

Banking & Economy Affairs Weekly One-Liner

(15th-21st March 2019)



**Weekly One Liner
Banking & Economy Affairs
(15-21 March 2019)**

Dear readers,

Weekly One Liner is a collection of important Banking & Economy Affairs news and events that occurred in the third week (15-21st) of March 2019. This file is important for all upcoming Banking & Insurance exams.

RBI related news

1. SBI, ICICI, HDFC Bank to remain as Domestic Systemically Important Banks (D-SIBs): RBI

- SBI, ICICI Bank and HDFC Bank continue to be in the Reserve Bank of India's list of Domestic Systemically Important Banks (D-SIBs) for 2018.
- As per the notification, SBI, ICICI Bank, and HDFC Bank continue to be identified as Domestic Systemically Important Banks (D-SIBs), under the same bucketing structure as last year.
- D-SIBs are required to maintain higher capital as compared to other banks.
- The additional Common Equity Tier 1 (CET1) requirement for D-SIBs has already been phased-in from April 1, 2016, and will become fully effective from April 1, 2019.

2. A new Ways and Means limits for the state governments has been fixed by RBI

- On 18th March 2019, Reserve Bank of India proposed to replace the previous expenditure-based system with a rule-based approach in fixing new Ways and Means limits for the state governments and set up a panel to recommend the parameters of the new system.
- The objective of this reform is to prevent automatic monetization of deficits.
- To bridge temporary liquidity mismatches Reserve Bank of India which acts as debt manager for state governments make available short-term loan for them. This short-term loan facility is called Ways and Means

3. RBI not in favour of changing IDBI Bank's name

- According to the sources, the RBI is not in favour of changing the name of IDBI Bank.
- The IDBI Bank's proposal for changing its name has not found any favour from the Reserve Bank of India.
- The board of IDBI Bank last month proposed change in the name of the lender to either LIC IDBI Bank or LIC Bank, following its takeover by Life Insurance Corporation.
- In January, LIC completed the acquisition of 51 percent controlling stake in IDBI Bank, marking the entry of more than 60 years old state-owned insurer into the banking space.

4. Indian banks' deposits rose 9.8 per cent y/y in a fortnight to March 1: RBI

- According to the Reserve Bank of India's weekly statistical supplement data, Indian banks' loans rose 14.6 percent in the two weeks to March 1 from a year earlier, while deposits rose 9.8 percent.
- Outstanding loans rose by 891.1 billion rupees (\$12.90 billion) to 95.29 trillion rupees in the two weeks to March 1.
- Bank deposits rose by 1.11 trillion rupees to 122.30 trillion rupees in the two weeks to March 1.

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5. India posts highest growth in patent applications in WIPO during 2018

- On 19th March 2019, India registered the highest growth of 27% among countries in patent applications in 2018 with the World Intellectual Property Organization (WIPO).
- India filed 2013 international patent applications during the year.
- In the volume of patent filings, India fall below China and the US. China is expected to overtake the US as the leading hub for global innovation as per WIPO.

World Intellectual Property Organization (WIPO)

- WIPO was created in 1967 "to encourage creative activity, to promote the protection of intellectual property throughout the world".
- Headquarters: Geneva, Switzerland

6. J&K Bank to sell a stake in PNB Metlife for ₹ 185 cr

- Jammu and Kashmir Bank said it proposes to sell its stake in PNB Metlife India to private equity player Oman India Joint Investment Fund II for ₹ 185 crore.
- According to the J&K Bank, bank has executed share purchase agreement with Oman India Joint Investment Fund II for sale of 4.1 crore shares of PNB MetLife India Insurance Company Ltd.
- Jammu and Kashmir Bank holds 5 per cent stake in the insurance venture.

Note:

- PNB MetLife India Insurance is a joint venture between MetLife International Holdings Inc, Punjab National Bank, Jammu and Kashmir Bank, M Pallonji and Company Pvt Ltd and other private investors.

