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**#5
Issue**

**April
2018**

Only Banking!

Monthly Banking Awareness PDF
from Daily Current Affairs.

Kotak Mahindra Bank launches new AI powered voice bot Keya

- ◆ Private sector lender Kotak Mahindra Bank has launched 'Keya' an AI-powered voice bot integrated with Kotak's phone-banking helpline aimed at augmenting the traditional interactive voice response (IVR) system in both English and Hindi. The platform has been developed by the bank in partnership with Nuance a Nasdaq listed firm based out of Massachusetts, USA.
- ◆ Keya uses automatic speech recognition, natural language understanding and text-to-speech technology to help customers navigate smoothly and quickly through the IVR.

Reserve Bank of India drops Axis Bank from list of bullion importers

- The Reserve Bank of India (RBI) late in April dropped Axis Bank from a list of banks it has cleared to import gold and silver in the current financial year that began April 1.
- It was unclear why Axis, one of India's leading importers of bullion, did not feature in the list that was released late in April.
- Axis Bank and the Reserve Bank of India were not immediately reachable for comment.
- Bank of Baroda, HDFC Bank and Bank of Nova Scotia were among the 16 banks allowed to import bullion.

IndusInd Bank to pilot WhatsApp enterprise solution

- Private lender IndusInd Bank in April announced a pilot program with WhatsApp enterprise solution in India to communicate with its customers.
- The integration with WhatsApp will allow IndusInd Bank to start appearing as a verified account when it communicates with its customers. The initial test phase will allow the bank to communicate important transaction alerts to the customers on WhatsApp.

YES BANK Appoints Raj Ahuja as Group CFO

- YES BANK, India's fourth largest private sector bank announced the appointment of Raj Ahuja as Chief Financial Officer of the Bank and Group CFO.

SBI Life Insurance appoints Sanjeev Nautiyal as new MD & CEO

- SBI Life Insurance Company Limited in April appointed Sanjeev Nautiyal as its new MD and CEO.

Jio Payments Bank begins its operation

- The Reserve Bank said in April that Jio Payments Bank commenced its banking services from April. Reliance Industries Ltd was one of the 11 applicants which were issued in-principle approval for setting up a payments bank in August 2015.
- Jio Payment Bank Limited is a 70-30 joint venture between Mukesh Ambani's Reliance Industries Limited and India's largest lender State Bank of India (SBI).

India's first blockchain implementation goes live

- Three trade receivable discounting systems (TReDS)—digital invoice discounting platforms—approved so far by the RBI have jointly implemented a blockchain solution, which is expected to help reduce frauds in bills discounting or receivable financing.
- The platforms—RXIL, A.TReDS and M1xchange—had been set up to bring together buyers, sellers and financiers for discounting the MSME invoices and provide them with timely funding.

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ICICI Bank launches social media-based remittance service for NRIs

- Leading private lender ICICI Bank announced the launch of a service that enables Non Resident Indians (NRIs) to send money to a beneficiary in India using social media platforms like WhatsApp and e-mail.
- Christened 'Social Pay', this first-of-its-kind service is available on Money2India (M2I), the bank's app for remittances. This new facility will enable NRIs to send money conveniently to their friends and family.

IndusInd Bank launches the Girl Power Programme

- IndusInd Bank in association with the JSW Foundation launched the IndusInd Bank Girl Power Programme to support junior as well as established girl athletes. This power-packed Programme supports girl athletes from various parts of the country and in different individual sports disciplines, so as to enable them to compete on a global stage.
- The Programme has been set-up to not just to groom world-class athletes, but to also provide a holistic development for them. The IndusInd Bank Girl Power Programme will support over 60 female athletes across 6 disciplines of boxing, judo, wrestling among others.

Financial Intelligence Unit slaps Rs 9 crore fine on Bank of Baroda in 2015 forex remittance scam case

- The Financial Intelligence Unit (FIU) has slapped Rs 9 crore penalty on Bank of Baroda for "failing" to adhere to anti-money laundering norms, and not having an effective system to report suspicious transactions linked to the Rs 6,000 crore scam in its Delhi-based branch.
- The FIU has levied the maximum penalty of Rs 1 lakh, as stipulated under the Prevention of Money Laundering Act (PMLA), for each instance of "delayed" filing of Suspicious Transaction Reports (STRs) by the state-owned bank in the case.

PayPal introduces online FIRC for ease of Indian sellers, freelancers

- International payments platform PayPal has digitised the Foreign Inward Remittance Certificate (FIRC) application process for the ease of Indian sellers and freelancers.

