

Monthly Banking Awareness PDF – December 2019

About Reserve bank of India

Headquarter at **Mumbai**

The Governor of RBI is **Shaktikanta Das**

The slogan is “ **India’s central Bank**”

RBI Follows **July to June Financial Cycle**

Why does RBI Follow July to June Financial Year?

The banks in India follow April to March financial year and hence their annual financial information is compiled after that. RBI follows July to June financial year because RBI as a supervisor and regulator looks into the books of banks and then analyses and prepares its statutory document called as Annual Report. So a lag of 3 months from normal financial cycle (Apr-Mar) is justified as this is the time which RBI uses to analyse the information.

Current Policy Rates:

Policy Repo Rate	5.15 %
Reverse Repo Rate	4.90 %
Marginal Standing Facility Rate	5.40 %
Bank Rate	5.40 %
CRR	4 %
SLR	18.50 %

Monetary Policy

The monetary policy refers to a regulatory policy whereby the central bank maintains its control over the supply of money to achieve the general economic goals.

Monetary policy refers to the credit control measures adopted by the central bank of a country. In case of Indian economy, RBI is the sole monetary authority which decides the supply of money in the economy.

Main instruments of the monetary policy are: Cash Reserve Ratio, Statutory Liquidity Ratio, Bank Rate, Repo Rate, Reverse Repo Rate, and Open Market Operations.

Cash Reserve Ratio:

- Cash Reserve Ratio is a certain percentage of bank deposits (Net Time and Demand Liabilities) which banks are required to keep with RBI in the form of reserves or balances .
- Higher the CRR with the RBI lower will be the liquidity in the system and vice-versa.

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Statutory Liquidity Ratio:

- All Commercial banks in the country required to keep a given percentage of their demand and time deposits as liquid assets in their value itself.
- These assets can be cash, precious metals, RBI approved securities like bonds, Shares etc. The ratio of the liquid assets to time and demand liabilities is termed as the Statutory liquidity ratio.

Bank Rate:

- It is the rate which is fixed by RBI at which it re- discounts bills of exchange and government securities held by commercial banks.
- It is also known as the discount rate.

Repo Rate:

- It is the rate at which RBI lends money to commercial banks against securities in case commercial banks fall short of funds for Short Term.
- But Remember The banks cannot get money by mortgaging SLR quota securities to get money from RBI. It has to have securities above the SLR quota to Buy Money.
- This rate is also known as “Policy Rate” under LAF(Liquidity Adjustment Facility).

Reverse Repo Rate:

- Rate at which RBI borrows money from commercial banks.
- When Banks have collected More Money from Public but Demand for Loans is Less then Banks mostly park their Money with RBI and Receives Interest(Reverse Repo Rate).
- Reverse Repo Rate is Dependent on Repo Rates as Reverse Repo Rate is set to Repo Rate -1%. RBI gives Government Securities as Collateral to Banks.

Open Market Operations:

- Open market operations refer to sale and purchase of securities in the money market by the central bank of the country.
- When prices start rising and there is need to control them, the central bank sells securities.
- The reserves of commercial banks are reduced and they are not in a position to lend more to the business community or general public.

Banking News in December 2019

Vijaya Bank, Dena bank removed from second schedule of RBI Act

The Reserve Bank of India announced that it has excluded Vijaya Bank and Dena Bank from the second schedule of the RBI Act, with effect from April 1, 2019.

The public sector lenders were merged into Bank of Baroda at the beginning of the current financial year and, hence, ceased to operate as banking companies separately.

Extra Shots:

Vijaya Bank Headquarters: Bengaluru

Tagline: A Friend you can bank upon

Dena Bank Headquarters: Mumbai

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Tagline: Trusted Family Bank

Walmart India ties-up with HDFC to launch co-branded credit card for Best price stores

In a first, **Walmart India**, a wholly-owned subsidiary of Walmart Inc has joined hands with **HDFC (Housing Development Finance Corporation)Bank** to launch a **co-branded credit card**.

Extra shots:

Walmart India Headquarters: United states

HDFC Headquarters: Mumbai

HDFC Tagline: We understand your world.

Aditya Birla health insurance teams up with MobiKwik to offer affordable health insurance

On December 2, 2019, **Aditya Birla Health Insurance Co. Limited (ABHICL)**, a subsidiary of Aditya Birla Capital Ltd has partnered with **MobiKwik**, a fin-tech platform to offer affordable health insurance plans to mobile-first middle-class Indian consumers who have previously never had access to insurance solutions. They have jointly launched the first product called “**Cancer Protect Cover**” Plan as part of their contract. The users will benefit from this comprehensive protection plan as it applies to all diagnostic stages of cancer.

Extra shots:

Aditya Birla Group Headquarters: Bengaluru, Karnataka

Mobikwik Headquarters: Gurgaon, Haryana

5th Bi-Monthly Monetary Policy

- RBI has released its 5th Bi-Monthly Monetary Policy.
- Repo Rate: 5.15%
- Reverse Repo Rate: 4.90%
- MSF: 5.40%
- Bank Rate: 5.40%

Extra Shots:

RBI: The Reserve Bank of India is India's central banking institution, which controls the issuance and supply of the Indian rupee.

