

testbook WEEKLY

GENERAL KNOWLEDGE
BANKING AND FINANCE

CAPSULE

21ST TO 27TH OCTOBER 2018

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“आपकी सफलता हमारा संकल्प”

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WEEKLY GENERAL KNOWLEDGE BANKING & FINANCE CAPSULE (21st to 27th October 2018)

Banking & Financial News

RBI Lifts the ban on Fino Payments Bank.

- Finally RBI has permitted Fino Payments Bank, one of India's first payments banks, to open new accounts after it submitted a compliance report.
- RBI had restricted the Payments bank from adding new customers since the end of May 2018.
- An RBI audit report revealed that some Fino Bank accounts had deposited in excess of the stipulated amount of INR 1 lakh.
- Paytm, Airtel, Fino, and Aditya Birla-Idea Payments Bank and India Post Payments Bank are the 5 payments bank operating in the country.

AI-Powered customer service app 'Khushi' launched by PNB Metlife.

- PNB Metlife has launched an Artificial Intelligence (AI)-powered customer service app named 'Khushi' for customers benefit.
- The app is launched to provide one-stop shop insurance-related information, anytime, anywhere.
- It will give information on policy features, premium, due date details besides providing fund value and portfolio details.
- 'Khushi' has the ability to understand customer intent and provide tailored responses to the users.
- 'Khushi' can interact with customers via text and speech both and when requested, the app can also locate the nearest PNB MetLife branch, arrange a call back from call center representatives, and fix an appointment with an advisor and much more.

SBI to invest in Hydropower Project in Nepal.

- The State Bank of India has decided to invest in the Arun III Hydropower Project of Nepal, which has 900 megawatts (MW) electricity production capacities.
- The net worth to be invested in the project is of Rs.80 billion.
- The SJVN has made an informal agreement with the SBI to acquire the investment as a loan and soon will make the formal agreement.
- With the completion of the project, Nepal will get 21.9 percent of the total electricity produced in a year i.e., 197 MW electricity with 86 crore unit for free in a year.

State Bank of India

- Chairman: Rajnish Kumar
- Headquarters: Mumbai
- Founded on : 1955

UK Subsidiary SBI Ltd launched by SBI with 225 mn pounds capital.

- The SBI has announced the launch of its UK subsidiary, SBI (UK) Limited, from its parent entity with an initial capital infusion of 225 million pounds.
- SBI, India's largest state-owned bank, has become the first foreign bank in the UK to ring fence its retail division from its wholesale business.
- SBI celebrated the launch of new subsidiary with a special event in London.

- The move is a reflection of the continued strength of UK-India ties, particularly in financial and professional services.

Syndicate Bank to get capital infusion from government.

- Public sector Syndicate Bank will receive capital infusion of Rs 728 crore from the government with respect to preferential allotment of shares.
- The fund was received by the bank in October and has been kept in Syndicate Bank Share Application Money Account.
- Earlier this year in July, five PSBs including Punjab National Bank, Corporation Bank and Andhra Bank had received capital infusion plan for this fiscal.

Amalgamated BoB-Dena-Vijaya Bank to get capital infusion from government.

- Amalgamation of Banks of Baroda, Dena Bank and Vijaya Bank to get promotional capital infusion from government to start the new bank on a stronger footing.
- The amalgamation with a combined business of Rs 14.82 lakh crore will be the first three-way consolidation of banks in India.
- The government expects synergies to lead to larger distribution network and more business for the new lender.

Dena Bank aims to bring down gross NPAs to reduce losses.

- Dena Bank aims to bring down gross non-performing assets (NPAs) to 15% from existing 22-23%, to curb its losses.
- Most of the resolution of NPAs of several corporate customers are in final stages at the National Company Law Tribunal (NCLT), or towards asset restructuring and one-time settlement.
- Dena Bank is working to improve its CASA (Current Accounts and Savings Accounts) ratio, which might help to increase its profitability.

IDFC Bank to be renamed as IDFC First Bank.

- IDFC Bank amalgamating with non-banking financial company Capital First, has proposed to change its name to 'IDFC First Bank Ltd'.
- The change of name requires approvals from RBI, National Company Law Tribunals, Statutory/regulatory authorities including the Registrar of Companies, Shareholders and other Stakeholders.
- The share swap ratio for the merger is fixed at 139:10, ie IDFC Bank will issue 139 shares for every 10 shares of Capital First.

