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GENERAL KNOWLEDGE
BANKING AND FINANCE

CAPSULE

18TH NOVEMBER TO 24TH NOVEMBER 2018

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“आपकी सफलता हमारा संकल्प”

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WEEKLY GENERAL KNOWLEDGE BANKING & FINANCE CAPSULE

(18th November to 24th November 2018)

Banking News

CASA campaign 'KBL SB - TASC' launched by Karnataka Bank.

- A special campaign for opening current account and savings accounts (CASA) has been recently launched by Karnataka Bank.
- The campaign will remain in force for a period of three-and-a-half months from November 15 to February 28.
- The new SB scheme 'KBL SB - TASC' has been introduced as a specialized product for Trusts, Associates, Societies and Clubs.
- Bank intends to open more than 4.18 lakh Current & Savings accounts by the active involvement of its 8000 plus workforce in all the 823 branches across India.

Karnataka Bank

- **MD & CEO** – Mahabaleshwara MS.
- **Headquarters** – Mangalore
- **Founded in** - 1924

Affordable Housing Funds and SME launched by SBICAP Ventures.

- SBICAP Ventures (SVL) is a wholly owned subsidiary of SBI Capital Markets and an alternative asset manager .
- SBICAP Ventures has launched two funds for the small and medium enterprises (SMEs) and affordable housing sectors.
- The SME fund is expecting to raise a corpus of Rs 400 crore, while the affordable housing fund would look at raising Rs 350 crore.

SBI Capital Markets

- **MD & CEO** – Varsha Purandare

\$310 mn Loan Agreement signed between India and ADB for Jharkhand.

- Asian Development Bank (ADB) and India have signed \$310 mn Loan Agreement for Jharkhand to provide reliable, quality, and affordable 24x7 electricity to the citizens of Jharkhand.
- The \$310 Million Loan from the International Bank for Reconstruction and Development (IBRD), has a 5-year grace period.
- It has a final maturity of 25 years.

Asian Development Bank

- **President** – Takehiko Nakao
- **Headquarters** – Manila, Philippines
- **Founded in** - 1966

Expert Panel to Look Into Issues on Capital Surplus to be set up by RBI.

- A high-powered committee to examine issues related to the surplus capital of Rs 9.69 lakh crore with the Central Bank has been set up by RBI Board.
- The Committee has been advised to consider a scheme for restructuring stressed assets in the MSME sector.
- Along with this the Board for Financial Supervision (BFS) of the RBI would also examine the issues concerning the banks health under Prompt Corrective Action (PCA) framework and the Economic Capital Framework – ECF of RBI.

Reserve Bank of India

- **24th Governor** – Dr. Urjit Patel
- **Headquarters** – Mumbai
- **Founded in** - 1935

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

- Sunil Mehta, the chairman of a bankers' panel working on the faster resolution of stressed assets in public sector banks, had announced Sashakt India Asset Management, an asset management company (AMC) for resolving large bad loans.
- Panel is working towards identifying potential investors for an alternate investment fund (AIF) which will fund the AMC.
- The government in July 2018 has proposed a five-pronged strategy under Project Sashakt to tackle stress in the banking sector, and had formed a panel led by Sunil Mehta.
- ICA is a platform for banks and financial institutions to come together and take concerted efforts towards resolving dud loans under Rs 500 crore.

50% ATMs in India may shut by March 2019: CATMi.

- As per Confederation of ATM Industry (CATMi), nearly 50 percent of Automated Teller Machines (ATMs) may be shut down by March 2019 due to unviability of operations, hitting hard both urban and rural population, and dealing a blow to the digitization policy.

- Currently, India has approximately 238,000 ATMs installed, of which around 113,000 ATMs, including 100,000 off-site and more than 15,000 white label ATMs, are expected to shut down.
- Closure of the ATMs will impact thousands of jobs and also the the financial inclusion efforts of the government.
- Recent regulatory changes, including those on hardware and software upgrades, coupled with mandates on cash management standards and the cassette swap method of loading cash, will make ATM operations unviable.

Bank deposits grows by 9.13% and credit by 14.88%, .

- As per RBI Bank credit rose 14.88 per cent to Rs 91.11 lakh crore, while deposits grew by 9.13 per cent to Rs 118.25 lakh crore.
- Non-food credit rose by 11.3 per cent.
- Bank Loan to the services sector expanded by 24 per cent.
- Personal Loan rose by 15.1 per cent.
- Advances to Industry, agriculture and allied activities also rose up.
- Banks may get Rs 13,400 crore capital exemption from RBI.
- The RBI pushed back the deadline by a year to March 2020 for banks to create a capital conservation buffer of 2.5% instead of the current 1.875%.
- This will provide some buffer time for the 10 banks which fall under minimum requirement of the equity capital ratio to have a reserve of freed up capital to infuse into the system.
- The biggest beneficiary of this would be the government, because the RBI decision would lessen the burden on it to bridge a capital shortage at several state-run banks.
- 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.

