

testbook WEEKLY

GENERAL KNOWLEDGE BANKING AND FINANCE CAPSULE

07TH TO 13TH OCTOBER 2018

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“आपकी सफलता हमारा संकल्प”

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WEEKLY GENERAL KNOWLEDGE BANKING & FINANCE CAPSULE (07th to 13th October 2018)

Banking & Financial News

Electronic Trading Platforms, 2018 directions released by RBI.

- The Reserve Bank of India issued guidelines for operating Electronic Trading Platforms (ETPs) to transact in eligible instruments.
- Trading on electronic platforms is being encouraged across the world as it enhances pricing transparency, processing efficiency and risk control.
- ETPs will mean any electronic system, other than a recognised stock exchange, on which transactions in eligible instruments.
- **'ETP Operator' is an entity authorised by the RBI to operate an ETP under these Directions.**

Reserve Bank of India

- **Governor :** Urjit Patel
- **Headquarters:** Mumbai
- **Founded on :** 1st April 1935

SBI Signs MoU with Nepal's NBI for Human Resource Development.

- State Bank of India has signed an MoU with Kathmandu-based National Banking Institute (NBI) for the development of human resources and further improvisation.
- The strategic training unit of SBI will impart education, training and development to facilitate transformation of NBI's HR department.
- Motive behind signing the MOU is to establish a mutually beneficial strategic alliance for development of NBI's human resources by imparting education, training and research.

State Bank of Mauritius recovers 90 per cent of its money lost in Cyber fraud.

- The State Bank of Mauritius lost approximately 190 crores in a major cyber-attack by fraudulent SWIFT payments.
- Based on proactive and prompt measures, SBM have managed to recover around 90% of the lost amount.
- The SBM India, a subsidiary of SBM Holdings, has branches in Mumbai, Chennai, Hyderabad and Ramachandrapuram.

Cash management companies forms SRO to address Industrial Risks.

- Cash management companies, providing cash transport and logistics support at ATMs as well as bank branches, have come together to form a self-regulatory organisation (SRO) to tackle the industrial risk.
- The move is a part of the Reserve Bank directive to the banks for setting standards for engaging service providers in cash management activities.
- The SRO, among other things will work towards mitigating the risks to the industry and ultimately facilitate the regulation of this sector by the central bank.
- The SRO could also work as an intermediary between the industry comprising a number of MSME players

as well as the regulator in addressing various concerns.

- **The SRO's Currency Cycle Association, will be** headed by former RBI executive director, U S Paliwal, as its CEO.

SBI to purchase loan assets from NBFCs.

- State Bank of India will increase its portfolio purchase of loans from Non-banking finance companies (NBFCs) to provide the much needed liquidity to the funds starved sector, and simultaneously fulfil its priority-sector obligations.
- Central bank has made it mandatory for the banks to lend 40 per cent of their deposits to small businesses, agriculture and home loans under a certain threshold.
- SBI is planning to purchase Loan assets worth Rs.45,000 crores.

State Bank of India

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

SBI reports fraud cases worth Rs 5,555 crore in past few months.

- The number of fraud cases reported in SBI reduced by just nine, while the amount involved rose by about 500 per cent.

- 1,329 cases of fraud, involving an amount of Rs 5,555.48 crore, came to light in country's largest bank, State Bank of India in past few months.

National Housing Bank Increases Refinance Limit.

- National Housing Bank (NHB) has decided to increase the Refinance Limit from Rs 24,000 crore to Rs 30,000 crore towards refinancing eligible institutions.
- Eligible Housing Finance Companies & Other entities have increased availability of funds.
- Refinancing is a credit flow to Housing Finance Companies & other Institutions. Till now Rs.8835 crore has been sanctioned.

National Housing Bank

- **MD :** Dakshita Das
- **Headquarters:** New Delhi.
- **Founded on :** 9, July 1988

Financial Schemes & MoUs

'Unnati Scheme' for Entrepreneurs from SC/ST Communities launched by Karnataka.

