
BANKING AND FINANCIAL AWARENESS JUNE 2020: WEEK II

NEW NORMS FOR LOAN SALES AND SECURITISATIONS—BY RBI

- The Reserve Bank of India has released two draft documents titled as 'Draft Comprehensive Framework for Sale of Loan Exposures' and 'Draft Framework for Securitisation of Standard Assets'.
- Draft Comprehensive Framework for Sale of Loan Exposures: This draft deals with various issues like asset classification of the loans to be transferred, nature of entity purchasing loan and mode of transfer of loans.
- Draft Framework for Securitisation of Standard Assets: This drafted framework will help to align the regulatory framework with the Basel guidelines on securitisation that have come into force from 1st January 2018.

INDIAN ECONOMY TO CONTRACT BY 3.2% IN FY 20-21

- The World Bank has released its latest edition of Global Economic Prospects (GEP) for the months of June 2020.
- The Global Economic Prospects describes analytical growth of various countries by considering various parameters.
- As per the report, India's growth to contract by 3.2% for the financial year 2020-21.

WEST BENGAL GETS RS 1950 CRORE LOAN FROM WORLD BANK

- World Bank has granted financial support by providing a loan amount of Rs 1950 crore to West Bengal.
- The loan amount will help West Bengal to tackle the pandemic situation of COVID-19 and to carry out development work in the state.

INDIAN ECONOMY TO CONTRACT AT 3.7% FOR FY 21 -- BY OECD

- Organisation of Economic Co-operation and Development has projected that Indian Economy to contract at 3.7% for FY 2020-2021.
- Also it has stated that the country's growth will drop further to -7.3% if there is a second outbreak phase of COVID-19.

RBI RESTRICTS PEOPLE'S CO-OPERATIVE BANK TO GRANT FRESH LOANS

- The Reserve Bank of India has restricted Kanpur, UP based People's Co-operative Bank from granting fresh loans and accepting deposits for six months i.e. from 10th June 2020.
- The decision has been taken due to the weak financial status of the bank.
- The bank is restricted by RBI from selling, transferring and disposing any of its properties or assets.

RBI SETS UP PANEL TO REVIEW CORPORATE STRUCTURE

- Reserve Bank of India has set up a committee of 5 members which is basically a 5 member internal working group (IWG) to review the ownership and corporate structure of Indian private sector banks.
- The committee will be headed by Dr Prassanna Kumar Mohanty who is Central Board Director of RBI.
- The committee is expected to submit the review and analysis report by 30th September 2020.

EXIM BANK PROVIDES \$215.68 MILLION TO MALAWI GOVERNMENT

- Export-Import Bank of India (EXIM Bank) has provided a line of credit of \$215.68 million to Malawi government.
- The financial support will be utilised for the welfare of drinking water supply schemes, irrigation projects, sugar processing equipment, cotton processing facilities etc.