- Founded: 1 April 1935, Kolkata
- Headquarters: Mumbai
- Governor: Shaktikanta Das

Deputy Governors: B P Kanungo, M K Jain, N S Vishwanathan

HDFC ERGO launches my:health Woman Suraksha policy

- HDFC ERGO general insurance company, India's third-largest non-life insurance provider in the private sector, has launched “my: health Woman Suraksha policy”, a comprehensive medical insurance scheme specially designed for women.
- The my:health Woman Suraksha policy is specially designed to cover women against numerous illnesses and contingencies they may face during their lifetime, thereby providing financial aid in case of medical contingencies.
- This policy is offered to women between 18-65 years of age and offers a sum insured ranging from Rs. 1 lakh to 1 crore.

Extra Shots:

HDFC ERGO: HDFC ERGO is a 51:49 joint venture firm between HDFC and ERGO International AG, one of the insurance entity of the Munich Re Group in Germany operating in the insurance field under the BFSI sector. The company offers products in the retail, corporate and rural sectors.

- Headquarters: Mumbai
- Founded: 2002

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- Parent organization: Housing Development Finance Corporation

NEFT transactions to be made 24x7 from December 16

- The Reserve Bank of India announced round-the-clock transactions will be allowed 24x7 facility under the National Electronic Funds Transfer (NEFT) system on all days including weekends and holidays from December 16.
- These transactions after the usual banking hours are set to be automated initiated using 'Straight through Processing (STP)' modes by the banks.

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NEFT: National Electronic Funds Transfer (NEFT) is an electronic funds transfer system maintained by the Reserve Bank of India (RBI). Started in November 2005, the setup was established and maintained by Institute for Development and Research in Banking Technology (IDRBT).

RBI released Guidelines for on tap Licensing of SFBs

- Reserve Bank of India (RBI) released Guidelines for 'on tap' Licensing of Small Finance Banks (SFBs) in the Private Sector after making few changes.
- The previous guidelines were released on 27 November 2014.

Major changes from the earlier Guidelines on Small Finance Banks are:

- ◆ The new guidelines stated that the minimum paid-up voting equity capital or net worth requirement should be Rs.200 crore
- ◆ As per the new guidelines, licensing window will be open on-tap
- ◆ For Primary (Urban) Co-operative Banks (UCBs), which want to transit into Small Finance Banks (SFBs), the initial requirement shall be Rs.100 crore. It should be increased to Rs.200 crore within five years from the date of commencement of business.

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Kerala Bank was launched by CM Vijayan

- The Kerala Bank, the biggest in the State, was launched by Chief Minister Pinarayi Vijayan on 6 December 2019. Under this, 13 district co-operative banks (DCBs) of Kerala were amalgamated with Kerala State Co-operative Bank to form the Kerala Bank.
- The move aimed to transform the banking sector of the state.
- It was initiated by the Kerala State government to form a state cooperative bank.
- It will provide unlimited opportunities for the state.
- It will facilitate transactions in other countries with a considerable population of Keralites.

Extra Shots:

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Kerala:

- Capital: Thiruvananthapuram
- Chief Minister: Pinarayi Vijayan
- Governor: Arif Mohammed Khan
- Festivals: Onam, Vishu, Thrissur Pooram, Nehru Trophy Boat Race
- National Parks: Anamudi Shola National Park, Eravikulam National Park, Mathikettan Shola National Park, Pambadum Shola National Park, Periyar National Park, Silent Valley National Park
- Wildlife Sanctuaries: Aralam WLS, Chimmomy WLS, Idukki WLS, Periyar WLS, Wayanad WLS, Peppara WLS, Neyyar WLS, Kurinjimala WLS, Malabar WLS etc

Loans worth over Rs10 lakh cr sanctioned under PMMY

- Union Government informed that loans worth over 10 lakh crore rupees have been sanctioned till 1st November this year under the Pradhan Mantri Mudra Yojana, PMMY.
- As per the findings of the PMMY survey, around five crore persons were working in the establishments for which MUDRA loans were availed between April 2015 to March 2018.
- The survey reveals that these loans enabled beneficiaries to sustain the economic activities they were engaged in.

SBI reduced MCLR by 10bps

- State Bank of India (SBI) announced a reduced 1-year marginal cost-based lending rates (MCLR) by 10 bps.
- MCLR will be reduced to 7.90% from 8%.
- The new rates will come to effect from 10 December 2019.
- All the other rates remain the same.
- This is the eighth consecutive MCLR cut in the financial year 2019.

Extra Shots:

MCLR: MCLR is abbreviated as the Marginal Cost of Funds based Lending Rate.

MCLR is the minimum interest rate of a bank below which any bank cannot lend, except in some cases allowed by the RBI. MCLR is the reference rate or an internal benchmark set by and for the bank.

SBI: The State Bank of India is an Indian multinational, public sector banking and financial services statutory body. It is a government corporation statutory body headquartered in Mumbai, Maharashtra. SBI is ranked as 236th in the Fortune Global 500 list of the world's biggest corporations of 2019.