- The Karnataka Government has launched 'Unnati Scheme' to help entrepreneurs from SC/ST Communities.
- Under Unnati scheme, government will invest up to Rs 20 crore to create end-to-end support infrastructure for startups and entrepreneurs from a marginalised background.
- This scheme was launched by Karnataka Social Welfare Minister, Priyank Kharge.

'Nirman Kusuma' Scheme to provide financial assistance to the children

- Odisha government launched 'Nirman Kusuma' programme for providing financial assistance to the children of the construction workers for their technical education in the state.
- The children of construction workers would get financial assistance for their education in Industrial Training Institutes (ITIs) and polytechnics.
- An IT student will be entitled to get financial assistance of Rs. 23,600, a diploma student to get Rs. 26,300 per annum. A total of 1,878 students will get benefit from the programme.

IMF Projects India's Growth At 7.3% In 2018 and 7.4% In 2019.

- As per the IMF's latest report, India is projected to grow at 7.3% in 2018 and 7.4% in 2019.
- In 2017, India had clocked a 6.7% growth rate.
- The report predicted India to regain the tag of the world's fastest-growing major economy this year, leaving behind China with more than 0.7 percentage points.

International Monetary Fund

- MD : Christine Lagarde
- Headquarters: Washington
- Founded on : 27 December 1945

RBI with Centre decides to issue Sovereign Gold Bonds

- The Centre in consultation with the Reserve Bank of India has decided to issue Sovereign Gold Bonds every month from October 2018 to February 2019.
- The Bonds will be sold through banks, Stock Holding Corporation of India Limited, designated post offices and recognised stock exchanges National Stock Exchange of India Limited and Bombay Stock Exchange Limited.
- The 2018-19 Series II tranche will be issued on 23rd of October and the period of submission is 15th to 19th of October.

Central Government Hikes MSP for Rabi Crops

- Cabinet Committee on Economic Affairs, CCEA, has increased the Minimum Support Price (MSP) for all Rabi crops for the current financial year which will be marketed in 2019-20 season.
- The MSP of wheat has been raised by 105 rupees per quintal, Masur by 225 per quintal, and Gram by 220 per quintal.
- The decision will give additional return to the farmers, almost double the farmers income by giving at least 50 per cent return over cost of production.

IRDAI favors for 100% FDI for entire insurance intermediary sector

- The Insurance Regulatory and Development Authority of India (IRDAI) is in the favour of allowing 100 per cent foreign direct investment in insurance intermediaries in addition to insurance brokers, according to sources.
- The increase in foreign direct investment (FDI) limit to 100 per cent will not result in significant inflow of foreign capital.
- While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (per capita premium).

Appointments and Resignations**Rakesh Sharma appointed as new MD & CEO Of IDBI Bank.**

- Rakesh Sharma has been appointed as the managing director and chief executive officer of the bank.
- Rakesh Sharma has replaced B Sriram..
- Mr Sharma has been appointed for the period of six months. He retired from Canara Bank as the MD and CEO after serving for a period of three years.

IDBI

- MD & CEO : Rakesh Sharma
- Headquarters: Mumbai
- Founded on : 1964

HDFC Bank appoints Vinay Razdan as Chief Human Resources Officer.

- HDFC Bank has appointed Vinay Razdan as its chief human resources officer (CHRO), responsible for the entire human resource function in the Bank.
- Razdan joins the bank from Idea Cellular 2.23 %, where he was the CHRO.
- He had joined Idea in 2006 and spearheaded several transformational initiatives.

BoB CEO P.S. Jayakumar gets one-year extension

- The government extended the tenure of Bank of Baroda Managing Director and Chief Executive Officer P.S. Jayakumar by one year.
- Before joining Bank of Baroda, Jayakumar founded VBHC Value Homes Pvt. Ltd along with Jaithirth Rao and worked with Citigroup bank.
- Jayakumar is a chartered accountant by qualification.

RBI board gets two new directors

- The government has appointed Sachin Chaturvedi to the central board of the Reserve Bank of India.
- Revathy Iyer, a former Indian Audit and Accounts Services officer, was also nominated to the RBI board.
- Both are appointed for a period of four years with effect from September 19, 2018.
- With these appointments, RBI will now have 18 members on its central board.