

Banking and Financial Awareness Digest

September 2020

The logo for Bank Exams Today is contained within a rounded rectangular box. It features the word "BANK" in green, "EXAMS" in black, and "Today" in white on a red background.

**BANK
EXAMS
Today**

www.BankExamsToday.com

CONTENTS

Indian Economy Contracted by 23.9% for Q1 for FY 2020-21	2
'LiGo'— AI based Chabot by ICICI Prudential Life Insurance.....	2
'Home Utsav'- ICICI Bank's Virtual Property Exhibition.....	2
Revised Priority Sector Lending Guidelines—By RBI	2
K V Kamath's Committee report Released by RBI	2
GOI signed Loan Agreement with ADB for Delhi-Meerut RRTS Corridor	3
'Signature Visa Debit Card'—Bank of India.....	3
India's Economy to Contract 10.5% for FY2020-21 from -5%.....	3
Five PSUs to Join ISA-CSCA as Corporate Partners	3
Doorstep Banking Services by PSBs	4
India's GDP Rate at -9% for FY 2020-21—Projected by CRISIL	4
RBI released Guidelines to have Uniform Compliance Practices in banks	4
'iStartup 2.0'—ICICI Bank.....	4
India's GDP at -11.5% for FY 2021—By Moody's Rating Agency.....	4
India's GDP to contract 9% for FY 21—By S&P Global Ratings.....	5
ADB to offer \$15 million to Suguna Foods Private Ltd.....	5
India's GDP to Contract 9% for FY 2020-21	5
FM introduced Banking Regulation (Amendment) Bill 2020 in LS	5
India's GDP to Contract 10.2% for FY 2020-21—By OECD	5
RBI issues Draft Rupee Interest Rate Derivatives Directions, 2020	6
India's GDP to Contract by 8.6% for FY 2020-21—By UBS Securities	6
India's nominal GDP to grow by 19%: Ministry of Finance	6
RBI released Cyber Security Vision Framework for UCBS	6
'SafePay' Contactless Debit Card Facility—IDFC First Bank.....	6
ADB approves loan for Secondary Towns of Rajasthan.....	7
World Bank offers loan to Bangladesh	7
IRDAI identifies LIC, GIC and New India Assurance as D-SIIs	7
RBI to launch 'Positive Pay System' for Cheque Truncation System.....	7
India's GDP for FY 2021 at -12.6%-- By NCAER.....	7
India's GDP to contract by 11% in FY21 --- ICRA.....	7

BANKING AND FINANCIAL AWARENESS DIGEST: SEPTEMBER 2020

INDIAN ECONOMY CONTRACTED BY 23.9% FOR Q1 FOR FY 2020-21

- The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation has released data displaying that Indian Economy is contracted by 23.9% for Q1 for FY 2020-21.
- They have released these estimates at both constant (2011-12) and current prices.
- GDP at constant prices for the first quarter of 2020-21 is estimated at Rs 26.90 lakh crore, as against Rs 35.35 lakh crore for the first quarter of 2019-20.

'LIGO'— AI BASED CHABOT BY ICICI PRUDENTIAL LIFE INSURANCE

- ICICI Prudential Life Insurance has launched an Artificial Intelligence-based voice featured chatbot.
- The chatbot is named as 'LiGo'.
- The policyholders will be able to communicate with this chatbot in order to solve their queries with the help of simple voice commands.

'HOME UTSAV'- ICICI BANK'S VIRTUAL PROPERTY EXHIBITION

- India's private sector bank, ICICI Bank, has launched a virtual property exhibition with the name 'Home Utsav'.
- Home Utsav will digitally showcase the real estate properties and projects from various sites of India.
- The virtual exhibition is available for access to both ICICI customers as well as Non-ICICI customers.

REVISED PRIORITY SECTOR LENDING GUIDELINES—BY RBI

- The Reserve Bank of India has reviewed and released Revised Priority Sector Lending Guidelines.
- The PSL guidelines are revised to increase the funding for COVID-19 economically impacted sectors.
- These revised PSL guidelines will offer better credit penetration and increase lending to small and marginal farmers and economically weaker sections of society.

K V KAMATH'S COMMITTEE REPORT RELEASED BY RBI

- The Reserve Bank of India has released a report framed by the committee which is led by K V Kamath.

- The committee has suggested and recommended financial parameters which focusses on resolutions plans under the 'Resolution Framework for COVID 19 related Stress'.
- As per the report, the committee has selected 26 sectors which require reconstructing.

GOI SIGNED LOAN AGREEMENT WITH ADB FOR DELHI-MEERUT RRTS CORRIDOR

- Asian Development Bank has approved to provide funds to Government of India to build a high speed 82 km long Delhi-Meerut Rapid Transit System (RRTS) corridor.
- For this purpose, ADB and GOI have signed a loan agreement of USD 500 million.
- The corridor will be equipped with multimodal hubs in order to have smooth interchange with other transport modes.

