

Banking and Financial Awareness Digest



Banking and Financial Awareness Digest: August 2020

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BOB FINANCIAL SOLUTIONS PARTNERS WITH INNOVITI PAYMENT

- BOB Financial Solutions Limited has partnered with Innoviti Payment Solutions Pvt Ltd. to launch a new credit card which offers EMI on PoS terminals.
- This will allow BOB credit card holders to access EMIs which will be repaid conveniently via their credit cards. The offers are in terms of convenient and affordable EMI payment options.
- The credit card holders all over India can take benefit of this service from over 70,000 Innoviti Payment Solutions across more than 1000 cities.

VIRTUAL MUSEUM OF SECURITY MARKET

- The Securities and Exchange Board of India (SEBI) has decided to develop a virtual museum of security markets in India.
- To build this and develop virtual museum, SEBI has invited Expression of Interest (EOI) from various agencies.
- The virtual museum will be the online platform which will display the history of the evolution of security markets in India.

RBI MONETARY POLICY UPDATES

- The Monetary Policy Committee (MPC) of Reserve Bank of India has released new updates related to monetary policy rates on 6th Aug 2020.
- As per the announcement by RBI Governor Shaktikanta Das, the repo rate is kept unchanged to 4%.
- The reverse repo rate under liquidity adjustment facility is unchanged to 3.35% and marginal standing facility and bank rate is kept at 4.25%.

INNOVATION HUB FOR FINANCIAL SECTOR IN INDIA—BY RBI

- Reserve Bank of India has announced that it will be setting up an 'Innovation Hub' in India.
- The aim behind developing an innovation hub is to increase and deepen financial inclusion and promote banking services effectively and efficiently to the citizens.
- It will be acting as the finance-related idea creation centre. It will develop new capabilities which will create a viable and trustworthy financial and banking products and services.

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'SMART PLAN SHOP PACKAGE POLICY'

- A newly launched insurance product named as 'Smart Plan Shop Package Policy' is launched by Airtel Payment Bank in partnership with Bharti AXA General Insurance.
- The 'Smart Plan Shop Package Policy' will offer financial protection to bank's retailers and merchants.
- The financial protection in case of asset damage inside the shop and to accidents like fire outbreak, earthquake etc will be offered.

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.

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- 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.

SURPLUS TRANSFER OF RS 57,128 CRORE TO CENTRAL GOVT

- Reserve Bank of India has given approval to transfer dividend of Rs 57,128 crore to the central government.
- The approval is given with an aim for the accounting year 2019-2020 sharply lower by 67.5% with respect to Rs 1.76 lakh last year. And to maintain Contingency Risk Buffer at 5.5%.
- The transfer of funds is done under the chairmanship of RBI Governor, Shaktikanta Das.

'DIGITAL APNAYEN'—BY PUNJAB NATIONAL BANK

- The campaign called 'Digital Apnayen' is launched by Punjab National Bank.
- The aim behind launching this campaign is to encourage customers to prefer digital banking system.

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- The campaign will be in progress till 31st March 2021 and was launched on the occasion of Independence Day of India.

ADB APPROVED LOAN FOR INDIA'S RAPID TRANSIT SYSTEM

- Asian Development Bank has approved the loan to construct the modern, high speed Delhi-Meerut, Uttar Pradesh RRTS (Regional Rapid Transit System), which will be of 82 km long.
- For this purpose, ADB has approved to grant loan of USD 1 Billion i.e. Rs 7458 crore to India.
- The loan amount will be offered in 4 tranches i.e. between August 2020 and May 2025.

RBI RELEASES DRAFT FOR SELF-REGULATORY BODY FOR PAYMENT SYSTEM OPERATORS

- The Reserve Bank of India has released a draft framework which will offer a grant of recognition to association of industry to be termed as Self-Regulatory Organisation (SRO) for Payment System Operators (PSO).
- SRO will be responsible to frame and enforce rules for PSO in order to protect customers and promote ethics, quality and professionalism.
- SRO will act as a two way communication channel between PSOs and RBI and in case of any violations, SRO will report to RBI.

'FRAMEWORK FOR AUTHORISATION OF PAN-INDIA UMBRELLA ENTITY FOR RETAIL PAYMENTS'

- The Reserve Bank of India has released 'Framework for authorisation of pan-India Umbrella Entity for Retail Payments'.
- This new pan-India umbrella Entity will be set up with a capital of Rs 500 crore.
- Under this, the entity which will be formed will perform the work of managing new payment systems like ATMs, Adhaar based payments, point of sale based payments.
- For this framework to be built in reality, the apex bank has invited applications from eligible companies by 26th Feb 2021.

