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26TH AUGUST - 01ST SEPTEMBER 2018

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WEEKLY GENERAL KNOWLEDGE BANKING & FINANCE CAPSULE (26th August to 01st September 2018)

Banking News

PSBs to close or rationalise about 70 overseas operations

- PSBs closed down 35 foreign operations last year as part of capital conservation exercise.
- State Bank of India has the largest number of overseas branches (52) followed by Bank of Baroda (50) and Bank of India (29).
- The state-owned banks have the largest number of branches in the UK (32) followed by Hong Kong and the UAE (13) and Singapore (12).
- As on January 31, 2018, PSBs had about 165 overseas branches, besides subsidiaries, joint ventures and representative offices.

Capital Conservation Exercise:

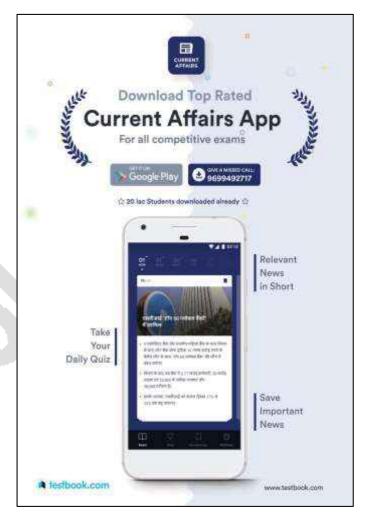
• Capital conservation is to ensure that banks builds up capital buffer which can be used against losses.

Big wilful defaulters' dues to PNB drop to Rs 15,175 crore in July

- PNB was hit by a scam of more than Rs 14,000 crore earlier in February.
- It was allegedly carried out by jeweller Nirav Modi and his associates and posted a net loss of Rs 940 crore in the first quarter ended June of the current fiscal.

India Post Payments Bank launched on 1st September.

- The nationwide launch took place in 650 branches and 3,250 access points on 1st September by Prime Minister in Delhi.
- The objectives of IPPB is to build the most accessible, affordable and trusted bank for the common man and to spearhead the financial inclusion agenda by removing the barriers for the unbanked and under-banked sector of population.
- Savings bank, current account and money remittances are the services provided by IPPB.
- IPPB also included door step banking and service through mobile carried by postman.



Bank body recommends for Cyber Insurance.

- The Indian Banks Association (IBA) has asked member banks to buy cyber insurance covers in the wake of several incidents of digital attacks on lenders
- Larger lenders have cyber insurance covers ranging from Rs 350 crore to Rs 500 crore.
- Many of the smaller players have only the Banker's Blanket Bond
- *Policy incuded risks like risks like cash in transit, bank robberies, physical frauds and forged documents, but not losses caused by malware.

RBI employees' 2-day Mass Leave to paralyse Banking Operations.

• UFRBOE member and All India Reserve Bank Employees Association General Secretary Samir Ghosh has stated that there will be mass casual leave on sept 4th and 5th to accept their demands.

- The main demands of the forum are providing an option to contributory provident fund (CPF) retainers to switch over to pension scheme.
- And grant of additional provident fund (APF) to those recruited in the bank from 2012.



HDFC to offers home improvement loans for Kerala flood victims

- HDFC will provide home improvement loans with zero processing fee and at lower rate of interest for rebuilding properties ravaged by floods in Kerala.
- MD of HDFC Renu Sud Karnad commented that HDFC is committed to support the people of Kerala affected by flood and to offer home improvement loans to all people whose properties have been impacted by the rains.
- It will be applicable to both applicable to NRIs and PIOs

Gold Ioan NBFCs may offer respite to Kerala borrowers.

- NBFCs lending against gold such as Manappuram Finance, Muthoot Finance NSE and comparatively smaller player Unimoni India are working on several initiatives that may offer respite to Keralites.
- The Reserve Bank of India has barred NBFCs from offering a loan to value ratio exceeding 75%.

• So, if one mortgages gold jewellery worth Rs 1 lakh, he can at best get a loan of only up to Rs 75,000.

Unimoni

• MD - Amit Saxena

Manapuram Finance

- MD VP Nandakumar
 - Headquarters Thrissur, Kerala

India's Banking Conclave 2018 held in New Delhi.

- At the end of month July, RBI told Paytm Payments Bank not to add any new customers with immediate effect
- This uncertainty over the lifting of restriction is still maintained.
- Paytm founder and CEO, Vijay Shekhar Sharma on August 23, 2018, had a meeting with RBI officials regarding the issue.

DBS as World's Best Bank for its Digital Innovation

- DBS Bank has been named the world's best bank by Global Finance magazine, in a reflection of its ability to invest in digital innovation while still maintaining stable operations for its customers.
- DBS is the first Asian bank to receive the accolade from the New York-based publication, which last year gave the title to ING Bank.

DBS Bank

- CEO Piyush Gupta
- Headquarters Singapore

PNB ranks top In Digital Transaction

- Department of Financial Services report has rated PNB as number one state-owned bank in terms of digital transactions.
- The bank is also rated as the sixth overall amongst all banks in India for digital performance.
- The bank is rated as 'Good' by the government with a score of 71 which is the highest category of performance.

Financial Schemes & MoUs

World Bank and India Sign 300 million dollar Loan Agreements.

- The Central government and the World Bank have signed 300 million dollar loan agreements for India Energy Efficiency Scale up Programme.
- They signed 220 million dollar Loan Agreement and an 80 million Guarantee Agreement for the Efficiency Scale-Up Program.
- This is to be implemented by the Energy Efficiency Services Limited (EESL).

World Bank to provide \$250 million Loan to Rajasthan.

- The Union Government, Rajasthan and the World Bank signed a USD 250 million Development Policy Loan (DPL) to support Rajasthan in improving the performance of its Electricity Distribution Sector under the State's '24x7 Power for All' program.
- The loan from the World Bank's International Bank for Reconstruction and Development (IBRD), has a 3 year grace period and a maturity of 21 years.

Cabinet approved MoU between India and USA.

- The Union Cabinet has approved a Memorandum of Understanding (MoU) between the Insurance Regulatory and Development Authority of India (IRDAI) and the Federal Insurance Office, USA.
- The MoU includes an exchange of information and research assistance with respect to each Authority's overview and other lawful responsibilities.
- IRDAI is a body set up under the IRDA Act, 1999.

ADB sign \$375mn loan for Irrigation

- The government of India and the Asian Development Bank (ADB) signed a \$375 million loan agreement to expand irrigation networks and system efficiency of Madhya Pradesh.
- The project will develop 125,000 hectares of new, highly efficient and climate resilient irrigation networks.
- The project aims to double farming incomes by benefiting over 800,000 people in Madhya Pradesh.

Appointments and Resignations

Goldman Sachs appoints Prachi Mishra as Chief Indian Economist.

- Leading global investment bank Goldman Sachs has appointed Prachi Mishra as managing director and chief India economist.
- Prior to joining Goldman Sachs, Mishra was the deputy division chief of the Western Hemisphere Department at the International Monetary Fund (IMF).

Rana Kapoor to continue as Yes bank MD and CEO after RBI's approval.

- Private sector lender Yes Bank has received RBI's approval for the continuance of Rana Kapoor as managing director and CEO of the bank till further notice from the central bank.
- The Bank had sought permission from the RBI for the reappointment of Kapoor for a period of three years starting September 2018 onward.
- He has been the bank's CEO since 2004.