- Chairperson: Rajnish Kumar
- Headquarters: Mumbai

Karnataka Vikas Grameen Bank inks MoU with Canara HSBC Oriental Bank of Commerce for bancassurance

Karnataka Vikas Grameen Bank (KVGB), an Indian Regional Rural Bank (RRB), has entered into an MoU (memorandum of understanding) with **Canara HSBC OBC (Oriental Bank of Commerce) Life Insurance Company Ltd** for bancassurance (selling of life assurance and other insurance products and services by bank).

Extra Shots:

KVGB Headquarters: Karnataka

Canara HSBC OBC Headquarters: Gurugram, Haryana

RBI increases aggregate lending limits imposed on peer-to-peer (P2P) lenders to Rs 50 lakh from 10 lakh

- India's Central Bank, the **Reserve Bank of India (RBI)** has taken a big step to promote the **peer-2-peer (P2P)** sector by increasing the total **loan limit** among such lenders by five times to **Rs 50 lakh**.
- Right now the aggregate limit is 10 lakh rupees for all borrowers and lenders on all P2P platforms.
- Apart from this, a single borrower can only take up to a maximum of Rs 50,000 from a lender on all NBFC (Non-Banking Financial Company)-P2P platforms.

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Extra Shots:

RBI Headquarters: Mumbai, Maharashtra

Governor: Shaktikanta Das

Vakrangee join hands with Union Bank of India(UBI) for 20,000 Banking BC Points

Vakrangee Finserve Limited, a wholly-owned subsidiary of Vakrangee Limited (VL) has partnered with **Union Bank of India (UBI)**, one of the largest government-owned banks of India for **20,000 Banking Business Correspondent (BC) points** for **Nextgen Vakrangee Kendra**.

Extra Shots:

Union Bank of India Headquarters: Mumbai, Maharashtra

Tagline: Good People to Bank with.

Mastercard joins hands with Federal bank for additional digital security called ‘Mastercard Identity Check’

Mastercard, an American multinational financial services corporation has tied-up with **Federal Bank**, a Private Sector, scheduled commercial bank, to provide an additional layer of security function called ‘**Mastercard Identity Check**’ for digital transactions done by bank’s cardholders.

Extra Shots:

Mastercard Headquarters: Newyork, US

President and CEO: Ajaypal singh Banga

Federal bank HQ: Kochi, Kerala

Tagline: Your Perfect Banking Partner

IRDAI frames 10-member group headed by T. L. Alamelu to study loss prevention

- **IRDAI (Insurance Regulatory and Development Authority of India)**, an autonomous body constituted to regulate and develop insurance business in India, has constituted a 10-member working group (WG) headed by IRDAI member (non-life) **T. L. Alamelu** to make recommendations for **loss prevention & minimization** in the general insurance industry.
- It should submit its report within 12 weeks.

Extra Shots:

IRDAI Chairman– Subhash Chandra Khuntia

Headquarters: Hyderabad, Telangana

IEPFA signs MOU with Bank of Baroda for Investor Awareness

- Investor Education & Protection Fund Authority (IEPFA) signed a MOU with Bank of Baroda for Investor awareness.
- The objective of the MoU to work towards the creation of content (IEC material) and strategic use of all available marketing channels and brand assets with BoB .

Extra Shots:

BoB Headquarters: Vadodara, Gujarat

Tagline: India’s International Bank

RBI increases peer-to-peer lending limit from Rs 10 lakh to Rs 50 lakh

- The Reserve Bank of India (RBI) has increased lending limit for Non-Banking Financial Company-Peer to Peer Lending platforms (NBFC-P2P) to Rs 50 lakh.
- Until now, the cap was at Rs 10 lakh. However, the exposure of a single lender to borrower is capped at Rs 50,000.
- This means that a lender on the P2P platform cannot lend more than Rs 50,000 to the same borrower across all P2P platforms at any point in time.

Extra Shots:

RBI Headquarters: Mumbai, Maharashtra

Governor: Shaktikanta Das

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SBI inks \$277 million pact with Germany based KfW bank

- State Bank of India (SBI) has signed a loan agreement worth of \$277 million (about Rs 1,958 crore) with Kreditanstalt für Wiederaufbau (KfW) German development bank for establishing an energy-efficient housing programme in India.
- The programme shall be part of the Indo-German Development Co-operation, guided by the 2030 Agenda for Sustainable Development.

Extra Shots:

State Bank of India: Founded on: As 2 June 1806 (Bank of Calcutta), 15 April 1840 (Bank of Bombay), 1 July 1843 (Bank of Madras), 27 January 1921 (Imperial Bank of India), 1 July 1955 (State Bank of India)

- Headquarters: Mumbai, Maharashtra
- Chairman: Rajnish Kumar
- SBI is the largest commercial bank and the largest mortgage lender across the country.
- SBI has 22,010 branches and 58,000 ATM/CDM across India.

RBI waives NEFT, RTGS transfer charges for savings account holders

- The Reserve Bank of India (RBI) has waived NEFT, RTGS transfer charges for savings account holders.
- In an order, RBI instructed banks to make all online payments done through RTGS and NEFT free of cost for savings account holders.
- The new rule will be effective from January 1, 2020.

