

Banking & Economy Affairs Weekly One-Liner

(15th-21st April 2019)



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Dear readers,

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

RBI related news

1. RBI issues ₹50 notes signed by Governor Shaktikanta Das

- The Reserve Bank of India (RBI) on 16 April 2019, issued ₹50 denomination banknotes bearing the signature of Governor Shaktikanta Das.
- The design of these notes is similar in all respects to ₹50 banknotes in Mahatma Gandhi (new) series.

About Rs. 50 banknotes

- The base colour of the new note is fluorescent blue.
- It has a motif of Hampi with Chariot on the reverse, depicting the country's cultural heritage.
- The dimension of the banknote is 66 mm x 135 mm.
- On the reverse side, the note has a 'Swachh Bharat' logo printed on it with its slogan.

2. RBI proposes to allow fintech start-ups to test regulatory sandbox

- Reserve Bank of India (RBI) released a 14 page draft document named "Enabling Framework for Regulatory Sandbox."
- The Reserve Bank of India proposed that fintech start-ups could set up regulatory sandbox or live-testing of innovative products and services in segments such as retail payments, money transfer, artificial intelligence and data analytics in the financial sector.
- The concept of a RS was mooted by a committee headed by RBI Executive Director Sudarshan Sen. The panel, which submitted its report in November 2017, had called for a regulatory sandbox to help firms experiment with fintech solution.
- A regulatory sandbox (RS) usually refers to live-testing of new products or services in a controlled and test regulatory environment for which regulators may or may not permit certain regulatory relaxations for the limited purpose of the testing.

Banking & Insurance

3. Bajaj Finserv launches industry first proposition to pay electricity bill on EMIs

- Bajaj Finserv through its lending arm Bajaj Finance Ltd. has launched a unique proposition through its campaign #BijliOnEMI wherein customers buying air-conditioners on EMI can avail an Insta Credit loan in their Bajaj Finserv Wallet which they can use to pay their electricity bills on EMI.
- The campaign is aimed to help their customers finance the high electricity bills that may arise due to extensive usage of conditioners during summer.
- Customers buying air conditioners of Rs 20,000 and above will be eligible for Rs 5000 Insta Credit loan and for the air conditioners above Rs 40,000 will receive Rs 7000 Insta Credit loan to their Wallet.
- The Wallet allows the customer to access the EMI network card digitally, for tracking loan-related details online, and transacting securely with EMIs on purchases.

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4. Airtel Payments Bank partners with Bharti AXA General Insurance for two-wheeler insurance

- Airtel Payments Bank announced it has partnered with Bharti AXA General Insurance for a two-wheeler insurance product offering.
- The offering entails personal accident cover, protection against third-party liabilities and inspection-free renewal through a fast, paperless process.

5. Canara Bank becomes the first public sector bank in India to meet RBI's EMV mandate

- The Reserve Bank of India had mandated all banks to migrate the magnetic strip based ATM/Debit cards to EMV chip-and-PIN payment cards by December 31, 2018.
- In this direction, Canara Bank in association with ACI Worldwide has announced that Canara Bank has successfully rolled out major new functionality for this, to support EMV card across its ATM network.
- With this Canara Bank has become the first Public Sector bank to meet RBI's EMV mandate.
- The technology developed by ACI and Canara Bank also speeds up the process of Aadhaar number linking, hence improving the KYC compliance at the bank's branches.

Note:

- Canara Bank has around 6,300 branches and more than 10,000 ATMs.
- The headquarters of Canara Bank is in Bengaluru, Karnataka.

6. IDRBT Sets Up 5G Lab for Banking, Financial Sector

- The Institute for Development and Research in Banking Technology (IDRBT), has launched a 5G Use Cases Lab for banking and financial sector.
- The 5G lab will develop and domesticate 5G use cases and set up a research and development experience platform for banking and financial services.
- It will also collaborate with various stakeholders including banks, government and financial institutions for 5G promotion and absorption of best practices.

Note:

- IDRBT is established by the Reserve Bank of India in 1996, the institution works at the intersection of banking and technology.
- IDRBT headquarters is in Hyderabad.