- With the new process, PayPal sellers receiving payments from across the globe can apply for an FIRC online by filling a form on the PayPal website and paying the FIRC fee via NEFT as opposed to the previous process of a Demand Draft (DD), reducing tedious paper work.

RBI releases First Bi-monthly Monetary Policy Statement 2018-19

- The Reserve Bank of India (RBI) on April 5, 2018 released its First Bi-monthly Monetary Policy Statement 2018-19.
- After assessing the current and evolving macroeconomic situation in the economy, the six member Monetary Policy Committee (MPC) decided to keep the Repo Rate under the Liquidity Adjustment Facility (LAF) unchanged at 6.0 percent.
- Consequently, the Reverse Repo Rate under the LAF remains unchanged at 5.75 percent and the Marginal Standing Facility (MSF) Rate and the Bank Rate at 6.25 percent.
- The decision of the MPC to keep the repo rate unchanged was in accordance with the objective of achieving the medium-term target for Consumer Price Index (CPI) inflation of 4 percent while supporting growth.
- The retail inflation based on the Consumer Price Index (CPI) fell to 4.44 percent in February 2018 from 5.07 percent in January 2018. Considering this, the RBI lowered its April-September (H1) inflation projection to 4.7-5.1 percent from February's 5.1-5.6 percent and 4.4 percent in H2.
- The fall in the retail inflation was due to the decline in inflation in food and fuel. Food inflation declined by 120 bps in February due to a sharp decline in vegetable prices.
- The revised formula for minimum support price as announced in the Union Budget 2018-19 for kharif crops may have an impact on inflation.
- The RBI projected economic growth of 7.4 percent for the current fiscal year, beginning on April 1, 2018.
- There are clearer signs of revival in investment activity as reflected in the sustained expansion in capital goods production and rising imports. Moreover, the improving global demand might encourage investment.

FIEO, PayPal sign MoU to empower SMEs to scale operations

- Global technology and digital payments platform, PayPal, and the Federation of Indian Export Organisations (FIEO), an apex international trade promotion organisation, announced a partnership to promote exports while leveraging the technology and experience of each other.
- PayPal will work with FIEO to educate small and medium enterprises (SMEs) on how to leverage global opportunities, help them receive money in a safe and timely manner with PayPal products like invoicing and bring to them global best practices from across 200 markets.

Ola, Acko partner to create in-trip insurance program

- Indian ride aggregator Ola in April launched a comprehensive in-trip insurance program for its customers across India, thereby extending the benefits of the 'Chalo befikar' insurance program to its customers across all categories, namely cabs, auto, and e-rickshaw.
- In this regard, Ola partnered with Acko General Insurance Ltd to launch this program designed to benefit its customers across 110 cities. A user booking an Ola ride can opt for an in-trip insurance cover while booking the ride at a premium of Re. 1 for all intra-city travel; Rs.10 for Ola Rentals; and Rs. 15 for Ola Outstation.

ICICI Bank is the first Indian bank to go live on SWIFT global payments innovation

- Global financial messaging cooperative Swift in April said ICICI Bank has become its first Indian client to go live with an improved cross-border payments service.
- The announcement of the service, which Swift claimed as being more transparent, comes weeks after the discovery of one of the largest banking frauds to be detected in Indian history, the Rs 12,900-crore Nirav Modi scam at the Punjab National Bank (PNB).

RBI directs banks to stop services to businesses dealing in virtual currencies

- The Reserve Bank of India (RBI) on April 5, 2018 directed all the entities regulated by it including banks to stop providing services to businesses dealing in virtual currencies such as bitcoin, in order to protect consumer interest and check money laundering.
- "In view of the associated risks, it has been decided that, with immediate effect, entities regulated by RBI shall not deal with or provide services to any individual or business entities dealing with or settling virtual currencies," RBI said in a notification.
- The central bank stated in its first bi-monthly monetary policy review of 2018-19 that though technological innovations including virtual currencies have the potential to improve the efficiency and inclusiveness of the financial system, they also raise concerns of consumer protection, market integrity and money laundering.

IndusInd Bank partners with Samsung to offer Samsung Pay services to credit card customers

- Private sector lender, IndusInd Bank in April announced collaboration with Samsung Electronics to enable its MasterCard and Visa Credit Card customers to use 'Samsung Pay'.
- IndusInd credit card holders can now 'tap and pay' at merchant outlets having Point of Sale (PoS) terminals using a wide range of Samsung Smartphones.
- Samsung Pay is a revolutionary payments system, which is 'Simple, Secure and accepted Almost Everywhere'.

