Banking Current Affairs

SBI and Hitachi Payment Services launched SBI PSPL to establish digital payments platform in India

State Bank of India (SBI) and Hitachi Payment Services Pvt Ltd, a wholly-owned subsidiary of Hitachi Ltd, launched their merchant-acquiring joint venture, SBI Payment Services Pvt Ltd (SBIPSPL), for establishing a digital payments platform for India and other countries in the region, in Mumbai. It will facilitate the expansion of the digital payments landscape in India via its digital payments platform and offer innovative products to suit the requirements of all segments of merchants by leveraging the brand value and vast distribution network of SBI, and bring Artificial Intelligence and other technological capabilities of Hitachi to SBI Payment Services.

National Housing Bank proposes stricter regulations for Housing Finance Companies

National Housing Bank (NHB), a mortgage sector regulator and a fully owned subsidiary of the Reserve Bank of India (RBI) has decided to impose stricter regulations on the Housing Finance Companies (HFCs) to prevent them from falling prey to liquidity and credit risks. Following proposals have been put forward:

- Increasing the capital adequacy ratio (CAR) of these companies from 12% to 15%, in a phased manner by 31st March 2022. This will be accomplished by increasing the minimum CAR to 13% by 31st March 2020, 14% by 31st March 2021 and 15% by 2022.

- Bringing down the public borrowings to 12 times of the Net Owned Fund (NOF) from the existing 16 times, by March 2022. Implementing graded reduction in the limit on the overall borrowings of Housing Finance Companies (HFCs) from 16 times of Net Owned Fund (NOF) to 14 times of Net Owned Fund (NOF) by 31st March 2020, 13 times of Net Owned Fund (NOF) by 31st March 2021 and 12 times of Net Owned Fund (NOF) by 31st March 2022.
World Bank to provide Rs 2,200 crores for a healthcare project to Andhra Pradesh

The World Bank decided to provide a loan of Rs. 2200 crores ($328-million) to Andhra Pradesh for implementation of the AP Health Systems Strengthening Project (APHSSP). The loan agreement was signed between the Government of India, government of Andhra Pradesh and the World Bank.

The agreement was signed by Bandana Preyashi, director, Department of Economic Affairs, Ministry of Finance (GoI), Poonam Malakondaiah, Special Chief Secretary (Medical and Health, AP government) and Mohini Kak and Kari L Hurt, representatives of World Bank in India. The project aims to improve the quality of healthcare, availability and accessibility of primary health services to the majority population of the state.

The quality of healthcare delivery will be enhanced through National Quality Assurance Standards (NQAS) certifications for Community Health Centres (CHCs) and Primary Health Centres (PHCs).

Govt To Issue Rs 20 Coins For The First Time

The Finance Ministry has announced the rollout of a new ₹20 coin shaped like a "dodecagon", a 12-edged polygon. The new coin will be heavier than all the existing coins at 8.54 grams. The obverse side of the coin will bear Lion Capital of Ashoka Pillar while the reverse will have the denominational value "20" with rupee symbol ₹" above. New series of Re 1, Rs 2, Rs 5 and Rs 10 denomination coins will also be minted.

As per Coinage Act, 1906, the Government of India has the sole right to mint coins and the responsibility for coinage vests with the Government. Coins are minted at the four India Government Mints at Mumbai, Alipore (Kolkata), Saifabad (Hyderabad), Cherlapally (Hyderabad) and Noida (UP). The coins are issued for circulation only through the Reserve Bank in terms of the RBI Act.

RBI Fined 7 Banks For Delayed SWIFT Implementation

The Reserve Bank of India (RBI) has imposed a penalty on 7 Banks for delayed implementation of SWIFT-related operational controls. It fined Rs.4 crore on Karnataka Bank, Rs.3 crore on City Union Bank, Rs.2 crore on DCB Bank and Rs.1 crore on Karur Vysya Bank Ltd., Rs. 4 crore on Indian Bank, Rs.3 crore on IOB and Rs.3 crore on United Bank of India for the same violations. SWIFT is the global messaging software used for transactions by financial entities. SWIFT stands for Society for Worldwide Interbank Financial Telecommunication. RBI had directed banks on time-bound implementation and strengthening of SWIFT-related operational controls after the Rs.14,000 crore fraud in Punjab National Bank.
World Bank To Provide 250 Million Dollar For NRETP To Boost Rural Incomes In India

The Agreement was signed by Mr. Sameer Kumar Khare, Additional Secretary, Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India and Mr. Hisham Abdo, Acting Country Director, World Bank India, in New Delhi.