7. Avenue India joins as new sponsor shareholder of Arcil

- Asset Reconstruction Company (India) (Arcil) announced Avenue India Resurgence Pte Ltd as its new sponsor shareholder following completion of the secondary purchase from a few existing shareholders.
- Avenue India is an arm of the New York-headquartered global investment firm, Avenue Capital Group.
- In November 2018, Avenue reportedly acquired a 27 per cent stake in Arcil.

8. Fitch cuts India GDP growth forecast for FY20 to 6.8%

- According to Credit rating agency 'Fitch', India's economic growth forecast for the next financial year starting April 1, to 6.8% from its previous estimate of 7%.
- Fitch Ratings cut India's FY19 GDP growth forecast to 7.2% from 7.8% on December 6.
- The rating agency has also cut growth forecasts for FY20 and FY21 to 7% from 7.3% and 7.1 per cent from 7.3%, respectively.

9. Aviva Life Insurance launches Wings to empower women at the workplace

- Aviva Life Insurance has announced the launch of 'Wings', a specially designed mentorship program to empower the female workforce.
- The program is an initiative of the SHE division of the company, for mentoring all the women employees.
- The new initiative has been aimed to empower the women in Aviva to fulfil their professional and personal goals.

Note:

- Aviva Life Insurance is a joint venture between Dabur Invest and Aviva International Holdings, a UK-based insurance group, whose association with India goes back to 1834.

10. SBI Yono App to allow cardless withdrawals

- The State Bank of India has launched the **YONO Cash service** for its customers which will allow them to withdraw cash from ATMs without their debit cards.
- Such SBI ATMs will be called YONO Cash Point.
- SBI customers can use the YONO app on their smartphones to withdraw cash from SBI ATMs, or YONO Cash Points, without using their debit and credit cards.

- After installing the YONO app on their phones, SBI account holders will have to set a 6-digit YONO PIN for withdrawing cash.
- Once a request for withdrawing cash is placed, a 6-digit code will be sent to the user's phone via SMS, which will then have to be entered into a YONO Cash Point.

Note:

- On 3 December 2018, SBI appointed Swapna as the brand ambassador for its digital app 'YONO' (You only need one).
- YONO' is the first digital banking platform which offers customized products to customers.

11. Fresh NPAs to moderate in FY'20: ICRA

- According to the ratings firm Icra; fresh NPAs in the banking sector are expected to moderate to 1.9 to 2.4 per cent in FY'20.
- Icra expects gross NPAs of the banking sector to 8.3 lakh crore or 7.9 per cent for March 2020, as compared to estimated 9.2 per cent as of March 2019.

12. Bandhan Bank acquire Gruh Finance

- Reserve Bank of India provided no objection to Bandhan Bank for the proposed acquisition of Gruh Finance.
- Gruh Finance Limited is an Ahmedabad headquartered Subsidiary of HDFC Limited.
- It is a Housing Finance Company (HFC) recognized by the National Housing Bank (NHB) and it was taken over in January by Bandhan Bank in a share-swap deal.
- India's largest mortgage lender HDFC can hold 9.9% in the bank, according to its exchange filing. That's the maximum a non-banking finance company can own in a private bank. HDFC had sought approval for 14.96%.

13. Aamir Khan appointed the Brand Ambassador of PhonePe

- PhonePe (UPI based payment app company) has appointed Bollywood actor Aamir Khan as its Brand Ambassador.
- PhonePe is one of India's fastest growing payment platform and is based on UPI.
- It is headquartered in Bengaluru.

Committee

14. Niti Aayog CEO Amitabh Kant to head transformative mobility panel

- Niti Aayog CEO **Amitabh Kant** will head the National Mission on Transformative Mobility and Battery Storage, which is being set up to promote clean and sustainable mobility initiatives in the country.
- The Union Cabinet on March 7 had approved setting up of the National Mission on Transformative Mobility and Battery Storage.