Extra Shots:

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ADB & India signs \$490 Million loan to upgrade roads of Madhya Pradesh

- The Asian Development Bank (ADB) and the Government of India has signed a \$490 million loan.
- The loan is signed for public-private partnership (PPP) project through the hybrid-annuity model (HAM) to upgrade about 1,600 km of state highways and major district roads in the state of Madhya Pradesh.
- The HAM is a mix of engineering, procurement, construction, and build-operate-transfer.

Extra Shots:

Madhya Pradesh:

- Capital: Bhopal
- Chief Minister: Kamal Nath
- Governor: Lalji Tandon
- National Park: Bandhavgarh NP, Fossil NP, Kanha NP, Madhav NP, Panna NP, Pench NP, Sanjay NP, Satpura NP

ADB: The Asian Development Bank is a regional development bank established on 19 December 1966, which is headquartered in the Ortigas Center located in the city of Mandaluyong, Metro Manila, Philippines. The company also maintains 31 field offices around the world to promote social and economic development in Asia.

- Headquarters: Mandaluyong, Philippines
- President: Currently Vacant
- Founded: 19 December 1966
- Membership: 68 countries

Purpose: Economic development

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RBI to buy and sell govt bonds worth Rs 10,000 crore

- The Reserve Bank of India (RBI) will simultaneously purchase and sell government securities worth Rs 10,000 crore under a special Open Market Operation (OMO).
- On a review of the current liquidity and market situation and an assessment of the evolving financial conditions, the Reserve Bank has decided to conduct simultaneous purchase and sale of government securities on December 23, 2019.
- The purchase will be for government securities worth Rs 10,000 crore for the instrument '6.45 per cent GS 2029'.

Extra Shots:

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HDFC Bank becomes third Indian company to cross \$100 billion-mark

- HDFC Bank crossed the \$100 billion market capitalization became the third firm in the country to achieve this milestone.
- HDFC Bank has a market cap of \$140.74 billion, and Tata Consultancy Services (TCS) a market cap of \$114.60 billion.
- HDFC Bank ranks 110th in the list of world's most valued companies.
- There are 109 companies on the list with a market cap of over \$100 billion.
- The world's most valued banks and financial companies which have a market cap of over \$100 billion, HDFC Bank ranked at 26.

Extra Shots:

HDFC Bank Ltd. is an Indian banking and financial services company headquartered in Mumbai, Maharashtra. It has a base of 111,208 permanent employees as of 30 September 2019. HDFC Bank is India's largest private sector lender by assets. It is the largest bank in India by market capitalisation as of February 2016.

- CEO: Aditya Puri
- Headquarters: Mumbai
- Founded: August 1994, India

Bank Of Baroda Partners With Gujarat Govt To Provide MSME Loans

- The flow of credit in the Micro, Small and Medium Enterprises (MSMEs), Bank of Baroda signed a Memorandum of Understanding (MoU) with the Gujarat government.
- The credit will be provided to the MSME sector for greenfield projects, startups, women entrepreneurs, and entrepreneurs from backward areas under the Gujarat Single Window Clearance Act 2017 & Ordinance Number 1 of 2019 dated October 24, 2019.

Extra Shots:

BOB: Bank of Baroda is an Indian Multinational, public sector Banking and Financial Services company. It is the third largest public sector bank in India with a business mix of close to US\$225 billion. Based on 2019 data, it is ranked 1145 on Forbes Global 2000 list.

- CEO: P. S. Jayakumar
- Headquarters: Alkapuri, Vadodara

RBI directs large UCBs to report exposures above Rs 5 cr to CRILC

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- The Reserve Bank of India has directed large cooperative banks to report all exposures of Rs 5 crore and more to the Central Repository of Information on Large Credits (CRILC).
- The move is aimed at early detection of financial distress.
- The aggregate exposure will include all fund-based and non-fund based exposures like partial credit enhancement, including investment exposure on the borrower.
- As per the new rules, Urban Cooperatives Banks are required to submit CRILC report on quarterly basis with effect from December 31, 2019.
- The CRILC was created by the Reserve Bank of India.

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Karnataka Bank launches tab banking service

- Karnataka Bank digital initiative launched KBL Xpress SB Accounts a digitized version for opening Savings Bank account through TAB Banking on the spot.
- The TAB banking account opening process, the Bank can on-board the prospective customer and open the Savings Bank Account.
- Karnataka Bank to introduce KBL Xpress SB Accounts TAB banking facility, a digitized version of account opening.

Extra Shots:

Karnataka Bank Limited is India's twelfth largest private sector bank. It is an 'A' Class Scheduled Commercial Bank based in Mangaluru in Karnataka, India. Karnataka Bank Limited has a network of 846 branches, 1540 ATMs and 330 e-lobbies/mini e-lobbies across 22 states and 2 union territories.

- Headquarters: Mangalore
- CEO: Mahabaleshwara M. S

SBI to implement OTP-based ATM cash withdrawals from January 1 2020

- State Bank of India will introduce One Time Password (OTP)-based ATM cash withdrawals. The step has been taken to reduce the occurrences of unauthorised transactions happening at ATMs.
- SBI will introduce one-time password for every cash withdrawal of Rs 10,000 and above between 8 am and 8 pm.
- The OTP-based cash withdrawal will be effective from January 1, 2020 across all SBI ATMs. When an SBI cardholder will enter the amount of cash he/she wishes to withdraw, a screen will appear asking for the OTP.
- The customer will then have to put the OTP that the bank will send to the registered mobile number.