7. IDBI Bank launches 'NRI-Insta-Online' Paperless Account Facility

- IDBI Bank has launched 'NRI-Insta-Online' account opening process for Non-Resident Indians (NRIs) residing in Financial Action Task Force (FATF) member countries.
- IDBI said this is a user-friendly initiative that will help NRIs to open the account without any need to visit the branch or submit physical documents.
- NRIs who wants to open account can now access the 'NRI Insta-Online' on the bank's website via web module, upload the supporting documents and choose the branch in which the account needs to be opened.
- On successful upload and verification of the scanned documents, the account is instantly opened, and an electronic advice is sent to the customer.

Note:

- The Financial Action Task Force (FATF) was established in July 1989 by a Group of Seven (G-7) Summit in Paris.
- FATF is an inter-governmental body which devises policy and sets standards to promote effective implementation of legal, regulatory and operational measures to combat money laundering, terrorist financing and other related threats to the integrity of the international financial system.
- The body has 38 member countries, including the US, UK, India, Japan, China and France, among others.
- FATF headquarters is in Paris, France.

8. Bandhan Bank gets CCI nod for merger with Gruh Finance

- Bandhan Bank has received approval from the Competition Commission of India (CCI) for the proposed scheme of amalgamation of Gruh Finance with the bank.

- Gruh Finance, the affordable housing finance arm of HDFC Ltd, was taken over in January by Bandhan Bank in a share-swap deal.
- As part of the deal, Bandhan Bank has to transfer 14.9 per cent stake to HDFC for merging Gruh with itself.
- The deal will allow Bandhan Bank's promoter Bandhan Financial Holdings' shareholding to come down to about 61 per cent from about 82 per cent, and HDFC to hold around 15 per cent in the merged entity from about 57 per cent in Gruh.

About Bandhan Bank

- Bandhan Bank started as a micro-finance company in 2001.
- Bank received banking licence by Reserve Bank of India in 2014.
- The headquarters is in Kolkata, West Bengal.
- Chandra Shekhar Ghosh is the Founder and MD & CEO of Bandhan Bank.
- Tagline – **Aapka Bhalai, Sabki Bhalai.**

9. Non-life insurers witness 13% rise in premium: IRDAI report

- According to the IRDAI data, Non-life insurance firms registered a rise of 13 per cent in their collective premium income to Rs 1.70 lakh crore in the financial year ended March.

10. Indiabulls General Insurance gets preliminary nod from IRDAI

- Indiabulls General Insurance, a subsidiary of Indiabulls Integrated Services said it has received preliminary approval from regulator Irdai to foray into non-life business.
- In January, another subsidiary Indiabulls Life Insurance Company had received R1 approval from Insurance Regulatory and Development Authority of India (Irdai).

Appointment

11. Rajesh Yaduvanshi appointed as Executive Director of Punjab National Bank

- Punjab National Bank (PNB) appointed Rajesh Kumar Yaduvanshi as the Executive Director of the bank.
- Rajesh Kumar Yaduvanshi joined PNB as a management trainee in 1985.
- In the past, he had worked with Dena Bank in the capacity of the Executive Director.

12. Kaushik Shaparia appointed as CEO Deutsche Bank India

- Deutsche Bank appointed Kaushik Shaparia as the chief executive officer for India.
- He succeeds Ravneet Gill.
- Ravneet Gill joined Yes Bank as MD & CEO in March 2019.

13. Paytm Payments Bank appoints Sairee Chahal to board of directors

- Paytm Payments Bank Ltd (PPB) has appointed entrepreneur Sairee Chahal to its board of directors.
- Sairee Chahal is the founder and CEO of Sheroes — a community platform for women.

Note:

- PPB, was incorporated in August 2016, formally began its operations in 2017.
- Paytm Founder Vijay Shekhar Sharma holds 51 per cent stake in PPB, while the rest is held by One97 Communications.