Bank moves RBI after SBI's YONO suspends paperless a/c opening via Aadhaar.

- The State Bank of (SBI) has disabled the facility of opening paperless bank account through 'You Only Need One' (YONO) temporarily, hence customers are required to visit a branch to open an account.
- The digital platform 'YONO', launched in November 2017, offers all financial services and lifestyle products and services of the bank including opening an account without even visiting a bank branch.
- customers can also transfer funds, avail of pre-approved personal loan sans any paperwork and get overdraft facility against fixed deposits .
- As e-KYC is not being permitted Banks ask RBI for an alternate option.

Financial Schemes & MoUs

E-commerce shopping portals Myntra and Jabong To Merge .

- Online fashion retailer Myntra will amalgamate with its friendly firm Jabong and the amalgamated firm will continue to be led by Myntra CEO Ananth Narayanan.

- The two will, however, continue to operate as separate brands.
- Myntra was acquired by Flipkart in 2014 and Jabong was acquired by Myntra in 2016.
- The two brands have been steadily integrating key business functions and streamlining processes since Jabong was acquired by Myntra.

The advertisement features a smartphone displaying the 'Current Affairs App' interface. The app shows a news article with a headline in Hindi: 'एसबीआई 'टॉप 50 ग्लोबल बैंक' में शामिल'. Below the headline, there are bullet points of news items. The app interface includes a 'Daily Quiz' button on the left and 'Relevant News in Short' and 'Save Important News' on the right. Above the phone, there are instructions to 'Download Top Rated Current Affairs App' and 'For all competitive exams'. It also provides 'GET IT ON Google Play' and 'GIVE A MISSED CALL: 9699492717'. A badge indicates '20 lac Students downloaded already'. The testbook.com logo and website URL are visible at the bottom.

Pune hosted Indo-Japan Business Council's Business Festival.

- The Indo-Japan Business Council (IJBC), hosted KONNICHI WA PUNE - a first of its kind business festival in Pune.
- The festival was aimed to boost investment, promote businesses and cultural exchange between India and Japan.
- Of the total 1309 Japanese firms in the country, Maharashtra has more than 750 of them operating in various sectors, and the number tends to increase further as more Japanese companies are now looking for investment in the state.

NSE Launches NSE goBID For Retail Investors to Buy G-sec.

- National Stock Exchange of India (NSE) has launched a mobile application and web-based platform for retail investors to buy government securities.
- The new app - NSE goBID, was launched by Sebi chairman Ajay Tyagi.

- The platform will allow retail investors to invest in treasury bills (T-Bills) of 91 days, 182 days and 364 days and various government bonds from one year to almost 40 years.

National Stock Exchange

- **Chairperson** – Ashok Chawla
- **Headquarters** – Mumbai

4th Annual Ease report of Doing Business released in India.

- The 4th 'UK India Business Council Ease of Doing Business Report' has been released.
- It highlighted that UK businesses' perceptions of corruption as a barrier to operating in India has halved since 2015.
- 46% of UK Businesses responding had plans to expand their investments in India in the next 12 months.
- After the Survey of businesses with a combined turnover of USD 122 billion, the report found only 25% of UK businesses saw corruption as a major barrier in 2018, as opposed to 51% in 2015.

LIC partners with Paytm for Insurance Premium Payments.

- Life Insurance Corporation of India (LIC) has partnered with the Paytm (One 97 Communications Limited) to offer online insurance premium payments on its platform.
- Softbank-backed Paytm will provide premium payment solutions from over 30 insurance companies including LIC, ICICI Prudential Life, Reliance Life, and Max Life Insurance among others.

Rules For Reclassification Of Promoter as Public Investor chalked out by SEBI.

- Markets regulator Security and Exchange Board of India (SEBI) has come out with new rules for re-classification of a promoter as a public investor.
- As per the rule an outgoing promoter will have to relinquish special rights as well as control over the affairs of the listed firm and not be allowed to hold over 10% stake.
- Besides, the promoter would not be allowed to have any representation on the board of directors or act as a key managerial person in the listed entity.

Securities and Exchange Board of India

- **Chairperson** – Ajay Tyagi
- **Headquarters** – Mumbai

Appointments and Resignations

Ajay Bhushan Pandey Appointed New Revenue Secretary.

- The Appointments Committee of the Cabinet appointed Unique Identification Authority of India (UIDAI) CEO Ajay Bhushan Pandey as the new revenue secretary.
- He will succeed current Finance and Revenue Secretary Hasmukh Adhia.
- Mr Adhia is retiring on November 30 and till then Mr Pandey will continue to hold the charge as the CEO of UIDAI and GSTN Chairman until further orders.

Yes Bank Director R. Chandrashekhar Resigns.

- Concerned about recent events at the company, R. Chandrashekhar, an independent director at Yes Bank Ltd resigned.
- Yes Bank has been ordered by India's central bank to replace its chief executive officer, Rana Kapoor.