The main aim is to promote women-owned and women-led farm and non-farm enterprises across value chains; enable them to build businesses that help them access finance, markets and networks; and generate employment. The $250 million loan has a 5-year grace period, and a final maturity of 20 years. The National Rural Livelihoods Mission (NRLM) which is currently being implemented across 13 states, 162 districts and 575 blocks, has so far mobilised more than 8.8 million women from poor rural households into 7.5 lakh self-help groups (SHGs).

Indian Bank Receives Best Bank Award From TN Government

Tamilnadu government bestowed the Best Bank Award to the Indian Bank, for meeting the needs of women's self-help groups (SHGs). About Indian Bank: ♦ Established in 1907 ♦ Headquartered in Chennai, India ♦ CEO: Padmaja Chunduru ♦ Tagline: Your Own Bank

Usha Thorat-Led Task Force To Ensure Stability Of External Value Of Rupee

The Reserve Bank of India constituted an eight-member task force on offshore rupee markets, headed by Usha Thorat former Deputy Governor, to look into issues related to the markets and recommend appropriate policy measures to ensure the stability of the external value of the rupee.

The terms of reference of the task force include assessing the causes behind the development of the offshore rupee market; study the effects of the offshore markets on the rupee exchange rate and market liquidity in the domestic market; and recommend measures to address concerns, if any, that may arise out of offshore rupee trading.

Centre, ADB Sign 926 Million Loan Agreement To Operationalize Two Lines Of Mumbai Metro
External Affairs Minister Sushma Swaraj addressed the plenary session of the foreign ministers’ meet of the Organisation of Islamic Cooperation states in Abu Dhabi. She presented a picture of the secular fabric of India and began the speech by saying that she stands as a representative of land, that has been for ages a fountain of knowledge, a beacon of peace, a source of faiths and traditions and home to religions from the world.

Cabinet Approves Rs 1,450 Crore For Share Capital Of RBI In NHB

The National Housing Bank (NHB) has been set up to operate as the principal agency to promote housing finance institutions in India. Up till now, the authorised capital of NHB stands at ₹2,000 crore of which ₹1,450 crore has been subscribed by RBI. Currently, the capital is fully subscribed by RBI.

Union Bank Of India Reduced The MCLR By 10 Basis Points

Union Bank of India, the State-run lender, said it had reduced the Marginal Cost of funds-based Lending Rate (MCLR) by 10 basis points across all tenors. The lender has reduced its one-year MCLR or the minimum lending rate, against which most of the consumer loans are benchmarked, to 8.60% from 8.70% earlier. The bank has set the new six-month MCLR at 8.50% and two-year at 8.70%.

RBI Has Formed A Task Force On The Offshore Rupee Market

The Reserve Bank of India (RBI) has formed a task force on the offshore rupee market. It will be headed by former Deputy Governor Usha Thorat and will recommend steps for ensuring the stability of the currency. The task force shall examine the issues relating to the offshore rupee markets in depth and recommend appropriate policy measures that also factor in the requirement of ensuring the stability of the external value of the rupee. The committee would submit its report by the end of June 2019. The task force will assess the causes behind the development of the offshore rupee market, and study the effects on the exchange rate and market liquidity in the domestic market. It would also recommend measures to address concerns arising out of offshore rupee trading.

RBI Have Signed A Bilateral Swap Agreement With The Bank Of Japan

Reserve Bank of India (RBI) have signed a bilateral swap agreement with the Bank of Japan. The Swap agreement will provide India access to 75 billion US dollars against the 50 billion dollars under earlier BSA. The bilateral swap agreement will provide India to access the reserves if at any point of time when the need arises. The
currency swap makes it easier to improve liquidity conditions. Currency swap agreements help when the economic crisis arises. The swap agreements also contribute towards stabilizing the country's balance of payments (BOP) position. The agreement aids in improving confidence in the Indian market.

