

BANKING CURRENT AFFAIRS: JULY 2018

✓ Banks and financial institutions, including SBI, PNB and LIC entered into an **overarching inter-creditor agreement (ICA)** to fast track resolution of stressed assets of Rs. 50 crores or more which are under consortium lending. The ICA has been signed by 22 public sector banks (including India Post Payments Bank), 19 private sector banks and 32 foreign banks. Under the pact, which is part of project 'Sashakt', each resolution plan will be submitted by the lead lender to an Overseeing Committee.

Note: The lead lender that is the lender with the highest exposure shall be authorized to formulate the resolution plan, which shall be presented to the lenders for their approval.

- ✓ Finance ministry wants banks to start issuing near field communication (NFC)-enabled contactless credit and debit cards to their customers so that the government can expand the use of card payments beyond simple merchant transactions.
- ✓ South-based private sector lender Federal Bank received the regulatory nod to open offices in Bahrain, Kuwait and Singapore.
- ✓ The government has approved capital infusion of Rs 11,336 crore in five public sector banks, including scam-hit Punjab National Bank, Corporation Bank and Andhra Bank, to help them meet regulatory capital requirements. Punjab National Bank will get the maximum amount at Rs 2,816 crore, followed by Corporation Bank, which will see infusion of about Rs 2,555 crore. The others are Indian Overseas Bank (Rs 2,157 crore), Andhra Bank (Rs 2,019 crore) and Allahabad Bank (Rs 1,790 crore).

Adda 247
Publications

DIGITAL
LIBRARY
@ 599

500+ eBooks (25000+ Questions)

English Medium

Validity 12 Months

✓ China, UAE, Cyprus and significantly, Mauritius, along with 21 other countries have been tagged as "high-risk jurisdictions" by global banks acting as custodians for foreign funds which comprise the largest group of investors in the Indian stock market.

- ✓ Hong Kong and Shanghai Banking Corp Ltd (HSBC) appointed Surendra Rosha as its India CEO replacing Jayant Rikhye who is on leave due to medical reasons.
- ✓ Agri loans, individual loans and business loans these are the broader products with which Jana Small Finance Bank is all set to commence banking operations. Ajay Kanwal, chief executive officer at Jana Small Finance Bank.

Adda 247
Test Series

PREMIUM PACKAGE

INDIAN BANK PO 2018

50+ Total Tests

- ✓ 20 Full-Length Mocks
- ✓ 30 Sectional Tests
- ✓ 2 Previous Year Paper
- ✓ eBooks

- ✓ State-run lender Bank of Baroda (BoB) will enter into a joint venture with South Korea's KB Financial Group on developing an innovative payments business, which may also include issuance of new branded cards.
- ✓ Banks have finalised an inter-creditor agreement and are working on details of an asset management company as part of a five-pronged mechanism they have identified to resolve the issue of mounting non-performing assets (NPAs) under Project Sashakt. Under Project Sashakt, financial institutions will enter into an inter-creditor agreement to authorise the lead bank to implement a resolution plan in 180 days. The agreement is the bedrock of the bank-led resolution approach (BLRA) for loans between Rs 50-500 crore.
- ✓ ICICI Bank tied-up with Australia's Westpac Banking Corporation (Westpac) to facilitate online fee payments by Indian students. The lender said it is the first bank in the country to tie-up with an Australian bank to allow Indian students pay fee online.
- ✓ Payments Council of India (PCI), the apex body representing the companies in the payments and settlement system announced the appointment of Vishwas Patel, Director, Infibeam Avenues Limited, as its new Chairman. He takes over from Naveen Surya. PCI has also announced the appointment of Loney Antony as its new Co-Chairman.

- ✓ Scam-hit PNB announced opening of second centralized loan processing centre (CLPC), in a Mumbai branch, aimed at strengthening the bank's internal systems and processes. Punjab National Bank's Managing Director and Chief Executive Officer Sunil Mehta said that the lender is on track to bouncing back within six months.
- ✓ ICICI Bank has said provisions against bad loans are expected to remain at elevated levels in the current financial year as the lender would have to earmark more funds for meeting the RBI norms.
- ✓ State-run banks will take the lead in setting up an asset management company (AMC) for the resolution of loans above Rs. 500 crore as part of further efforts aimed at rescuing bad assets and restoring lenders to health so that they can focus on credit growth to push forward India's ongoing economic recovery. Finance minister Piyush Goyal said Monday that government had accepted these proposals that were contained in a report submitted by a committee of bankers led by Punjab National Bank chairman Sunil Mehta. The state-run lenders will also set up alternate investment funds (AIFs) to raise money and back the asset management company.
- ✓ ICICI Bank said RBI has approved the appointment of Girish Chandra Chaturvedi as non-executive (part time) Chairman of the bank till June 30, 2021.
- ✓ Reserve Bank of India has issued licence to Bank of China to launch operations in India.
- ✓ India Post Payments Bank is expected to go live with 650 branches and around 17 crore accounts in August, following clearance from Reserve Bank of India to start operations. India Post Payments Bank (IPPB) MD and CEO is Suresh Sethi.

- ✓ Government approved extension of recapitalization scheme for Regional Rural Banks (RRBs) for next three years up to 2019-20 with an aim to strengthen their

lending capacity. A total of Rs 1,107.20 crore, as government's share, out of Rs 1,450 crore, has been released to RRBs till March last year. The remaining Rs 342.80 crore will be utilised to provide recapitalisation support to RRBs whose Capital to Risk Weighted Assets Ratio (CRAR) is below 9 per cent, during 2017-18, 2018-19 and 2019-20.

- ✓ SBI Card, the country's second largest credit card issuer announced the launch of 'ELA' (Electronic Live Assistant), a virtual assistant for customer support and services.
- ✓ Parliament has approved the bill to merge six subsidiary banks with the State Bank of India with the Rajya Sabha clearing the State Banks (Repeal and Amendment) Bill, 2017. The bill repeals the State Bank of India (Subsidiary Banks) Act, 1959, and State Bank of Hyderabad Act, 1956 besides amending the State Bank of India (SBI) Act, 1955.
- ✓ B Sriram assumed charge as Managing Director and CEO of IDBI Bank.
- ✓ State Bank of Mauritius (SBM) is awaiting the final go-ahead from the Reserve Bank of India (RBI) to merge its existing operations with the newly registered local SBM Bank (India) Ltd as it seeks to become the first foreign bank to incorporate a local subsidiary in the country.
- ✓ More than a dozen of lenders led by State Bank of India signed the inter-creditor agreement, potentially paving the way for speedy resolution of stressed assets. Lenders who have signed the agreements include Union Bank of India, Bank of Baroda, Canara Bank, Punjab National Bank & Exim Bank.
- ✓ S Raman, the former chairman and managing director of Canara Bank being probed by the Central Bureau of Investigation in connection with loans to Winsome Diamonds, has resigned from the Reserve Bank of India constituted committee on bad loans and frauds.