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GENERAL KNOWLEDGE
BANKING AND FINANCE

CAPSULE

11TH-17TH NOVEMBER 2018

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“आपकी सफलता हमारा संकल्प”

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WEEKLY GENERAL KNOWLEDGE BANKING & FINANCE CAPSULE (11th to 17th November 2018)

Banking & Financial News

India's 1st Interactive Credit Card with Buttons launched by IndusInd Bank.

- **IndusInd Bank Launches India's 1st Interactive Nexxt Credit Card with Buttons**, which empowers customers with a choice of payment options such as EMI, Reward Points or Credit at the push of a button, on the card, at the point of sale (POS).
- **The bank claims it to be the nation's first interactive credit card with buttons.**
- According to the IndusInd Bank, Nexxt Credit Card provides customers with the flexibility of 3 payment options at a POS terminal - Credit, Converting Transactions into EMIs with 4 tenure options (6, 12, 18 & 24 months) or using accumulated Reward Points, by simply pushing a button on the card.
- The card has been created in partnership with Dynamics Inc, which is headquartered in Pittsburgh USA, and designs and manufactures intelligent, battery-powered payment cards.

IndusInd Bank :

- MD and CEO - Romesh Sobti
- Headquarters - Mumbai
- Founded on - 1994

Miscellaneous Loan Agreements Signed between India and Asian Development Bank.

- Important loan agreements signed between India and ADB in New Delhi are-
- A \$169 million loan as the First Tranche of a \$500 million multi-tranche financing to develop climate-resilient water supply, sewerage, and drainage infrastructure in at least 10 cities in the State of Tamil Nadu.
- A \$300 million Loan Agreement to support lending by India Infrastructure Finance Company Limited (IIFCL).
- A \$105 million loan to continue financing the transmission system upgrades in Himachal Pradesh for increased supply of hydropower to the state and the national grid.

\$105mn Loan Agreement signed between India and ADB for Himachal Pradesh.

- Asian Development Bank (ADB) and India have signed \$105mn Loan Agreement for Himachal Pradesh to continue financing the transmission system upgrades for increased supply of hydropower.
- The third tranche loan is a part of the 350 million dollar multi-tranche financing facility for Himachal Pradesh Clean Energy Transmission Investment Programme.
- This loan will help Government to benefit electricity consumers in the state and throughout northern India, by increasing the transmission system capacity for inflow of the hydropower generated in the state and rest of the nation.

Asian Development Bank :

- President - Takehiko Nakao
- Headquarters - Manila, Philippines
- Founded on - 1966

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Rs 50,000 crore cash drained from banks during Diwali.

- The highest growth noticed ever outside the demonetisation period, Indian account holders withdrew wads of cash ahead of Diwali.
- An increase in currency in circulation reduces the lendable resources of banks and pushes up interest rates.
- Currency returns to the banking system after festivals as individuals spend money and businesses deposit the cash back in bank that balances, that money in circulation.

'Sashakt India AMC' for large NPAs incorporated by Sunil Mehta panel.

- Sashakt India Asset Management, an asset management company (AMC) for resolving large bad loans in public sector banks has been formed.
- Panel is working towards identifying potential investors for an alternate investment fund (AIF) which will fund the AMC.
- Under Inter Creditor Agreement (ICA), a part of Project Sashakt, 33 banks have so far signed the agreement.
- ICA is a platform for banks and financial institutions to come together and take concerted efforts towards resolving dud loans under Rs.500 crore.

Non-performing assets under agriculture loans has risen upto 9000 crore.

- Due to debt waiver for small and marginal farmers up to Rs.2 lakh, farmers in the state of Punjab have stopped making repayment of their crop loans.
- Several farmers were reluctant in repaying their crop loans and it has become one of the reasons in the rise in NPA level under farm sector.
- The total outstanding agriculture advances in Punjab were to the tune of Rs.79,963 crore as on September 30, 2018.

Fine of Rs.3 crore each imposed by RBI on J&K Bank and Deutsche Bank.

- For non-compliance of various norms, including asset classification and KYC, The Reserve Bank has imposed a penalty of over Rs.3 crore on J&K Bank and Deutsche Bank.

- This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.
- Both the Banks has been fined on violation of IRAC norms and KYC/AML norms.

Prime Minister launches APIX Banking Technology in Singapore.