Survey/Reports/Index

14. India Ranks 140th In World Press Freedom Index 2019

- India has dropped two places on a global press freedom index to be ranked 140th out of 180 countries.
- The Index 2019 is topped by Norway which is followed by Finland, Sweden, Netherlands and Denmark.
- The index is published by Reporters without Borders.
- The index is based on the assessment of the countries' press freedom records in the previous year.

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Note:

- Reporters Without Borders (RWB) is an international non-profit, non-governmental organization worked on the issues relating to freedom of press and freedom of information.
- Reporters without Borders headquarters is in Paris, France.

15. India ranked 17th in the global startup ecosystem - Report

- According to data released by StartupBlink, India ranked 17th position among 100 countries in in 2018 from the 37th spot in 2017 in the Startup Ecosystem Ranking for 2019.
- The United States, United Kingdom, and Canada are the top three countries ranked the first, second and third respectively in terms of global rankings.
- Bengaluru, New Delhi, and Mumbai are the cities with the most vibrant startup ecosystems in India.
- Bengaluru was as the top startup city in India at 11th, while New Delhi followed in the 18th spot. Mumbai stood at 29th rank.
- Total 3800 new startups were launched in India during 2018 and Overall, Indian startups received \$11 bn of funding through 743 deals in 2018 according to Inc42 DataLabs.

16. UN owes India USD 38 million for peacekeeping operations: UNSG report

- According to the UN Secretary General Antonio Guterres, the United Nations owes India USD 38 million, the highest it has to pay to any country, for the peacekeeping operations as of March 2019.
- The UN owes USD 38 million to India, followed by Rwanda (USD 31 million), Pakistan (USD 28 million), Bangladesh (USD 25 million) and Nepal (USD 23 million), Guterres said in his report.

Economy News

17. Business sentiments down by 7.7% in second quarter compared to last year: D&B report

- As per a Dun & Bradstreet (D&B) report, business sentiments continue to decline for the country's financial and macro-economic conditions in the second quarter of the year compared to the same period a year before.
- D&B Composite Business Optimism Index conclude 78.4 scores during Q2 2019 as compared to 85.0 during Q2 2018, a decline of 7.7%.
- According to D&B report, the business sentiments were improved by 6.3% compared to the first quarter of 2019.
- D&B Composite Business Optimism Index stands at 78.4 during Q2 2019, an increase of 6.3% as compared to Q1 2019.

18. IMF & World Bank launch Quasi-Cryptocurrency in Exploration of Blockchain Tech

- The International Monetary Fund (IMF) and the World Bank have jointly launched a private blockchain and quasi-crypto currency called as "Learning Coin".
- The new 'quasi-cryptocurrency' is intended to be used as a tool to explore how blockchain and cryptocurrencies work.
- It will only be available for use within the IMF and the World Bank.
- It has no monetary value, means it is not a true cryptocurrency.
- After the testing period, the IMF and the World Bank may use blockchain technology to create smart contracts, fight money laundering, and improve transparency.
- During the test, the World Bank and IMF staff will earn coins for achieving certain educational milestones. The institutions will allow them to redeem the assets gained for some rewards, which will allow them to learn how coins can be used in real life.

19. Election Commission launches Voter Turnout app

- The Election Commission of India (ECI) has launched a new mobile app for the voters across the country to see the realtime availability of voter turnout during the election season in the country.

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- The Voter Turnout app, as per a press release by the Election Commission, captures the real-time information gathered by the Returning Officers following which it calculates the estimated totals.

20. Reliance retail become the first Indian retail company to cross more than Rs 1 lakh crore in annual revenues

- On 19th April 2019, Reliance retail has become the first Indian retail company to clock more than Rs 1 lakh crore in annual revenues.
- The retail venture of Reliance Industries reported an income of Rs 1,30,556 crore for 2018-19, 89% more than the previous year's Rs 69,198 crore.
- According to the company, Reliance Retail also became the first Indian retailer to cross more than 10,000 stores. It operates 10,415 retail stores in more than 6,600 cities and towns, covering an area of over 22 million sq ft, as on March 31.

