
BANKING AND FINANCIAL AWARENESS

MAY 2018: 3RD WEEK

WPI INFLATION RISES TO 3.18% IN APRIL

- As per data released by the Ministry of Commerce and Industry, the inflation rate based on monthly WPI, stood at 3.18 percent for the month of April, 2018.
- The Wholesale Price Index (WPI) based inflation stood at 2.47% in the previous month and 3.85% in April last year.
- The index for 'Food Articles' group rose by 1.9 percent to 139.8 from 137.2.
- It was due to higher price of tea (18 percent), fruits and vegetables (eight percent) and pork, paddy and maize (one percent each).
- Also the price of eggs, ragi and gram, and condiments and spices declined by four percent, three percent and one percent respectively.

RBI PUTS DEPOSIT, LENDING RESTRICTIONS ON ALLAHABAD BANK

- Reserve Bank of India (RBI) restrictions on Kolkata-based Allahabad Bank, which is under prompt corrective action (PCA) since January this year. Also it has debarred the bank from high-risk lending and raising high-cost deposits.
- RBI has advised the bank to restrict expansion of risk-weighted assets, reduce exposure to unrated and high-risk advances.
- The RBI's action regarding to the banks CRAR and leverage ratio position also it has advised certain additional actions, Allahabad Bank said in a filing on stock exchanges.
- After Dena Bank, it has the second Bank, which is under prompt corrective action (PCA) since January this year.

WORLD BANK AGREES TO A GRANT FOR BANGLADESH TO MEET THE BASIC NEEDS OF ROHINGYAS

- World Bank (WB) has agreed to provide Bangladesh a grant to meet the basic needs of around one million Rohingyas who fled their homeland Myanmar.
- The World Bank has agreed to provide Bangladesh the full fund as grant money at its spring meeting held in April in the US.
- the entire fund that the World Bank has finally agreed to provide Bangladesh with will have to be spent for the Rohingyas only.

PAYTM INTRODUCES AUTOMATIC RECURRING PAYMENTS

- Paytm introduced 'My Payments', an automatic recurring payments, that lets users configure the payments app to pay for periodic recurring expenses automatically.
- The company expects the feature to boost bank-to-bank transactions on Paytm. Currently, Paytm processes about 1 billion transactions every quarter.
- Through My Payments feature, bank transfers can be done from/to any bank account easier also make payments at no charge. Even non-KYC Paytm users can avail the facility.

YES BANK LAUNCHES AGENDA 25×25

- YES BANK and YES Global Institute announced the launch of Agenda 25×25 for creating a synergetic startup environment for budding women entrepreneurs in India
- It is for ensuring that by 2025 at least 25% of all Entrepreneurs in India are Women.
- This announcement was made at the YES Bank – YES Global Institute Annual Startup Conclave hosted in partnership with NITI Aayog, Invest India, Startup India and Atal Innovation Mission.
- It focused on various things such as empowering women innovators, catalyzing investments, synergizing collaborations and increasing economic opportunities.

KARNATAKA BANK TO SELL PART OF STAKE IN INSURANCE CO

- Karnataka Bank will sell 8.26 percent stake in Universal Sompo General Insurance to Dabur Investment Corporation and Sompo Japan.
- This insurer would pay Rs 125 crore to buy 6% stake from the bank, which has 14.26% stake in the Indian JV.
- The insurance company is a joint venture between Indian Overseas Bank, Karnataka Bank, Allahabad Bank and Dabur Investment Corporation, with Sompo Japan as the foreign partner in which Indian Overseas Bank holds 18.06 percent stake while Allahabad Bank holds 28.52 percent stake.

SBI CARD BASE GROWS 20% IN 8 MONTHS ON SMALL TOWNS

- SBI Card (subsidiary of SBI) base grows 20% in 8 months on small towns, which has been increasing its card numbers at a compounded annual growth rate (CAGR) of 40%.
- Also Cardholders in centres outside the top 10 cities account for 45% of spending.
- This increase rate is due to mobile-phone internet as 20% of spending from smaller towns is online with mobile phones and for driving e-commerce transactions for common purchases.
- The SBI CARD is the second-largest credit card issuer after HDFC Bank, it has increased its market share in the number of cards to 16% from 15% last year.

RBI TWEAKS NORMS FOR SETTING UP OF IFSC BANKING UNITS

- RBI has Modified the norms for setting up IFSC Banking Units, which is the parent bank will be required to provide and maintain at all times a minimum capital of USD 20 million to its IBU.
- This modification has been made based on suggestions from stakeholders, considering minimum prescribed regulatory capital at the parent level.

RBI PRESCRIBES 100% NET STABLE FUNDING RATIO FOR BANKS

- Reserve Bank of India (RBI) has released final guidelines prescribing 100 percent net stable funding ratio (NSFR), for banks to maintain adequate liquid resources for more resilience.

- This ratio is a long-term liquidity measurement included in the Basel III liquidity standards, defined as the amount of available stable funding (ASF) relative to the amount of required stable funding (RSF).