'SIGNATURE VISA DEBIT CARD'—BANK OF INDIA

- Bank of India has launched 'Signature Visa Debit Card'.
- 'Signature Visa Debit Card' is an international contactless debit card.
- They have launched this card on the occasion of BOI's 115th Foundation Day.
- The 'Signature Visa Debit Card' is for those people who are maintaining an average quarterly balance of Rs 10 lakhs and above.

INDIA'S ECONOMY TO CONTRACT 10.5% FOR FY2020-21 FROM -5%

- Fitch Ratings has projected that India's economy to contract 10.5% in FY 2020-21 from the contraction of 5% which was estimated earlier.
- This projection by Fitch is with reference to the September update of Global Economic Outlook (GEO).
- As per the Fitch ratings, the Indian economy will grow by 11% in FY 2021-22 and by 6% in FY 2022-23.

FIVE PSUS TO JOIN ISA-CSCA AS CORPORATE PARTNERS

- Union Minister for Petroleum and Natural Gas has announced that five Public Sector units (PSU) which are operated under Petroleum ministry will be joining as corporate partners for International Solar Alliance Coalition for Sustainable Climate Action (ISA-CSCA).
- This announcement was made in the First World Solar technology Summit of International Solar Alliance which was hosted by India.

DOORSTEP BANKING SERVICES BY PSBS

- Union Minister for Finance and Corporate Affairs Nirmala Sitharaman inaugurated the Doorstep Banking Services by PSBs which is part of EASE (Enhanced Access and Service Excellence) Banking Reforms and Department of Financial Services, 2018.
- This doorstep banking service is launched with an aim to offer hassle-free and convenient banking services to Indian citizens.
- The service will be offered through universal touch points of call center, web portal or mobile app.

INDIA'S GDP RATE AT -9% FOR FY 2020-21—PROJECTED BY CRISIL

- The CRISIL Rating agency has projected India's GDP rate at -9% for financial year 2020-21.
- As per CRISIL, this 9% contraction is the highest one since 1950s.
- Also, CRISIL has projected that Indian GDP will grow 10% for FY 2022. And for the next years i.e. between 2023 and 2025, India's GDP will show an average growth of 6.2% annually.

RBI RELEASED GUIDELINES TO HAVE UNIFORM COMPLIANCE PRACTICES IN BANKS

- The Reserve Bank of India released a notification for compliance functions in banks and the role of Chief Compliance Officer (CCO).
- The guidelines for compliance practices in banks are the board approved compliance policy.
- As per the notice drafted by the central bank, the banks are supposed to have an effective compliance culture, independent corporate compliance function and strong compliance risk management programme both at the bank and group level.

'iSTARTUP 2.0'—ICICI BANK

- In order to have a comprehensive banking programme for Indian Startups, ICICI Bank has launched a new product with the 'iStartup 2.0'.
- The 'iStartup 2.0' will help the startups and entrepreneurs in the requirements like regulatory assistance, analytics, acquisition, staffing, accounting and digital platform for its customers and in all other banking and allied activities.
- The 'iStartup 2.0' will combine all businesses, trade and their related banking requirements under the one single platform of mobile or internet banking.

INDIA'S GDP AT -11.5% FOR FY 2021—BY MOODY'S RATING AGENCY

- The Moody's rating agency has forecasted that India's GDP to contract 11.5% for financial year 2020-21.
- It has also projected that the Indian economy will grow at 10.6% for FY 2021-22.

INDIA'S GDP TO CONTRACT 9% FOR FY 21—BY S&P GLOBAL RATINGS

- The Standards and Poor's Global Rating platform have projected India's Gross Domestic Product (GDP) to contract at 9% for the fiscal year 2020-21.
- S&P marked 5% of India's GDP contraction in their previous estimation.
- S&P has projected economic growth for India at 10% for the fiscal year 2021-22.

ADB TO OFFER \$15 MILLION TO SUGUNA FOODS PRIVATE LTD

- Asian Development Bank has entered with an agreement for debt financing for Suguna Foods Private Ltd.
- The agreement of \$15 million is signed between ADB and Suguna Foods Pvt LTD.
- The financial support will help to sustain poultry farming operations, efficiency in rural livelihoods and enhancing food security.

INDIA'S GDP TO CONTRACT 9% FOR FY 2020-21

- The Asian Development Bank (ADB) has forecasted that India's GDP to contract 9% for the financial year 2020-2021.
- However, ADB has forecasted that GDP will grow by 8% in FY 2021-2022.
- ADB has also forecasted that developing Asia's GDP to contract by 0.7% in FY 2020.

FM INTRODUCED BANKING REGULATION (AMENDMENT) BILL 2020 IN LS

- The Finance Minister Nirmala Sitharaman has introduced Banking Regulation Amendment Bill 2020 in Lok Sabha.
- The new Banking Regulation Amendment Bill 2020 aims to give power to restructure cooperative banks by RBI in order to protect the interest of depositors.
- Now, the powers of RBI will be extended to cooperative banks after the ratification of bill.