21. ETMONEY becomes India's first comprehensive financial services app to integrate UPI

- India's largest app for financial services, ETMONEY announced that it has integrated Unified Payment Interface (UPI) as a payment method on its platform as it looks to double its monthly user base by the end of the year.
- The integration of UPI will simplify the mutual fund payment experience for millions of ETMONEY users as the company continues its journey to simplify the financial lives of new age Indians.
- ETMONEY recently crossed the landmark of Rs.2,000 crores of money invested in Mutual Funds through its platform.
- It is also adding more than Rs.150 Crores in new investment transaction value every month from investors across 1,200 cities.
- The company is aiming to grow to Rs.5,000 Crores in mutual fund transactions in the next 12-18 months, reaffirming its position as India's largest digital-first financial services platform.

22. ADB committed highest-ever \$3 bn in sovereign loans to India in 2018

- According to the annual report, the Asian Development Bank (ADB) agreed to provide a total of USD 3 billion in sovereign loans to India in 2018, which is the highest ever loan amount since sovereign operations began in the country in 1986.
- ADB committed several projects in India, including in Bihar, Himachal Pradesh, Madhya Pradesh, Karnataka, Tamil Nadu, Assam and Odisha.
- The report also noted that in India, ADB provided a USD 100-million loan to Ostro Kutch Wind, a renewable energy company owned by investment funds under the management of Actis Capital, for constructing and operating a 250-megawatt wind power project in Gujarat.
- Among others, it also provided USD 30 million in equity and USD 20 million in debt security to Annapurna Finance, a microfinance company.

23. India becomes net steel importer in 2018-19

- Preliminary government data given to Reuters showed that India was a net importer of steel during the 2018-19 FY, the first time in three years.
- India's finished steel exports fell by 34% to 6.36 million tonnes while finished steel imports rose 4.7% to 7.84 million tonnes.
- India's steel imports increased by 1.9% to 7.29 million tonnes in April-February, the first 11 months of the current fiscal year, while exports fell by 35.3% to 5.77 million tonnes.

24. Ministry of External Affairs sets up Indo-Pacific Wing

- The Ministry of External Affairs has set up an Indo-Pacific division in the foreign office.
- The Indo-pacific division is intended to give a coherent architecture to the Indo-Pacific policy articulated by PM Narendra Modi at the Shangri-La Dialogue in 2018.
- This division is the brainchild of current foreign secretary Vijay Gokhale.
- The Indo-Pacific Wing is currently headed by joint secretary Vikram Doraiswami.
- The Indo-Pacific Wing is a big step by the government, and it is expected to give thrust to the Indo-Pacific centred policymaking.

- The Indo-Pacific Wing integrates the Indian Ocean Rim Association (IORA), ASEAN region and the Quad.
- This move by India has come after the US renamed its Pacific Command to the Indo-Pacific Command last year as it seeks to give significance to its Indo-Pacific policy.

25. Central PSUs get 12 months to sell non-core assets

- State-run companies will have 12 months to monetise non-core assets identified by a ministerial panel headed by the finance minister, failing which the finance ministry may restrict budgetary allocations to the Central public sector enterprises (CPSEs).
- The Department of Investment and Public Asset Management (DIPAM) issued the guidelines for monetisation of non-core assets of CPSEs and immovable enemy properties, following a Cabinet decision in February.
- According to the guidelines, an inter-ministerial group (IMG), chaired by the secretary of DIPAM, will identify the non-core assets of the CPSEs on its own and also on the basis of recommendations of the Niti Aayog.
- CPSEs however can seek relaxation from the time-limit of 12 months for the sale of non-core assets.
- In the current financial year, the central government has set a target of Rs 90,000 crore to be raised through CPSE disinvestment.

26. Google has opened its first Africa Artificial Intelligence lab in Ghana

- Google has opened its first African artificial intelligence (AI) centre in Ghana's capital Accra.
- The lab would develop solutions in areas including agriculture, like helping in diagnosing certain types of crop disease.