Extra Shots:

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- Chairperson: Rajnish Kumar
- Headquarters: Mumbai

Finance Minister launches an e-auction platform “eBkray”

- Finance Minister has launched an e-auction platform “eBkray”.

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- The platform will enable online auction of attached assets by banks.
- The platform provides navigational links to all PSB e-auction sites, property search feature.
- It also presents single-window access to information on properties up for e-auction, comparison of similar properties, and also contains videos and photographs of the uploaded properties.
- Indian Banks Auctions Mortgaged Properties Information (IBAPI) portal is an initiative of Indian Banks Association under the policy of the Department of Financial Services, Ministry of Finance was launched to provide a platform to give details of mortgaged properties to be auctioned online by Banks, starting with PSBs.

HDFC Life partners with Paytm to expand its distribution

- HDFC Life Insurance has partnered with Paytm to expand its distribution.
- The partnership is aimed to enable customers of Paytm to purchase insurance products from HDFC Life.
- HDFC Life Insurance is constantly exploring opportunities to create and sustain new partnerships to strengthen its distribution network.
- With the partnership, HDFC Life Insurance aims to increase insurance penetration in India and to simplify the customers experience right from the purchase to the claim process.

Extra Shots:

HDFC Life is a long-term life insurance provider with its headquarters in Mumbai, offering individual and group insurance.

- CEO: Vibha Padalkar
- Headquarters: Mumbai

Reserve Bank of India large cooperative banks to report all exposures of Rs 5 crore

- Reserve Bank of India directed large cooperative banks to report all exposures of Rs 5 crore and more to the Central Repository of Information on Large Credits (CRILC) at early recognition of financial distress.
- Reserve Bank of India created a CRILC of commercial banks all India financial institutions, and individual non-banking financial companies with multiple objectives, which, among others, include strengthening offsite supervision and early recognition of financial distress.
- RBI announced that to bring UCBs with assets of Rs 500 crore and above under the CRILC reporting framework.

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Andhra Bank receives best performing bank award

Andhra Bank has received a best performing bank award for RSETIs for 2018-19 financial year. The public-sector bank has established 14 Rural Self-Employment Training Institutes (RSETIs) under Ministry of Rural Development scheme in Andhra Pradesh, Telangana, Odisha and Kerala.

Andhra Bank RSETIs trained 9,711 candidates in 2018-19 and 82 per cent of them got employment by way of self-employment or jobs.

RBI appoints J&K Bank as lead banking convener for J&K, SBI for Ladakh

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The Reserve Bank appointed Jammu & Kashmir Bank as the lead banker for the newly carved out union territory of Jammu and Kashmir.

State Bank of India (SBI) will be the lead convenor bank for union territory of Ladakh.

Allahabad Bank, IOB, UCO to get ₹8,655 crore for preferential allotment

The government has approved releasing ₹8,655 crore to three public sector lenders — Allahabad Bank, Indian Overseas Bank (IOB) and UCO Bank — for preferential allotment of shares.

The Ministry of Finance has approved infusing fresh capital amounting to ₹2,153 crore in Allahabad Bank, ₹2,142 crore in UCO Bank and ₹4,630 crore in IOB via for preferential allotment of shares.

Fresh capital infusion by the government is a part of the announcement made by Finance Minister Nirmala Sitharaman, in her maiden Budget on 5 July

No extra charge on digital payments via RuPay & UPI from 1st Jan 2020

- The Union Finance Minister has announced that the Merchant Discount Rate (MDR) charges for businesses with over Rs 50 crore annual revenues will be waived off from January 1, 2020.
- Also, the digital transactions made using RuPay credit cards, or UPI QR codes will not face any additional charges for merchants or customers from January 1, 2020.
- All shops, business establishments and companies with an annual turnover of Rs 50 crore or more have been mandated to offer these modes of payment to customers.
- The Department of Revenue will also notify RuPay and UPI as the prescribed mode of payment for digital transactions without any Merchant Discount Rate (MDR).
- AIM: to promote the home-grown digital payment pathways like RuPay and UPI, over those promoted by foreign companies, including VISA and MasterCard.

Extra Shots:

RuPay: RuPay is a card scheme, conceived and launched by the National Payments Corporation of India on 26 March 2012. It was created to fulfil the Reserve Bank of India's vision to have a domestic, open and multilateral system of payments. RuPay facilitates electronic payment at all Indian banks and financial institutions.

- Owner: National Payments Corporation of India
- Introduced: 8 May 2014

UPI: Unified Payments Interface is an instant real-time payment system developed by National Payments Corporation of India facilitating inter-bank transactions. The interface is regulated by the Reserve Bank of India and works by instantly transferring funds between two bank accounts on a mobile platform.

- Introduced: 11 April 2016
- Owner: NPCI

RBI buys Rs 10,000 cr worth long-term govt securities in 2nd special OMO

- The Reserve Bank of India bought 10,000 crore rupees of long-term government securities and sold 8,501 crore rupees of three short-term bonds.
- RBI announced to purchase and sell government securities simultaneously under Open Market Operations (OMO) for 10,000 crore rupees each.
- The RBI offered to sell four securities in the auction.