- To reach nearly two billion people worldwide who are still without bank accounts, Prime Minister has launched the APIX (Application Programming Interface Exchange), a banking technology platform to link them to bank.
- Prime Minister Modi has launched this technology platform in Singapore.
- APIX, a global Fintech platform will eventually connect Indian companies to financial institutions globally.
- The APIX will support banks to reach out to those without bank accounts in 23 countries including the 10 ASEAN members as well as major markets such as India, and small nations including Fiji.

Financial Schemes & MOUs

EPS to try its hands in Digital Banking.

- Electronic Payment and Services (EPS), a retail banking technology service provider, is diversifying its business by entering the fraud and risk management and transaction processing and enterprise reconciliation markets.
- EPS has partnered with Morocco-based m2m and Dubai-headquartered Ascent Business Group to use their products for these segments.
- EPS, setup in 2011, started offering end-to-end ATM operations and outsourcing services for public sector banks in India.
- EPS runs more than 12,500 brown-label ATMs for banks like State Bank of India, Canara Bank and Bank of India.

Brown-label ATMs :

- Brown-label ATMs are owned by banks and the management of these is outsourced to firms like Electronic Payment and Services.

HDFC disburses Subsidy to 51,000 Home Buyers under PMAY.

- Housing finance firm HDFC has disbursed over Rs.1,100 crore subsidy to over 51,000 customers under the government's flagship scheme Pradhan Mantri Awas Yojana (PMAY).
- HDFC has provided loans of over Rs.9,800 crore under PMAY-Credit Linked Subsidy Scheme (CLSS), to customers belonging to EWS (Economically

Weaker Section), LIG (Low Income Group) and Middle Income Group (MIG) category.

- The company on an average has been approving 8,300 loans on a monthly basis.

RBI injected Rs.12,000 Crore via OMO for more Liquidity.

- Through purchase of government securities, The Reserve Bank will inject Rs.12,000 crore into the system.
- RBI has decided to purchase government securities under Open Market Operations due to assessment of prevailing liquidity conditions and also of the durable liquidity needs going forward.
- The OMO operation will help ease tight liquidity situation triggered by series of default by group companies of IL&FS.
- OMOs are the tools which can be used to either inject or drain liquidity from the system.
- It is employed to adjust rupee liquidity conditions in the market on a durable basis.

Refinance Sanction for Rs.3500Cr given to PNB Housing Finance.

- PNB Housing Finance has obtained refinance sanction of Rs 3,500 crore from the National Housing Bank (NHB) in October 2018.
- These funds will be utilised for the specific sector wise disbursements/ end uses as per norms of the respective NHB refinance schemes.
- Fresh sanction of Rs 3,500 crore will strengthen the company's liquidity and also help in boosting the economic growth.
- PNB Housing Finance is engaged in the business of providing loans for purchase or construction of residential houses.

Appointments and Resignations

CEO of Flipkart Group Binny Bansal resigns.

- Binny Bansal, Co-founder of Flipkart Group resigns.
- This was announced by Walmart, the new owner of the e-commerce company.
- The new CEO of the Flipkart Group, Kalyan Krishnamurthy will now include Myntra and Jabong, will continue to operate as separate platforms within the Flipkart business.
- US-based Walmart had completed its \$16-billion acquisition of India's largest e-commerce firm Flipkart.

BIS announces Siddharth Tiwari as Chief Representative for Asia and Pacific.

- The Bank for International Settlements (BIS) announced Siddharth Tiwari joining as the Chief Representative for Asia and the Pacific.
- Siddharth succeeds Eli Remolona, who was the previous Chief Representative of the Asian Office.

- He held this position from 2008 to 2018.

Yes Bank Chairman Ashok Chawla Resigns.

- After being named in a corruption charge sheet by the Central Bureau of Investigation (CBI), Ashok Chawla, chairman of Yes Bank Ltd, resigned
- Mr. Ashok Chawla is the present Chairman of the Board of Directors of NSE.

Yes Bank :

- MD and CEO - Rana Kapoor
- Headquarters - Mumbai
- Founded on – 2004

OP Bhatt resigns as External Expert of Search & Selection Panel from Yes Bank

- Former SBI chairman OP Bhatt quit the panel set up by the private lender to find a successor to its MD and CEO Rana Kapoor.
- Bhatt, was an external expert on the Search and Selection Committee (S&SC) formed to find a successor to the bank's MD and CEO Rana Kapoor whose term ends in January 2019.
- Bhatt is under CBI's scanner in connection with loans given to the now defunct Kingfisher Airlines, promoted by fugitive liquor baron Vijay Mallya.