About Ghana:

- Capital: Accra
- Currency: Ghanaian Cedi
- President: Nana Akufo-Addo

27. I-T dept proposes new norms for taxing MNCs in India

- The income tax department proposed change in the methodology for taxing multinational companies, including digital firms, having permanent establishment in India by giving weightage to factors like domestic sales, employee strength, assets and user base.
- The CBDT Committee on 'Profit Attribution to Permanent Establishment (PE) in India' also said MNCs that are incurring global losses or a global profit margin of less than 2 per cent and have operations in India will be deemed to have made a profit of 2 per cent of Indian revenue or turnover and will be taxed accordingly.
- The report provides different weightage for digital companies labelling them as "high" and "low or medium" user base with major economic presence in India.
- In case of 'high user intensity': the weight of users should be 20%, share of assets and employees should be 25% each and sales at 30%.
- Whereas for 'low and medium user intensity': users should be assigned a weight of 10%, and the 3 factors would have a weight of 30% each.

28. Asian Tea Alliance launched in China

- The Asian Tea Alliance (ATA), a union of five tea-growing and consuming countries, was launched in Guizhou in China.
- The members of the alliance are the Indian Tea Association, China Tea Marketing Association, Indonesian Tea Marketing Association, Sri Lanka Tea Board and Japan Tea Association.
- The Alliance will work towards enhancing global consumption of tea, while creating a sustainability agenda for the future of Asian tea.
- The Alliance was formed based on the Memorandum of Understanding signed between Indian tea Association and China tea Marketing Association in December 2018 to promote tea consumption in India, China, U.S., Russia, Europe, and West Asia.

29. NBFC-MFIs raises Rs 26,000 crore through securitisation in FY19

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- According to rating agency ICRA, Non-banking finance companies (NBFCs) and microfinance companies (MFIs) raised nearly Rs 26,200 crore through securitisation in the year ended March 2019, a growth of 170 percent over FY18.
- In the year ended March 2018, NBFC-MFIs have raised Rs 9,700 crore through securitisation.
- In FY19, NBFC-MFIs significantly increased their reliance on the securitisation route to meet growth targets.
- In other words, almost half of the incremental disbursements in Q4 FY19, is estimated to have been met through the securitisation route.
- The rating agency further said securitisation will remain a key source of funding for NBFC-MFIs in FY20 as well.
- The securitisation market in the country can be segregated into two types of transactions rated Pass Through Certificate (PTC) transactions, and unrated Direct Assignment (DA) transactions (bilateral assignment of a pool of retail loans from one entity to another).

About securitization

- Securitisation refers to the conversion of loans such as auto, house, credit cards etc. of banks and lenders into debt instruments.
- A Special Purpose Vehicle (SPV) is set up which pools these assets and issues debt instruments which are called **Pass Through Certificates (PTCs)**.
- By making these debt instruments available in the markets, the organisation manages to transform illiquid assets to liquid assets which can be used to fund other business.
- When the original lender recovers money from the original borrower, it is then passed on to the SPV, which then disburses it to the investor in the form of a fixed income.

30. Govt to add over 2 lakh seats in 158 institutions for 10% EWS quota

- Union cabinet approved the sanction of **Rs 4315.15 crore** for the 158 Central Educational Institutions for implementation of reservation in admission to students belonging to Economically Weaker Section (EWS).
- Over 2 lakh additional seats will be created in 158 CEIs across the country to implement 10% reservation for the Economically Weaker Section (EWS).
- This step is taken in the backdrop of the 103rd Constitutional Amendment Act, which provides 10 percent reservations to Economic Weaker Sections (EWS) in government jobs and educational institutions.

Agreement

31. Exim Bank funds projects worth USD 267 mn in Rawanda

- The Reserve Bank of India (RBI) said Exim Bank has provided soft loans of USD 266.60 million to Rawanda for various projects.
- The funding, done in three separate tranches to Rawanda, is to support agricultural projects, development of special economic zones (SEZs) and for financing road project in the African nation.

32. BoM joins M1Xchange TReDS platform for MSME bill discounting

- Bank of Maharashtra (BoM) has partnered with M1Xchange Trade Receivables Discounting System (TReDS) platform for MSME bill discounting.