Appointment

15. Justice PC Ghose takes oath as India's first Lokpal of India

- Justice Pinaki Chandra Ghose took oath as the first Lokpal of India in the presence of President Ram Nath Kovind and Prime Minister Narendra Modi.
- Justice Ghose, the former Supreme Court judge was appointed as the first Lokpal or anti-corruption ombudsman of India on March 19 by the President.
- The Lokpal will have four judicial and four non-judicial members.
- Four judicial members appointed are - Justice Dilip B. Bhosale, Justice Pradip Kumar Mohanty, Justice Abhilasha Kumari and Justice Ajay Kumar Tripathi.
- Four non-judicial appointed are - Dinesh Kumar Jain, Archana Ramasundaram, Dr. Indrajeet Prasad Gautam and Mahender Singh.

About PC Ghose

- He is a member of the National Human Rights Commission since 29th June, 2017.
- He had assumed charge as Supreme Court judge on March 8, 2013.
- He is a former judge of the Calcutta High Court and former Chief Justice of the Andhra Pradesh High Court.

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- Born in Kolkata, Justice Ghose is son of Late Justice Sambhu Chandra Ghose, former Chief Justice of Calcutta High Court.

Note:

- The Lokpal and Lokayukta Act, which envisages appointment of a Lokpal at the Centre and Lokayuktas in states to look into cases of corruption against certain categories of public servants, was passed in 2013.

Economy News

16. Integral Coach Factory of Chennai became the world's largest rail coach manufacturer

- Indian Railways Integral Coach Factory (ICF) has surpassed the top Chinese manufacturers after creating a 40% record increase in its production.
- With this, Indian Railway's oldest and premier coach manufacturing unit becomes the single largest rail coach manufacturer in the world.
- ICF has manufactured 2,919 coaches from April 2018 to February 2019 as compared to 2,600 coaches by Chinese manufacturers.

Note:

- Besides ICF Indian Railways has 2 coach manufacturing facilities namely Rail Coach Factory, Kapurthala and Modern Coach Factory, Rae Bareilly.

17. 34th GST Council meeting held in New Delhi

- On 19th March 2019, Union Finance Minister Arun Jaitley chaired 34th meeting of the Goods and Services Tax Council in New Delhi.
- It discussed the operational details for implementation of the recommendations made by the 33rd meeting of the council.
- The tax rate for under construction flats slashed to 5% and affordable homes to 1% without input tax credit (ITC) by the GST Council.
- Currently 12% GST is levied with input tax credit on payments made for under construction properties. It will be effective from April 1st.

18. Bank of England recognized Metropolitan Clearing Corporation of India Ltd (MCCIL) as a Third-Country Central Counterparty (TC-CCP)

- Metropolitan Clearing Corporation of India Ltd (MCCIL) has become the first clearing corporation in India to receive recognition as a Third-Country Central Counterparty (TC-CCP) by Bank of England for offering various clearing services to UK-based entities.
- The recognition has been granted under United Kingdom's Temporary Recognition Regime (TRR).

Metropolitan Clearing Corporation of India Ltd

- It is a subsidiary of Metropolitan Stock Exchange of India Ltd. (MSE) recognised by SEBI as clearing corporation and started its operations on 16th February 2009.

19. 4th Round of FTA talks between India and Peru held in Lima

- 4th Round of Free Trade Agreement (FTA) talks between India and Peru concluded in Lima on 15th March.
- The FTA agreement is aimed to enhance the two-way commerce between India and Peru.
- The Bilateral trade between India and Peru has been increased from 1.77 billion dollars in 2016-17 to 3.13 billion dollars in 2017-18 and Lima ranked third among export destination for India in Latin America and Caribbean region.

20. Wholesale Inflation increases in February

- The Wholesale Price Index is released by the Office of Economic Advisor (OEA), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.
- Inflation based on wholesale prices rose to 2.93% in February over January 2019 due to hardening of prices of primary articles, fuel and power.
- Wholesale Price Index (WPI) based inflation stood at 2.76% in January 2019 and it was 2.74% during February 2018.