'NATIONAL STRATEGY FOR FINANCIAL EDUCATION 2020-2025'- RBI

- The Reserve Bank of India has released a national strategy for the financial education for a period of five years.
- This National Strategy for Financial Education 2020-2025 aims to create a financial aware and empowered India.
- This National Strategy for Financial Education 2020-2025 is the revised structure of first national Strategy for Financial Education 2013-2018.

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GST EXEMPTION TO THE BUSINESSES WITH ANNUAL TURNOVER OF UPTO RS 40 LAKH

- The ministry of finance has made an announcement to exempt the businesses with an annual turnover of Rs 40 lakh from GST.
- Earlier the businesses with an annual turnover of Rs 20 lakh were exempted from GST.
- Along with this, another announcement was made by the finance ministry that those businesses with a turnover of upto Rs 1.5 crore can avail for Composition Scheme.
- If such businesses who are eligible and avail for Composition Scheme will have to pay only 1% tax.

DEBT AND CREDIT GUARANTEE PROGRAMME INTRODUCED BY NABARD

- The name of the programme or the product is 'Structured Finance and Partial Guarantee Program'.
- The 'Structured Finance and Partial Guarantee Program' will help to ensure the flow of credit without any interruptions to the destination in rural areas which are affected due to COVID-19.
- The 'Structured Finance and Partial Guarantee Program' will provide partial guarantee on pooled loans offered to NBFCs and MFIs.

RBI ANNUAL REPORT 2019-2020

- As per the data in the report, total income in the year 2019-2020 has increased by 28.97%. In the year 2018-2019 total income was Rs 1,49,672 crore. And in 2019-2020, the total income is Rs 1,93,036 crore.
- The expenditure decreased by 39.72%.
- The gross non-performing ratio of the banking system has reduced to 9.1% when compared with March 2019 which was 11.2%.
- The interest income of the bank increased by 44.62%.

ICICI BANK USES SATELLITE DATA TO ASSESS CREDIT WORTHINESS OF FARMERS

- ICICI Bank is making use of imagery from earth observation satellites i.e. making use of data from the satellite to Assess Credit worthiness of farmers.
- Thus by doing so, ICICI Bank has become the first bank in India to use such an advance technique.
- This advance technique, will also help farmers to get better access to formal credits.
- Under this advance technique, on getting data from satellites, the credit assessments are made within 15 days by the bank.

LIBERTY SAVING ACCOUNT—BY AXIS BANK

- The Liberty Saving Account is launched for Indian Youth.
- The Liberty Saving Account will address the need of the youth and digitally interested Indians like changing lifestyles and hospital cash insurance covers.
- The Liberty Saving Account will offer hospital cash insurance cover upto Rs 20,000 per year.
- Liberty Saving Account is applicable for the people belonging in the age group of upto 35 years of age.

NATIONAL GIS ENABLED LAND BANK SYSTEM

- The National GIS (Geographic Information System) enabled Land Bank System is launched by union minister of commerce and industry, Piyush Goyal.
- The National GIS-enabled Land Bank System will provide real-time information about the availability of industrial land and resources. It will provide details about industrial clusters all over India.
- The system is developed by integrating the Industrial Information System (IIS) to the State's GIS. Until now, six major states are included in this system.

HDFC BANK PARTNERS WITH ADOBE

- HDFC Bank has entered into a partnership with Adobe to offer and enhance the digital experience to its customers.
- The digital experience will be powered and supported by Adobe Experience Cloud Solutions.
- Under this partnership, the bank will avail platforms like Data Management Platform in Adobe Audience Manager.
- The current solutions like adobe analytics and adobe target will help the bank to derive insights and to enhance and deepen their personalized services to its customers.

'SMART ASSIST'- BY BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD

- Bajaj Allianz Life Insurance Company Ltd has launched 'Smart Assist'.
- 'Smart Assist' is a real-time technology-based assistant service.
- This service allows the customers to establish a connection with the insurance company and to take the benefits in real-time basis from anywhere.
- 'Smart Assist' offers complete insurance product details by allotting a secure digital platform to the customers.

CANARA HSBC OBC LIFE INSURANCE PARTNERED WITH ANDHRA PRAGATHI GRAMEENA BANK

- The Canara HSBC OBC Life Insurance has entered into a partnership with Andhra Pragathi Grameena Bank(APGB).
- The partnership is made to sell insurance policies related to life, health and pension of Canara HSBC OBC Life Insurance at branches of APGB.
- Canara HSBC OBC Life Insurance is a joint sector of Canara Bank and Punjab National Bank and HSBC.