Note:

- Trade Receivables Discounting System (TReDS) is a digital platform to support micro, small and medium enterprises (MSMEs) to get their bills financed at a competitive rate through an auction where multiple registered financiers can participate.

33. India to partner with Japan and UAE to set up two projects in Africa

- India is joining hands with Japan and the United Arab Emirates (UAE) to implement two projects in Africa as it seeks to extend its footprint on the continent.
- India will build a cancer hospital in Kenya in collaboration with Japan.

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- India will set up an information and communications technology (ICT) centre in Ethiopia in collaboration with UAE.

34. SEFL partnered with Bank of Baroda to offer joint loans for infrastructure equipment

- Srei Equipment Finance (SEFL) has entered into an alliance with Bank of Baroda to offer joint loans for infrastructure equipment under a co-lending arrangement.
- Under this programme, funding of the loans would be facilitated by iQuippo which is an initiative of Kanoria Foundation.
- The partnership will allow SEFL and Bank of Baroda to collaborate, co-operate, and widen their respective markets and customer base.

Summit

35. Saudi Arabia to host G20 Summit in 2020

- Saudi Arabia announced that it will be hosting the G20 summit in November 2020 in its capital Riyadh. This would be the first G20 summit in the Arab world.
- In 2019, Japan will host the G20 Summit Osaka. It will be held on 28–29 June 2019.
- It will be the first-ever G20 summit to be hosted in Japan.

Note:

- G20 meeting 2018 was held in Buenos Aires, Argentina.
- Italy will host the G20 summit in 2021.
- India will host G20 summit in 2022.

About G20

- The G20 or Group of Twenty is an international forum for the governments and central bank governors.
- The G20 aims to discuss policy pertaining to the promotion of international financial stability.
- The members of the G20 are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States and the European Union.
- First G-20 Summit was held In the Year 2008 in Washington (USA).

36. UAE to host world's foremost Artificial Intelligence Summit

- Dubai World Trade Center (DWTC) is set to host the first-ever edition of what is to become the most influential Artificial Intelligence (AI).
- The summit will be held from April 30 – May 1, 2019.

Awards

37. Fincare Small Finance Bank won the 'Celent Model Bank' 2019 Award

- Fincare Small Finance Bank (SFB) has been awarded the prestigious Celent Model Bank 2019 Award in the category of Financial Inclusion, for 'Redesigning Lending to Reach Small Businesses.
- The award recognizes LAP (Loans Against Property) D.Lite, a tab-based solution designed and developed in-house by Fincare SFB for origination and instant underwriting of loans against property targeted at micro and small enterprises.
- The Award was announced on the 12th of April, 2019 at the Innovation & Insight Day organized by Celent in New York.
- LAP D.Lite is one of the 22 initiatives from around the world to receive this award, which featured 140 nominations from 80 institutions from 30 countries.

Note:

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- Celent is a research, advisory and consulting firm focused on financial services technology, and is a part of the Oliver Wyman Group, a wholly owned subsidiary of Marsh & McLennan Companies.
- The firm launched the Model Bank awards 12 years ago and recognizes achievement of financial institutions for best practices in usage of technology in banking.

Note:

- Fincare Small Finance Bank headquarters is in Bengaluru, Karnataka.

38. National award for KAU IPR Cell

- The Intellectual Property Rights Cell (IPR Cell) of Kerala Agricultural University (KAU) has been selected for the National Intellectual Property Award 2019.
- The KAU IPR Cell has been selected for the award in recognition of its contributions in facilitating registration of Geographical Indications (GI) and promotion of registered GI in the country.

Note:

- The award constituted by the Indian Intellectual Property Office under the Union Ministry of Industry and Commerce is conferred on persons and organisations working in the field of patents, trademarks and Geographical Indications.

Banking & Economy Terminology

39. EMV - Europay, MasterCard, Visa.

40. IDRBT - Institute for Development and Research in Banking Technology

41. FATF - Financial Action Task Force

42. TReDS - Trade Receivables Discounting System

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