- The Base year for the calculation of the Wholesale Price Index is 2011-12.

21. India sets 'aspirational' target for engineering exports at \$200 billion by 2025

- Raising the bar, India has set an aspirational target of \$200 billion by 2025 for engineering exports, following a road map suggested by an EEPC India-Deloitte strategy paper, based on inputs from the Commerce Ministry and the industry.
- Engineering exports, which contribute 25% of India's total export basket are projected at \$80-82 billion in the current financial year ending March 31, according to EEPC India Chairman Ravi Sehgal.

22. 14th CII-EXIM Bank Conclave on India-Africa Project Partnerships Concludes in New Delhi

- The 14th CII-EXIM Bank Conclave on India-Africa Project Partnerships concluded in New Delhi on 19th March 2019.
- The conclave was organised by the Ministry of Commerce in association with Confederation of Indian Industry and EXIM Bank of India.
- India's development cooperation ranges from power projects and dams in Sudan and Rwanda to water treatment plants in Tanzania, sugar factories in Ethiopia and IT Parks in Mozambique and Swaziland, building of the Presidential Place in Ghana and National Assembly building in the Gambia, besides other numerous projects.

Note:

- The conclave held annually, since its inception in 2005.
- The event also marks the deepening of India-Africa economic and business ties and paves the way for a whole range of cross-border project partnerships.

23. India Energy Modelling Forum

- Niti Ayog in association with the United States Agency for International Development (USAID) organized the first workshop on the development of the India Energy Modelling Forum (IEMF).
- The workshop was organized under the Sustainable Growth Pillar of the India-U.S. Strategic Energy Partnership.
- **Under the Strategic Partnership, the United States and India will pursue four primary pillars of cooperation:**
- Oil and Gas
- Power and Energy Efficiency
- Renewable Energy and Sustainable Growth
- Coal

24. SpiceJet becomes first Indian low-cost airline to join IATA

- SpiceJet has joined global airlines' grouping International Air Transport Association (IATA) as a member, becoming the first Indian low-cost carrier to get the membership.
- The IATA represents more than 290 airlines, including Air India, Jet Airways and Vistara.

Agreement

25. ICICI Lombard partnered with MobiKwik to provide cyber-insurance

- ICICI Lombard and digital financial services company MobiKwik entered into a partnership to provide cyber insurance cover of Rs. 50000.
- It aims to provide protection against unauthorised and fraudulent transactions online across debit/credit cards, bank accounts and mobile wallets.
- The service will be available through an app at Rs. 99 per month along with an insured sum of Rs. 50000.
- To enjoy the benefit of a stress-free and secured transaction MobiKwik users can avail the 'Commercial Cyber Insurance' policy underwritten by ICICI Lombard.

26. WhatsApp and NASSCOM Foundation collaborated to tackle misinformation

- WhatsApp has joined hands with NASSCOM Foundation, to tackle the challenge of misinformation.
- The aim of the partnership is to train 100,000 Indians to spot false information and provide tips and tricks to stay safe on WhatsApp.

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27. India, US to Sign Pact for Exchange of Country-By-Country Reports

- Both India and the US will sign an agreement to facilitate the exchange of country-by-country (CbC) reports filed by the ultimate parent corporations based in either of the countries.

28. ADB to invest \$50 million in Solar Power Project Developer Avaada

- Asian Development Bank (ADB) has inked an agreement to invest USD 50 million in solar energy project developer Avaada Energy Pvt Ltd to help the company scale up rapidly.
- The investment will come equally from ADB's Ordinary Capital Resources and Leading Asia's Private Infrastructure Fund (LEAP). LEAP is a funding arrangement provided by Japan International Cooperation Agency (JICA) which is administered by ADB.

29. IBBI and SEBI sign pact for Effective Implementation of IBC

- Insolvency and Bankruptcy Board of India (IBBI) and Securities and Exchange Board of India (SEBI) have signed a Memorandum of Understanding (MoU) to assist and co-operate with each other for the effective implementation of the Insolvency and Bankruptcy Code.