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Aditya Birla Finance becomes first NBFC to list commercial paper on bourses

- Non-bank lender Aditya Birla Finance became the first company to list its commercial papers borrowing of Rs 100 crore on the bourses.
- The Kumarmangalam Birla-led company listed its CPs on NSE with a value date of November 28, 2019, and maturity date on February 7, 2020, on BSE and NSE, both the bourses.
- ABFL is a diversified non-banking finance company (NBFC) with a long-term credit rating of AAA (Stable) from both Icria as well as India Ratings.

Extra Shots:

Aditya Birla Finance:

- Headquarters location: Mumbai
- Founded: 1991
- Parent organization: Aditya Birla Capital

ADB provides \$206m loan to finance Tamil Nadu Urban Investment Programme

- The Asian Development Bank (ADB) has agreed to advance a loan of US \$206 million to develop water supply and sewerage infrastructure in Tiruchi and other cities in Tamil Nadu.
- It will also strengthen the capacities of Urban Local Bodies (ULBs) for improved service delivery.
- The project initiatives are also expected to help the state develop the requisite ecosystem for economic growth.
- The project will target cities namely Ambur, Tiruchirappalli, Tiruppur, and Vellore for developing sewage collection and treatment and drainage systems.
- Improvement to water supply systems would be targeted in the cities of Madurai and Tiruppur.

Extra Shots:

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- Headquarters: Mandaluyong, Philippines
- President: Currently Vacant
- Founded: 19 December 1966
- Membership: 68 countries
- Purpose: Economic development

ADB lowers India's GDP growth forecast to 5.1% in FY20

- The Asian Development Bank (ADB) has lowered its forecast for India's economic growth in fiscal year 2019-20 to 5.1%.
- ADB has stated that the consumption was affected by slow job growth and rural distress was aggravated by poor harvest.

Extra Shots:

ADB: The Asian Development Bank is a regional development bank established on 19 December 1966, which is headquartered in the Ortigas Center located in the city of Mandaluyong, Metro Manila, Philippines. The company also maintains 31 field offices around the world to promote social and economic development in Asia.

- Headquarters: Mandaluyong, Philippines
- President: Currently Vacant
- Founded: 19 December 1966
- Membership: 68 countries
- Purpose: Economic development

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NTPC signs pact for Rs. 5,000 crores with SBI

- National Thermal Power Corporation Limited has signed a term loan agreement for Rs. 5,000 crore with State Bank of India.
- The loan facility has been extended at an interest rate linked to 3 Months MCLR of the bank and has a door to door tenure of 15 years.
- The loan will be utilised to part finance the capital expenditure of NTPC.

Extra Shots:

NTPC Headquarters: New Delhi, India

SBI Headquarters: Mumbai, Maharashtra

Exim Bank provides USD 500 mn credit to Bangladesh for defence procurement

- India has provided USD 500 million (Rs 3,561 crore) line of credit to Bangladesh for defence-related procurement in the neighbouring country.
- Export Import Bank of India (Exim Bank) entered into an agreement with Bangladesh's Armed Forces Division for making available to the latter a Government of India-supported line of credit (LoC) of USD 500 million

Extra Shots:

Exim Bank HQ: Mumbai, Maharashtra

Moody's slashes India's GDP growth forecast to 5.6% for 2019

- **Moody's Investors Service**, an American credit rating agency in its **Global Macro Outlook 2020-21**, has lowered **India's GDP** (Gross Domestic Product) growth forecast for **2019 to 5.6 %**, which is less than 7.4 % in 2018.
- It cuts the forecast due to the slow growth rate of employment is impacting consumption.
- It also expects that the growth rate will improve after that and it can be 6.6 % and 6.7 % in 2020 and 2021 respectively.

Extra Shots:

Moody's HQ: New York, US

Crisil slashes India's FY20 growth to 5.1% over slump across sectors

- Rating agency Crisil sharply cut its growth forecast for the current financial year to 5.1 per cent from an earlier estimate of 6.3 per cent.
- Growth in the second half of 2019-20 will go up to 5.5 per cent, up from the 4.75 per cent in the first half.
- The move comes ahead of the RBI's announcement on lending rates on December 5.

Extra Shots:

Crisil HQ: Mumbai

ADB, ACAMS partner to improve anti-money laundering capacities in developing Asia

The Asian Development Bank (ADB) and the Association of Certified Anti-Money Laundering Specialists (ACAMS) are partnering in the pilot rollout of an internationally accredited online training programme to boost anti-money laundering and know-your-client (AML/KYC) capacities of ADB's Trade Finance Programme (TFP) partner banks.

Extra Shots:

ADB HQ: Manila, Philippines

GoI signs \$250 Mn loan with ADB to expand energy efficiency investments

- The Government of India and the Asian Development Bank (ADB) have signed a \$250 million loan for Energy Efficiency Services Limited (EESL).

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- The loan aims to expand energy efficiency investments in India that will benefit agricultural, residential and institutional consumers.
- Additionally, \$46 million financing will be provided from the Clean Technology Fund (CTF), to be administered by ADB.
- The project is expected to contribute to the mission of Government of India to promote energy efficiency and meet Government's commitments to reduce energy intensity of the economy.