INDIA'S GDP TO CONTRACT 10.2% FOR FY 2020-21—BY OECD

- The Organisation for Economic Cooperation and Development (OECD) has forecasted that India's GDP to contract 10.2% for the financial year 2020-2021.
- This projection by OECD is released in its Global Economic Forecast for 2020.
- As per OECD, the global economy will shrink at 4.5% for the current fiscal year.

RBI ISSUES DRAFT RUPEE INTEREST RATE DERIVATIVES DIRECTIONS, 2020

- The Reserve Bank of India has released Draft Rupee Interest Rate Derivatives Directions, 2020 to allow foreign portfolio investors (FPIs) to undertake exchange-traded rupee interest rate derivatives transactions subject to an overall ceiling of Rs 5,000 crore.
- Also, the draft states that the reason for offering rupee IRD contracts to a user is that the market maker should classify the user either as a retail user or as non-retail user. Non-retail user is the entities regulated by RBI, SEBI, IRDAI or PFRDA or resident companies having a minimum net worth of Rs 500 crore.

INDIA'S GDP TO CONTRACT BY 8.6% FOR FY 2020-21—BY UBS SECURITIES

- The UBS Securities has forecasted that India's GDP to contract 8.6% for the financial year 2020-2021.
- Earlier it has projected GDP contraction to 5.8%.
- As per UBS Securities, India's potential rate of growth has reduced to 5.75- 6.25% as per the estimation against 7.1%.

INDIA'S NOMINAL GDP TO GROW BY 19%: MINISTRY OF FINANCE

- Ministry of Finance, GOI estimated that India's nominal Gross Domestic Product (GDP) will grow by 19% for the financial year 2021-2022 on a low base.
- This estimation was informed by the Chief Economic Advisor to Finance Ministry, Krishnamurthy Subramanian.

RBI RELEASED CYBER SECURITY VISION FRAMEWORK FOR UCBS

- The Reserve Bank of India released Cyber Security Vision Framework for Urban Cooperative Banks(UCBs).
- The central bank has released this vision under the title 'Technology Vision for Cyber Security for UCBs 2020-2023'.
- Also, the board of UCBs will be assigned to implement the primary responsibilities of cyber security controls.

'SAFEPAY' CONTACTLESS DEBIT CARD FACILITY—IDFC FIRST BANK

- IDFC First Bank will be launching 'Safe Pay', a contactless debit card facility.
- Under this digital facility, the user will be able to perform contactless debit card payments by waving a smartphone against a Near Field Communication (NFC)-Enabled POS Terminal.
- The NFC-enabled POS facility is incorporated in the IDFC First Mobile App.

ADB APPROVES LOAN FOR SECONDARY TOWNS OF RAJASTHAN

- The Asian Development Bank has approved loan to develop water supply services and sanitation infrastructure in secondary towns (localities having 20,000 to 1 lakh residents) of Rajasthan.
- A loan amount of 300 million dollars is approved by ADB to secondary towns of Rajasthan.
- The loan amount will improve the access to water services for about 5.7 lakh people of Rajasthan.

WORLD BANK OFFERS LOAN TO BANGLADESH

- World Bank has approved loan to Bangladesh to improve access to clean and safe water services and to develop sanitation services in rural parts of the country.
- For this purpose, the World Bank has approved a loan amount of 200 million dollars to Bangladesh.
- The loan amount will be utilized for Bangladesh Rural Water, Sanitation and Hygiene project.

IRDAI IDENTIFIES LIC, GIC AND NEW INDIA ASSURANCE AS D-SIIS

- IRDAI has also asked these three insurance companies to increase the level of corporate governance, by identifying relevant risks and to have risk free management culture.
- They are also asked to increase regulatory supervision by IRDAI.

RBI TO LAUNCH 'POSITIVE PAY SYSTEM' FOR CHEQUE TRUNCATION SYSTEM

- RBI will start this 'Positive Pay System' from 1st January 2021.
- The 'Positive Pay System' is announced in order to prevent frauds related to bank cheques.
- The system will developed by National Payment Corporation of India (NPCI).
- All the banks will have to enable the system for all account holders issuing cheques for amount of Rs 50,000 and above.

INDIA'S GDP FOR FY 2021 AT -12.6%-- BY NCAER

- The National Council of Applied Economics Research (NCAER) has projected that India's GDP growth is at -12.6% for the financial year 2020-2021 with the remaining three quarters expected to observe a fall.
- Also, the NCAER has predicted India's GDP to grow by 7% for financial year 2021-2022.

INDIA'S GDP TO CONTRACT BY 11% IN FY21 --- ICRA

- Investment Information and Credit Rating Agency (ICRA) has revised its forecast rating for the contraction of India's GDP for FY 2021.
- As per domestic rating agency ICRA, India's GDP to contract by 11% in FY 2020-21.