RBI decides to set up Data Sciences Lab

- Reserve Bank of India decided to set up Data Sciences Lab to improve its forecasting, surveillance and early warning detection abilities.
- The lab will comprise experts and budding analysts, who are trained in Computer Science, Data Analytics, Statistics, Economics, Econometrics and Finance.
- The lab is likely to become operational by December 2018.

Indian Overseas Bank launches IoT-based customer service app

- Leading public sector bank, Indian Overseas Bank (IOB) as part of their 'Customer First' initiative launched Internet of Things (IoT)-based customer feedback application on a pilot basis at its Cathedral branch here.
- To increase customer satisfaction at the branch, R K Shetty, IOB general manager - customer service department, has introduced three initiatives with IoT.

SBI to invest Rs 80 bn in hydropower project of Nepal

- The State Bank of India (SBI) will be investing a total of Rs 80 billion in the Arun III hydropower project of Nepal, which has 900 megawatts (MW) electricity production capacities.

- The SJVN, which has been awarded with the construction of the mega power project of Nepal, has made an informal agreement with the SBI to acquire the investment as loan and soon will make the formal agreement.

SBI launches UK retail subsidiary with 225-mn pound capital commitment

- The SBI has announced the launch of its UK subsidiary, SBI (UK) Limited, with an initial capital commitment of 225 million pounds from its parent entity.
- India's largest state-owned bank, which celebrated the new subsidiary with a special event in London yesterday, becomes the first foreign bank in the UK to ringfence its retail division from its wholesale business.
- SBI said that the ringfencing and subsidiarisation of the retail franchise SBI UK, the bank's largest overseas operation, offers UK customers "stability and reassurance" amidst continuing uncertainty around the UK's decision to leave the European Union (EU).

Fitch downgrades scam-hit Punjab National Bank's viability rating to BB-

- Fitch Ratings in April downgraded the Viability Rating of the Punjab National Bank (PNB) to 'bb-' from 'bb' and maintained the rating on Rating Watch Negative (RWN) following a multi-crore fraud involving diamond trader Nirav Modi.
- According to a Fitch statement, PNB's other ratings were unaffected by this downgrade but it expressed doubts whether the bank management would be able to address the fraud quickly.
- Fitch said the PNB's Viability Rating reflected its weakened capitalisation and profitability due to "larger-than-Fitch-expected deficiencies in management oversight and risk controls. This is somewhat offset by its robust funding and liquidity profile stemming from its significant domestic franchise.

Small Industries Development Bank of India plans to promote micro-enterprises in 115 aspirational districts

- Small Industries Development Bank of India (SIDBI) has charted a plan to promote micro-enterprises in 115 aspirational districts across the country to contribute to their development.
- The bank has tied up with Common Service Centre (CSC) to meet this objective, Sidbi Chairman and Managing Director Mohammad Mustafa told PTI.
- The 'Transformation of Aspirational Districts' programme which was launched by Prime Minister Narendra Modi on January 5 this year, aims to bring about socio-developmental changes in these backward districts which have been chosen from all states of the country.

RBI tightens reporting norms of outward remittances to improve monitoring

- The Reserve Bank in April tightened reporting norms for the Liberalised Remittance Scheme (LRS) under which an individual can transfer up to USD 2,50,000 abroad in a year.
- The LRS transactions are currently permitted by banks based on the declaration made by the remitter.
- The monitoring of adherence to the limit is confined to obtaining such a declaration without independent verification, in the absence of a reliable source of information.
- Now banks will be required to upload daily transaction-wise information undertaken by them under LRS.

RBI slaps Rs.3 crore monetary penalty on IDBI bank

- The Reserve Bank of India (RBI) imposed monetary penalty worth Rs. 3 crore on IDBI Bank for not complying with the outlined norms related to reporting of bad loans.
- In an official notice, the RBI said the penalty was imposed on account of non-compliance with the directions issued on Income Recognition and Asset Classification (IRAC) norms.
- Furthermore, the central bank stated that this action is based on deficiencies in regulatory compliance, and not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.

Yes Bank launches first GST backed over draft facility for MSMEs

- Yes Bank has announced the launch of 'Yes GST', an OD (over draft) facility for Micro, Small and Medium Enterprises (MSMEs).
- Through this an MSME can avail OD up to Rs 1 crore, based on their annual turnover, backed by GST returns. Any additional assessment of balance sheet or bank statements will not be required.
- This OD facility can be availed by an MSME against mortgage of residential or commercial property. The sanctioned amount can be utilised by the MSME either fully or in tranches.