30. Maldives sign agreement with Exim Bank to Finance Infrastructure Projects

- Maldives finance ministry has signed an agreement with India's Export-Import Bank (EXIM) for line of credit (LOC) of 800 million US dollars to finance the new government's infrastructure projects.

31. SBI signed MoU with Bank of China for Business Opportunities

- State Bank of India has signed a pact with the Bank of China to boost business opportunities.
- SBI has signed an MoU to enhance business synergies between both the banks.
- SBI has a branch in Shanghai and BOC is opening its branch in Mumbai.

32. India & Afghanistan signed an MoU on digital education initiatives

- The Ministry of Human Resource Development (HRD) has signed a memorandum of understanding (MoU) with the Afghanistan government at Indian Institutes of Technology (IIT) Madras to work on a digital education initiative
- This collaboration hopes to contribute to bilateral relations and beget mutual benefits for the two countries.

Survey & Reports

33. Singapore, Paris and Hong Kong shared top spot in World's Most Expensive Cities Survey

- The annual Economist Intelligence Unit (EIU) survey listed Singapore, Paris and Hong Kong as the world's most expensive cities.
- In the 30-year long history it is for the first time the three cities are sharing the top spot.
- Zurich and Geneva in Switzerland ranked fourth and fifth respectively in the Expensive Cities list while Osaka in Japan ranked 6th position.
- As per EIU, Bengaluru, Chennai and New Delhi ranked 5th, 7th and 8th position respectively among the top ten cheapest cities.

Economist Intelligence Unit

- Headquarters: London, England

34. World Happiness Report: India ranked at 140th position

- India is ranked 140th out of 156 nations in World Happiness Report 2019.
- The World Happiness Report was released by the Sustainable Development Solutions Network for the United Nations on March 20, the International Day of Happiness.
- Finland topped the list. Denmark ranked second followed by Norway.
- Pakistan ranked 67th, Bhutan 95th, China 93rd, Bangladesh 125th, and Sri Lanka 130th while South Sudan ranked last in the World Happiness Report

35. Counterfeit and pirated goods represent 3.3% of global trade: EUIPO report

- As per European Union Intellectual Property Office (EUIPO) report, counterfeit and pirated goods amounted to 3.3% of global trade. It amounts to \$522 billion in global sales.

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- China, Hong Kong, United Arab Emirates, Turkey, Singapore, Thailand, India and Malaysia are the countries which mainly export pirated and counterfeits goods.
- United States, Japan, South Korea and EU state are the countries where the companies affected the most by counterfeit and pirated goods.

European Union Intellectual Property Office (EUIPO)

- It was founded in 1994.
- It is a European Union Agency responsible for the registration of the European Union trade mark and the registered Community design.
- Headquarters – Alicante, Spain
- Executive Director – Christian Archambeau

36. Tata, Reliance & Airtel Emerge Best Indian Brands Of 2019

- According to a report published by Interbrand, part of the Omnicom Media Group - Tata, Reliance, and Airtel emerged as the top three Indian brands of 2019.
- Tata continued to hold the top position in the best Indian Brands ranking as its brand value grew by 6%, mainly due to Tata Consultancy Services (TCS).
- Knocking Airtel off from the 2nd spot, Reliance’s brand value grew by 12%, bolstered by the success of Jio.
- Airtel stood at number 3.

Banking & Economy Terminology

- 37. IBBI - Insolvency and Bankruptcy Board of India
- 38. SEBI - Securities and Exchange Board of India
- 39. WPI - Wholesale Price Index
- 40. FTA - Free Trade Agreement
- 41. TC-CCP - Third-Country Central Counterparty
- 42. TRR - Temporary Recognition Regime
- 43. NHB - National Housing Bank
- 44. YONO - You only need one
- 45. ARC - Asset Reconstruction Company
- 46. D-SIBs - Domestic Systemically Important Banks

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