Financial Schemes & MoUs

\$1 Billion Masala Bond Programme launched by IFC in US and Europe

- **World Bank's lending arm** International Finance Corporation (IFC), has launched \$1 billion masala bond programme in US and Europe.
- Simply Masala bonds can be described as overseas issued rupee-denominated borrowings.
- IFC uses thi Bonds to raise rupee funds overseas and brings the proceeds to India for investments.

Best Global Employers L&T Ranks 22nd in Forbes List.

- The only domestic firm to be featured among the top 25 companies in the Forbes' global 2000 best employers list, by Google parent Alphabet is Larsen & Toubro majoring in Engineering and construction.
- As per US magazine, L&T ranked 22nd in the list. Rest there are only four domestic firms in the top 100 list from India, which include Mahindra & Mahindra at 55, Grasim Industries at 59 and HDFC at 91, and only 24 domestic companies in the overall list.
- The Top 3 companies in the List are Alphabet, Microsoft and Apple.

Larsen & Toubro

- **Chairman:** Anil Manibhai Naik
- **Headquarters:** Mumbai
- **Founded on :** 1938



IFC to buy out stressed assets by setting up 3 funds in India.

- The International Finance Corporation (IFC) plans to acquire a fifth of the stressed assets emerging from **India's ongoing resolution of bank debt that's gone bad**, by setting up 3 funds in India.
- **IFC, World Bank's private finance arm will aim to** revive such assets so that they become profitable and jobs can be protected.
- Three funds that will solve 15-20% of the distressed assets problem include one for corporate, one for SMEs (small and medium enterprises), and one for retail.

Low sale in two-wheeler reported due to High Insurance Premium.

- Due to higher insurance premiums, rising fuel costs and poor market sentiment there has been steep fall in two wheeler sales.
- There has been decline in sales of almost 10-15% from last year with some dealers in eastern India reporting a 50% decline in sales during this season.
- IRDA of India earlier this year made five-year third-party insurance cover mandatory for all new two-wheeler owners i.e. premium for the five-year term must be paid up front, at the time of purchase.
- A one year personal accident cover of Rs.15 lakh was also made compulsory.

Insurance product to protect farmers launched by UK Firm Skyline Partners in India.

- Insurance Technology Company Skyline Partners plans to launch its inaugural weather insurance product to provide protection to farmers in India.
- This technology-enabled insurance solution will target the underinsured markets of the world and believe that their product will provide affordable protection for India's farmers.
- Main aim is to provide commercially viable and affordable insurance to the world's underserved markets.

Finance ministry all set to put PSB on fast track for recapitalisation plan.

- The finance ministry is all set to expedite the issue of recapitalisation bonds to public sector banks (PSBs) to shore up their capital base and enable them to support growth, when its lending capacity was infected due to liquidity crunch.
- Almost all the 21 PSBs, especially the 11 banks that **are under the central bank's prompt corrective action (PCA) framework**, have sought capital from the government to boost lending and meet regulatory requirements.
- The PCA banks are also expected to get the capital to meet their regulatory requirements but non-PCA ones will be given primarily growth capital.

SBI launches its first "Wealth Hub" in Mangalore.

- The nation's largest bank, **State Bank of India** launched its wealth business services by opening **"SBI Wealth Hub" for its clients.**
- **The bank has rebranded its wealth business as "SBI Wealth" offering best-in-class personalized banking and investment services** to its elite High Net worth Individual.
- HNI clients would be offered best products across categories from leading fund houses. They will also have the flexibility to invest, transact and view their portfolio, through digital channels like internet banking, mobile and remote relationship model.
- The bank has also launched Wealth Business services for NRIs and is in the process of setting of a state-of-the-art global e-Wealth centre at Kochi.

'PayPay' Mobile Wallet launched by Paytm in Japan.

- In collaboration with SoftBank and Yahoo Japan Corporation, Paytm has launched a QR-based smartphone payment settlement service in Japan.
- It is a smartphone-based settlement service that allows users to store money from a bank account in their 'PayPay' wallet and make payments with it.
- To allow customers to make offline payments, Paytm has built QRtech deployed in India.

Appointments and Resignations

Satish K Gupta appointed as MD & CEO for Paytm Payments Bank.

- Veteran banker Satish Kumar Gupta has been appointed as new Managing Director and CEO of Paytm Payments Bank.
- The post was lying vacant after Renu Satti stepped down in July 2018, who now heads the company's new retail business.
- The veteran banker had earlier served as the Deputy General Manager at State Bank of India where he worked for over three decades.

Paytm

- **CEO :** Renu Satti
- **Founder :** Vijay Shekhar Sharma
- **Headquarters:** Noida
- **Founded on :** 2010