Government raises Nabard's authorised capital by six-times to Rs 30,000 crore

- As part of the drive to double income of farmers by 2022, the government has raised the authorised capital of Nabard by six times to Rs 30,000 crore to help it increase its lending to the rural economy.
- "The Central Government hereby increases the capital of the National Bank for Agriculture and Rural Development from five thousand crores of rupees to thirty thousand crore rupees," said a April 10 notification of the finance ministry.
- A bill in this regard was approved by Parliament earlier this year.
- The increase in authorised capital will enable Nabard to respond to commitments it has undertaken, particularly in respect of the Long Term Irrigation Fund and on-lending to cooperative banks.

PhonePe partners with MMTC-PAMP to create India's first Gold Savings marketplace

- PhonePe, India's fastest growing digital payments company in April announced a partnership with MMTC-PAMP to provide 24K Gold of 99.99% purity on the PhonePe app.
- With this partnership, PhonePe is now the first digital payments app to offer a sophisticated gold marketplace to its users. PhonePe customers can buy 24K Gold from the provider of their choice at transparent and competitive live prices.

Axis Bank's Power Salute offers special banking services for Defence personnel

- The Indian Army renewed its MOU with Axis Bank, to offer 'Power Salute', a salary account, exclusively designed for the Army personnel.
- To reinforce its commitment towards providing best in class banking services to this customer segment, the bank will continue to offer customised solutions to address the requirements of the Army personnel.

SBI is India's most trusted bank and ICICI tops in private sector: Report

- The TRA Brand Trust Report 2018, launched on April 18, 2018, stated that the State Bank of India is the most trusted bank in the country and ICICI Bank topped the chart among the private ones.
- State Bank of India topped the chart of Banking and Financial Services Institutions (BFSI) super-category, despite witnessing a drop in its overall brand trust index rankings from 13th in 2017 to 21st this year.
- The leader among the private banks is ICICI Bank with an overall 38th rank in 2018.
- Punjab National Bank, which in February witnessed a multi-crore fraud, ranked 6th among the public sector banks (PSB) and is 297th in the overall ranking.

New NPA resolution norms outcome oriented, flexible: RBI

- RBI Deputy Governor N.S. Vishwanathan on April 18, 2018 announced that the RBI norms on resolution of banks' Non-Performing Assets (NPAs) are outcome-oriented and provide banks the flexibility on deciding the contours of resolution.
- As per the RBI's revised framework on NPAs, banks are required to classify even a day's delay in paying loan instalments as a default.
- The accumulated NPAs in the Indian banking system have crossed the level of Rs 9 lakh crore.

19 crore Indian adults do not have bank account: Global Findex Report 2017

- The World Bank on April 19, 2018 released the Global Findex Report 2017 stating that though Financial Inclusion is on the rise globally, gaps still remain there across the countries. Men still are ahead of women to have an account in a bank.
- Globally, 69 percent of adults now have an account at a bank or have enrolled themselves on a mobile money provider. There were 62 percent banked adults in 2014 and just 51 percent in 2011.
- Despite having a relatively high account ownership, India claims a large share of the global unbanked population, after China. Over 190 million Indian adults still do not have a bank account.
- Out of the total unbanked population of India and China, 60 percent of the unbanked adults are women.

IOB inks information utility pact with NeSL

- Indian Overseas Bank (IOB), one of the leading public sector banks, in April entered into an agreement for information utility services with the National E-Governance Services Limited (NeSL).
- The NeSL became India's first information utility (IU) for bankruptcy cases under the 'Insolvency and Bankruptcy Code (IBC) 2016' in October 2017.

ICICI Bank launches digital form for opening current accounts

- Private sector lender ICICI Bank in April said it has introduced a 'digital form' which will help open current accounts in a few hours.
- Bank officials can now capture information about the customer and the business digitally and verify KYC documents in real-time, at the premise of the customer, it said in a statement.

RBI revises its KYC guidelines

- The Reserve Bank of India on April 22, 2018 revised its "Know Your Customer" or the KYC guidelines, following the government's decision to update the 'Prevention of Money Laundering' rules in June 2017.
- RBI made linking of national biometric ID Aadhaar to bank accounts mandatory. However, this will be subject to the final decision of the Supreme Court on making of Aadhaar mandatory.
- Till now, an officially valid document of address proof along with PAN card and a recent passport size photograph were the key KYC documents.