Extra Shots:

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ICAR and NABARD signs MoU to facilitate the action research and up-scaling of the various technologies and innovative farmer models

- With a view to promote sustainable agriculture and climate resilient farming systems the Indian Council of Agricultural Research (ICAR) signed a Memorandum of Understanding (MoU) with the National Board of Agriculture and Rural Development (NABARD) to facilitate the action research and up-scaling of the various technologies and innovative farmer models developed by the ICAR.

Extra Shots:

- NABARD HQ: Mumbai
- Head: Harsh kumar Bhanwala

NEFT, RTGS transfer charges to be waived for savings account, RBI issues order

- The RBI informed that NEFT, RTGS transfer charges should be waived off to push digital retail payments. The new rules come into effect from 1 January 2020.
- The RBI also made NEFT transactions a round-the-clock process which works even during bank holidays

Moody's cuts India's FY20 growth projection to 4.9% citing weak consumption

- Moody's has lowered its GDP growth projection for India for the fiscal year ending March 2020 to 4.9 per cent from 5.8 per cent.
- The major factors responsible for weakening economic growth were rural financial stress, low job creation and liquidity constraints.

RBI caps lending on P2P platforms at Rs 50 lakh

- To protect consumers interest, the Reserve Bank said that on a peer-to-peer lending (P2P) platform the permissible exposure of a lender to all borrowers should not exceed Rs 50 lakh at any given point of time.
- The lender investing more than Rs 10 lakh across P2P platforms will produce a certificate to P2P platforms from a practising Chartered Accountant certifying minimum net-worth of Rs 50 lakh.

AIIB announces \$210 million loan for irrigation & solar energy projects

- The Beijing-based Asian Infrastructure Investment Bank (AIIB) announced a total loan of \$210 million for irrigation and solar energy projects in India.
- The multilateral institution will lend \$145 million to improve irrigation services and strengthen flood risk management in West Bengal, while \$65 million has been earmarked for a 250-megawatt (MW) solar project in Rajasthan promoted by Hero Future Energies.

RBI introduces new prepaid payment tool for transactions upto Rs 10,000 a month

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- The Reserve Bank has introduced a new type of prepaid payment instrument (PPI) which could be used only for purchase of goods and services up to a limit of Rs 10,000 per month.
- PPIs are financial instruments that facilitate the purchase of goods and services against the value stored on such instruments.
- As per the circular, such PPIs shall be issued by bank and non-bank ‘PPI Issuers’ after obtaining minimum details of the holder.
- “The amount loaded in such PPIs during any month shall not exceed Rs 10,000 and the total amount loaded during the financial year shall not exceed Rs 1,20,000,” the circular said.

Bank Gross NPA Ratio Of SCB’s Decline In 2019: RBI Report

- The Reserve Bank of India released the Report on Trend and Progress of Banking in India 2018-19, a statutory publication in compliance with Section 36 (2) of the Banking Regulation Act, 1949. This Report presents the performance of the banking sector, including co-operative banks, and non-banking financial institutions during 2018-19 and 2019-20 so far.
- The banking sector showed improvement with the gross non-performing assets (GNPA) ratio of Scheduled Commercial Banks (SCBs) declining from 11.2 per cent in March 2018 to 9.1 per cent in March 2019 and a return to profitability in H1: 2019-20.

Federal Bank ties up with Magicbricks to recover dues from 30 big accounts

- Private sector lender Federal Bank has tied up with online real estate platform Magicbricks for listing and e-auctioning of immovable properties repossessed by it in recovery proceedings. The move is aimed at speedy recovery of the bank’s impaired assets, while helping customers get the best rate in the market for their properties.

Pine Labs partners with Kotak Mahindra Bank to enable EMIs on Kotak Debit Cards

- Pine Labs, one of India’s largest merchant-focused companies and Kotak Mahindra Bank (Kotak) announced a tie-up to enable EMI payments via Kotak Debit Cards. This arrangement enables over 10 million eligible Kotak debit card customers to pay for their purchases in easy instalments via the Pine Labs POS terminals.

India’s financial system stable despite weakening domestic growth: RBI

- The Reserve Bank of India (RBI) released the Financial Stability Report, which states that the financial system of the country is stable.
- “India’s financial system remains stable notwithstanding weakening domestic growth; resilience of the banking sector has improved. Risks from global or domestic economic uncertainties and geopolitical developments, however, persist,” says the report.

IMF retains India’s FY20 GDP growth rate forecast at 6.1%

- The International Monetary Fund (IMF) has retained India’s economic growth forecast at 6.1 per cent for FY20, but said risks to the outlook are tilted to downward side. IMF’s projection, given in its much-awaited country report on India under Article IV of the Fund, is much higher than those by most agencies.
- For example, the Reserve Bank of India’s latest projection pegged the growth at 5 per cent, Standard & Poor’s at 5.1 per cent, Moody’s at 4.9 per cent and Fitch’ at 4.6 per cent for the current financial year.

HDFC Life partners with Paytm to expand its distribution

- HDFC Life Insurance has partnered with Paytm to expand its distribution. The partnership is aimed to enable customers of Paytm to purchase insurance products from HDFC Life.
- With the partnership, HDFC Life Insurance aims to increase insurance penetration in India and to simplify the customers experience right from the purchase to the claim process.