**DCB Bank Launches Open Banking Platform For Next Generation Banking Solutions**

Creating a collaborative ecosystem with enterprises, fintech and app developers, and enhancing customer-service delivery, DCB Bank announced the launch of its Open Banking Platform. More than 20 start-ups, fintechs, merchants, enterprises and developers are set to partner with DCB Bank for access to its Open Banking Platform APIs (Application programming interface) and collaborate on innovation and customer centric products. About DCB Bank • Chairman – Nasser Munjee • Headquarters – Mumbai, Maharashtra

**PNB Bank Ranks Highest In Implementation Of Reforms Agenda**

Punjab National Bank (PNB) secured top spot among all public sector banks in the implementation of ‘Reforms agenda’. PNB topped the list with a score of 78.4 out of 100 in the EASE-index which is followed by BoB (77.8), SBI (74.6), and Oriental Bank of Commerce (69). The EASE (Enhanced Access and Service Excellence) report shown significant enhancement in PSB performance on the back of Government’s 4 R’s strategy- recognition, recovery, recapitalisation and reforms.

**ADIA To Invest USD 500 Million In Kotak Fund**

Abu Dhabi Investment Authority (ADIA) has committed $500 million to a fund that will be managed by Kotak Investment Advisors Limited. It will target a range of Non-Performing Loan (NPL) opportunities in India. Kotak Special Situations Fund would target both pre-stress and distressed opportunities with a key focus on providing financial support to pre-stress businesses to prevent them from entering insolvency. Institutional investors can play an important role in building a successful secondary market for nonperforming loans in India.

**Singaporean Bank DBS To Operate As Wholly-Owned Subsidiary In India From Mar 1**

The RBI approved merger of Singapore-based DBS Bank's Indian unit with its wholly owned local subsidiary, DBS Bank India Ltd. DBS presently operates 12 branches in India as a franchise. DBS was the first bank in India to launch digital-only operations as Digibank in 2016. The wholly-owned subsidiary model allows foreign lenders to be treated as a local bank, removing certain restrictions they face such as those on opening new branches. About DBS Bank: • DBS - Development Bank of Singapore •
Headquarters: Singapore ♦ DBS Bank is the largest bank in Southeast Asia by total assets (404.1 US$ billion).

April-January Fiscal Deficit Hits 121.5 Per Cent Of Full-Year Target

India's fiscal deficit during April-January stood at ₹7.7 lakh crore or 121.5% of budgeted target for the current financial year. Revenue deficit in April-January of FY19 was at Rs 5.9 lakh crore or 143.4% of the annual target. The gap between the government's revenue and expenditure had stood at 113.7% in January 2018.

Bob Ties Up With German Kfw For USD 130m To Refinance Solar Units


RBI Removed 3 More Banks From Corrective Action List

The Reserve Bank of India (RBI) has decided to remove Allahabad Bank, Corporation Bank and Dhanlaxmi Bank Ltd. from the list of banks placed under its Prompt Corrective Action (PCA) framework. About RBI’s Prompt Corrective Action (PCA) Framework: ♦ RBI introduces Prompt Corrective Action when the Bank’s financial conditions worsen below certain limits (trigger points). ♦ Under PCA, weaker banks are restricted from lending until they improve their capital ratios, reduce bad debt and become profitable. ♦ The 11 banks under the PCA were: Allahabad Bank, United Bank of India, Corporation Bank, IDBI Bank, UCO Bank, Bank of India, Central Bank of India, Indian Overseas Bank, Oriental Bank of Commerce, Dena Bank and Bank of Maharashtra.

RBI Extends KYC Deadline For Digital Wallets By Six Months

The RBI has extended its February 28 deadline for completion of KYC (Know Your Customer) norms for digital wallets [prepaid payment instrument (PPI) issuers] by six months. PPIs are instruments that facilitate purchase of goods and services, including financial services and remittance facilities, against the value stored on such instruments.
SEBI Declared 2 Commodity Broker Unfit To Function

The Securities and Exchange Board of India (SEBI) has declared Motilal Oswal Commodities Broker and India Infoline Commodities (IICL) unfit to function as commodity brokers on account of their alleged role in the Rs.5,600 crore settlement scam at the National Spot Exchange Ltd (NSEL) that came out in the open in July 2013. SEBI rejected the application for registration of the two entities and further directed that all existing clients should be allowed to move to other brokerages within 45 days. This is the first set of actions against large brokerages alleged to have colluded with the spot exchange for marketing of the so-called pair contracts wherein clients were assured fixed returns of between 13% and 16% per annum.