Reserve Bank of India lifts credit cap on service sector MSMEs

- In a relief to small service providers, the Reserve Bank of India (RBI) in April lifted credit caps with immediate effect for all service sector Micro, Small and Medium Enterprises (MSME) borrowers qualifying under the priority sector lending norms. In February, the Central bank had made a similar relaxation for MSMEs engaged in manufacturing activities.
- To increase the credit flow, the RBI also tweaked loan disbursement targets for banks at 7.5 per cent of Adjusted Net Bank Credit or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, as per the extant guidelines on priority sector lending.
- Until now, though MSME advances were categorised as priority sector loans, it came with certain limits like `25 lakh for micro enterprises in the manufacturing sector, while for small and medium enterprises it was `25 lakh-`5 crore and `5-`10 crore respectively. Similarly, for service sector, the cap was set at `10 lakh for micro, `10 lakh-`2 crore for small and `2 crore-`5 crore for medium enterprises.

Anushka Sharma named Standard Chartered Bank brand ambassador

- Standard Chartered Bank in April announced the launch of its retail digital banking initiatives which will empower customers to avail of a seamless digital experience across various banking services - from opening accounts real time to interacting digitally with relationship managers (RMs).
- To create a strong connect with this ever increasing young working audience, the Bank is bringing on board actor Anushka Sharma as its brand ambassador.

Axis Bank board clears higher borrowing limit of Rs 2 lakh crore

- Axis Bank in April said its board has approved a proposal to increase its borrowing limit up to Rs 2 lakh crore.
- The borrowings will be "apart from deposits of money accepted from public in the ordinary course of its business, temporary loans repayable on demand or within six months from the date of the loan, if any, obtained from the bank's bankers", it said in a regulatory filing.

HDFC Bank launches IRA 2.0, the advance version of its interactive humanoid

- HDFC Bank launched IRA 2.0, its interactive humanoid at the Koramangala Branch in Bengaluru in April. The interactive humanoid in its advance version is aimed to enhance user experience for customers visiting in this branch and will interact with them, answer bank-related queries, frequently asked questions (FAQs), and also guide them inside the branch with voice-based navigation.

- HDFC Bank has developed IRA (Interactive Robotic Assistant) 2.0 in collaboration with its technology partners Invento Makerspaces and Senseforth Technologies. It became the first bank in India to introduce a humanoid IRA 1.0 for customer service at the Kamala Mills Branch in Mumbai last January. Currently, IRA 1.0 is stationed at the Palarivattom Branch in Kochi.

Paytm introduces 'Tap Card' offline payments solution

- One97 Communications Limited, the owner of digital payment major, Paytm, announced the launch of its offline payments solution - the Paytm Tap Card, in line with the company's vision to provide seamless payments solutions for non-internet customers.
- For Paytm Tap Card, the Vijay Shekhar Sharma-led company has collaborated with Chennai-based NFC technology company YELDI Softcom.
- This card uses Near Field Communication (NFC) technology to enable safe and convenient digital payments, completely offline at Paytm-issued, NFC PoS terminals, in under a second. To make payments, users can add money from their Paytm account by scanning the QR code on the Tap Card and by authenticating it at any of the add value machines (AVM).

Reserve Bank of India liberalises External Commercial Borrowings norms; more access to cheaper funds

- In a bid to facilitate cheaper access of overseas funds Reserve Bank of India (RBI) in April further liberalised External Commercial Borrowings (ECB) Policy by including more sectors in the window.
- "It has been decided to increase the ECB Liability to Equity Ratio for ECB raised from direct foreign equity holder under the automatic route to 7:1. This ratio will not be applicable if total of all ECBs raised by an entity is up to USD 5 million or equivalent," RBI said in a late night notification.
- With a view to harmonising the extant provisions of Foreign Currency and Rupee ECBs and Rupee Denominated Bonds, it has been decided to stipulate a uniform all-in-cost ceiling of 450 basis points over the benchmark rate.

RBI lifts key restriction on foreign investors in bond market

- The Reserve Bank of India (RBI) said it is withdrawing a restriction that limited foreign investors to only investing in government and corporate bonds with tenures of three years or more, a move that could bolster the domestic bond market.
- The decision by the RBI, announced late in April, came close on the heels of weak investor interest in two recent auctions that led to a spike in sovereign debt yields.
- At Thursday's auction of a 7.37 percent 2023 bond, the Reserve Bank of India was only able to sell about 430 million rupees out of the 30 billion on offer into the market, with the remainder having to be bought by primary dealers.

Prakash Apte appointed part-time Chairman, Kotak Mahindra Bank

- Kotak Mahindra Bank in April announced the appointment of Prakash Apte as part-time chairman of the Bank for a period up to December 31, 2020, subject to regulatory approvals.