No MDR charge on payment via RuPay debit card, UPI, UPI QR code from Jan 1

- Users will no more be required to pay merchant discount rates (MDR) when they make a digital payment using RuPay debit card, UPI, or UPI QR code from January 1, 2020

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- In a gazette notification, the revenue department of the Finance Ministry announced to amend Income-tax Rules, 1962, and prescribed use of the RuPay card and UPI for digital transactions to avoid MDR charges.
- Companies with an annual turnover of Rs 50 crore or more will have to provide the facility of payment through RuPay debit card, UPI and UPI QR code to their customers.
- The companies will be penalised with Rs 5,000 per day if they fail to install and operationalise to accept payment through the prescribed payment facilities until January 31, 2020

EXPECTED BANKING QUESTIONS FROM NOVEMBER 2019 CURRENT AFFAIRS

- 1) Which banks are removed from the second schedule of the RBI Act?
Vijaya Bank and Dena Bank from the second schedule of the RBI Act, with effect from April 1, 2019.
- 2) Which bank has joined hands with **Walmart India**, a wholly-owned subsidiary of Walmart Inc to launch a **co-branded credit card**? **HDFC Bank**
- 3) What is the name of has launched “my: health Woman Suraksha policy”, a comprehensive medical insurance scheme specially designed for women? **HDFC ERGO general insurance company**
- 4) From when does the Reserve Bank of India announced round-the-clock transactions will be allowed 24×7 facility under the National Electronic Funds Transfer (NEFT) system on all days including weekends and holidays ?
December 16.
- 5) How much does the union Government have sanctioned till 1st November this year under the Pradhan Mantri Mudra Yojana, PMMY? **1 lakh crore**
- 6) From how much amount India’s Central Bank, the **Reserve Bank of India (RBI)** has taken a big step to promote the **peer-2-peer (P2P)** sector by increasing the total **loan limit** among such lenders by five times to **Rs 50 lakh**?
10 lakh
- 7) **Which bank has tied up with Mastercard**, an American multinational financial services corporation to provide an additional layer of security function called ‘**Mastercard Identity Check**’ for digital transactions done by bank’s cardholders? **Federal Bank**
- 8) **Who headed the committee** to make recommendations for **loss prevention & minimization** in the general insurance industry? **T.L ALamelu**
- 9) How much amount does the Asian Development Bank (ADB) and the Government of India has signed to upgrade about 1,600 km of state highways and major district roads in the state of Madhya Pradesh? **\$490 million loan**
- 10) How much amount the Reserve Bank of India (RBI) will simultaneously purchase and sell government securities under a special Open Market Operation (OMO)? **Rs 10,000 crore**
- 11) Which bank crossed the \$100 billion market capitalization became the third firm in the country to achieve this milestone? **HDFC Bank**
- 12) What is CRILC? **Central Repository of Information on Large Credits .**
- 13) What is the name of the digital initiative launched by Karnataka Bank a digitized version for opening Savings Bank account through TAB Banking on the spot? **KBL Xpress SB Accounts**
- 14) Which Bank introduce One Time Password (OTP)-based ATM cash withdrawals? **State Bank of India**
- 15) What is the name of an e-auction platform launched by Finance Minister? “**eBkray**“.
- 16) With whom does the HDFC Life Insurance has partnered to expand its distribution? **Paytm**
- 17) Who has received a best performing bank award for RSETIs for 2018-19 financial year? **Andhra Bank**

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- 18) From when does the Union Finance Minister has announced that the Merchant Discount Rate (MDR) charges for businesses with over Rs 50 crore annual revenues will be waived off? **January 1, 2020.**
- 19) How much amount does the Asian Development Bank (ADB) has agreed to advance a loan to develop water supply and sewerage infrastructure in Tiruchi and other cities in Tamil Nadu? **US \$206 million**
- 20) With whom does the State bank of India has signed a term loan agreement for Rs. 5,000 crore with State Bank of India? **National Thermal Power Corporation Limited**
- 21) What is the growth forecast for the current financial year of Rating agency Crisil ? **5.1 per cent** from an earlier estimate of 6.3 per cent.
- 22) How much amount did the Government of India and the Asian Development Bank (ADB) have signed for Energy Efficiency Services Limited (EESL)? **\$250 million**
- 23) How much did the Beijing-based Asian Infrastructure Investment Bank (AIIB) announced for irrigation and solar energy projects in India? **\$210 million**
- 24) From when does the Users will no more be required to pay merchant discount rates (MDR) when they make a digital payment using RuPay debit card, UPI, or UPI QR code? **January 1, 2020**
- 25) What is called as the Rate at which RBI borrows money from commercial banks? **Reverse Repo Rate**
- 26) What is called as Open Market Operations? **Open market operations refer to sale and purchase of securities in the money market by the central bank of the country.**
- 27) What is the other name of Bank Rate? **Discount Rate**
- 28) Which Rate is also called as Policy Rate? **Repo rate**
- 29) What will be the CRR with the RBI lower will be the liquidity in the system? **Higher**
- 30) Who is the sole monetary authority which decides the supply of money in the economy? **RBI**

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