Merger Of Vijaya Bank And Dena Bank With Bob (Bank Of Baroda) To Be Effective From April 1

According to a statement by Bank of Baroda, its merger with Vijaya Bank and Dena Bank shall come into force from 1st April 2019. This scheme has been named as ‘Amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda Scheme, 2019’. According to the Scheme of Amalgamation- Shareholders of Vijaya Bank will get 402 equity shares of Bank of Baroda for every 1,000 shares held.

RBI Bundles Nbfcs Into A Single Type To Offer Operational Flexibility

Reserve Bank of India (RBI), in accordance with an announcement made during the last bi-monthly policy, decided to create a single category for the NBFCs (non-banking financial companies) by bundling their present three-tier structure. It was also decided that exposures to all NBFCs, excluding core investment companies, will be risk weighted as per credit ratings. These steps have been undertaken to provide greater operational flexibility to the NBFCs, reducing the number of categories into which they are divided, on the principle of regulation by activity and not regulation by the entity. For example, asset finance companies, loan companies and investment companies have been categorised as NBFC- investment and credit companies (NBFC-ICCs).

RBI Warns Of Mobile Data Theft By Anydesk App

Once installed, AnyDesk app reportedly generates a nine-digit code and seeks users' permission to access phone controls on inserting it. It then allegedly steals confidential data to process fraudulent transactions via payments apps. About AnyDesk: 'Anydesk' is a remote control application. It works to connect one device to another device.
Centre Approved A Recapitalization Package Of Rs.48,239 Crore For 12 Psbs

The Centre has approved a recapitalization package of Rs.48,239 crore for 12 public sector banks. Till now 12 banks are under the purview of the PCA framework. It aims to bring the better-performing banks now in the Prompt Corrective Action (PCA) category out of the restrictive framework, help those that had come out of the PCA to stay out of it, equip non-PCA banks to meet regulatory requirements, and help the PCA banks to meet their requirements. The 12 banks under the purview of PCA framework are Corporation Bank, Bank of India, Allahabad Bank, Oriental Bank of Commerce, Bank of Maharashtra, Dhanlaxmi Bank, UCO Bank, Dena Bank, Central Bank of India, Indian Overseas Bank, United Bank of India, IDBI Bank.

PayU India Appoints Reliance Payments Executive Anirban Mukherjee As CEO

Anirban Mukherjee, presently the co-chief executive of Reliance Payments has been appointed as the CEO of PayU India. The urgent responsibilities at hand would be the management of $100 million worth of business, witnessing a growth rate of 30% currently, formulating investment plans and gauging potential technological partnerships.

SIDBI Plans Bond Issue To Raise Rs.300 Crore

Government-owned Small Industries Development Bank of India (SIDBI) is to raise Rs.300 crore through bonds over the next few months from a clutch of investors, including Tata group companies such as Tata Chemicals, Voltas, Titan, and Trent. Wealth managers such as Centrum group, ASK Wealth Advisors, Ambit Capital and Aditya Birla Finance have reached out to high net-worth individuals and impact investors to raise funds. Private equity fund KKR has also evinced interest to subscribe to the bonds. The World Bank group, which is facilitating the fund-raising, said the money would be extended to microfinance institutions, which, in turn, would be disbursed to women entrepreneurs. The bonds will be unsecured and unlisted with a fixed coupon rate of 3% and with a tenure of five years.

