than \$100 billion.

### **SBI AND GERMAN BANK SIGN A LOAN AGREEMENT**

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- State Bank of India (SBI) and German development bank KfW have signed a loan agreement of USD 277 million in order to establish an energy-efficient housing programme in India.
- In addition to this, KfW will also provide a grant of 1.5 million euros (about Rs 12 crore) as a technical assistance package.

### **RBI WAIVES OFF NEFT, RTGS TRANSFER CHARGES FOR SAVINGS ACCOUNT HOLDERS**

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- The Reserve Bank of India has waived off the charges of NEFT and RTGS transactions for savings bank account holders.
- RBI instructed all the banks to not to charge any fee for all online payments done through RTGS and NEFT from savings bank account holders.
- It will be effective from January 1, 2020.

## **BANK OF BARODA JOINS HANDS WITH GUJARAT GOVT TO PROVIDE MSME LOANS**

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- Bank of Baroda has signed an MoU with the Gujarat government for providing loans to the Micro, Small and Medium Enterprises (MSME) sector.
- According to the agreement, the bank will provide loans to the MSME sector for Start-Ups, Greenfield Projects, Women Entrepreneurs and Entrepreneurs from backward areas of the state under the Gujarat Single Window Clearance Act 2017 & Ordinance No.1 of 2019 dated 24th October 2019.

## **RBI TO FOLLOW US-STYLE 'OPERATION TWIST' TO REDUCE LONG-TERM INTEREST RATES**

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- The Reserve Bank of India (RBI) will conduct simultaneous sale and purchase of government bonds under the Open Market Operations (OMO) mechanism to reduce long-term interest rate.
- The central bank has brought this concept on the basis of "Operation Twist" that was last adopted by the US (United States) Federal Reserve in 2013.
- Thus, RBI will buy bonds worth Rs 10,000 crore of 6.45% maturing in the year 2029 and issuing bonds worth Rs 10,000 crore maturing in the year 2020.

## **GEM INKS MOU WITH UCO BANK & BOM FOR PAYMENT-RELATED SERVICES**

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- Government e-Marketplace (GeM) has signed an MoU with Bank of Maharashtra (BoM) & UCO Bank to provide a paperless, cashless, and transparent payment system on its portal.
- GeM is a portal to facilitate online procurement of Goods & Services required by various government departments.

## **NDB COMMITS \$100 MILLION TO INDIA'S NIIF**

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- New Development Bank (NDB) will provide \$100 million to India's National Investment and Infrastructure Fund's (NIIF) Fund of Funds (FoF).
- NIIF FoF aims to raise about \$1 billion in order to invest in up to 10 private equity funds managed by fund managers in India.
- ADB has already granted Rs 667 crore to NIIF-FoF.