RBI To Pay Rs 28,000 Crore Interim Dividend To Government

With this interim transfer, the government will get a total Rs 68,000 crore from RBI in the current fiscal. The RBI had transferred Rs 40,000 crore to the government in August 2018. This will be the highest receipt from RBI in a single financial year for the government. This is the second consecutive year that the RBI will be transferring an interim surplus. The Reserve Bank of India (RBI) had transferred a total of ₹50,000 crore to the government for 2017-18 of which ₹10,000 crore was transferred as interim dividend. About RBI: Reserve Bank of India is India’s central banking
institution. Main Role: controls the issuance and supply of the Indian rupee RBI
Governor: Shaktikanta Das Headquarters: Mumbai Subsidiary: National Housing Bank
Established: 1 April 1935 Ownership: Government of India

**RBI Imposed Rs 3.5 Crore Penalty On 3 PSU Banks**

A penalty of Rs 1.5 crore has been imposed on Oriental Bank of Commerce (OBC) and Rs 1 crore each on Punjab National Bank (PNB) and Bank of India, for violation of various banking norms. About Oriental Bank of Commerce: Headquarters: Gurugram CEO: Mukesh Kumar Jain Tagline: Where every individual is committed. About Punjab National Bank: Headquarters: New Delhi CEO: Sunil Mehta Tagline: The name you can bank upon. About Bank of India: Headquarters: Mumbai CEO: Dinabandhu Mohapatra Tagline: Relationship beyond banking.

**Indian State Signed $40 Million Loan Agreements With The World Bank**

The Government of India, Government of Himachal Pradesh (GoHP) and the World Bank signed a $40 Million Loan Agreement to help bring clean and reliable drinking water to the citizens of the Greater Shimla area, who have been facing severe water shortages and water-borne epidemics over the last few years. The Shimla Water Supply and Sewerage Service Delivery Reform Programmatic Development Policy Loan is expected to improve water supply and sanitation (WSS) services in and around the iconic hill city of Shimla. About World Bank : Headquarters: Washington, D.C., U.S. Membership : 189 countries (IBRD), 173 countries (IDA) CEO: Penny Goldberg Interim President: Kristalina Georgieva Parent organization : World Bank Group

**RBI Imposed Penalties On 3 Psbs**

The Reserve Bank of India (RBI) has imposed penalties on three public sector banks (PSBs), Oriental Bank of Commerce, Punjab National Bank and Bank of India, for violation of various norms. A penalty of Rs.1.5 crore has been imposed on Oriental Bank of Commerce and Rs.1 crore each on Punjab National Bank and Bank of India. The penalty has been imposed for non-compliance with various directions on monitoring of end-use of funds, exchange of information with other banks, and on restructuring of accounts.

**Yes Bank Cleared Of Divergence Charges Imposed By RBI**

Reserve Bank of India cleared Yes Bank of Divergence charges i.e. disparity in reporting bad loans and provisioning numbers for the year ended March 2018. The final report has observed nil divergence in the bank’s asset classification and provisioning from the norms of the RBI. In FY16, after its first assessment, Yes Bank was found a divergence of Bad loans by RBI at Rs. 4,176 crores higher than the reported gross NPA of Rs. 748.9 crore. Further, in FY17, Yes Bank was found to be
divergence again at Rs. 6,355 crores and reported gross NPA of Rs. 2,018 crore is lower than RBI's estimation of Rs. 8,373 crore. About Yes Bank • CEO- Rana Kapoor • Head Quarter- Mumbai • Tagline- Experience our Expertise

RBI Imposed Rs.1 Crore Penalty On SBI

The Reserve Bank of India (RBI) imposed a fine of Rs.1 crore penalty State Bank of India (SBI). This penalty was levied as the lender violated the RBI norms. RBI levied the penalty in the exercise of powers conferred under Section 47 A of the Banking Regulation Act, 1949 as SBI was not monitoring the end use of funds in respect of one of its borrowers.

RBI Resuced The Policy Repo Rate By 6.25 Percent

The Reserve Bank of India (RBI) reduced the policy repo rate by 25 basis points to 6.25% in a bid to revive economic growth as it projected retail inflation to remain below its target of 4% for the next 12 months. The rate reduction was the first since August 2017. The RBI also simultaneously changed the stance of the policy to ‘neutral’ from ‘calibrated tightening’, which indicates that the central bank remains ready to move in either direction based on incoming data.

Fino Payments Bank Partners With Suryoday Sfb To Offer Sweep Account Facility

Fino Payments Bank (FPB) announced the launch of a sweep account facility in association with Suryoday Small Finance Bank (SSFB). This partnership will help FPB address the issue of deposit limits that all the payment banks face at the moment. As per the Reserve Bank of India (RBI), payment banks can only take deposits upto Rs 1 lakh per account.