

Banking Current Affairs AUGUST - 2017

1. SBI accounts for over 27 per cent of the total amount owed to public sector banks by willful defaulters. As many as 1,762 willful defaulters owed Rs. 25,104 crores to State Bank of India as on March 31, putting pressure on its balance sheet. Punjab National Bank is next on the list with 1,120 willful defaulters having outstanding non-performing assets (NPAs) or bad loans of Rs. 12,278 crores.
2. The mergers of regional rural banks that are ordered by the government are now exempt from seeking CCI approval, according to a notification -- a move that will lead to faster closure of such transactions. Competition Commission of India (CCI) keeps a tab on unfair business practices across sectors. The exemption has been granted for a period of five years.
3. Banks importing gold and precious metals will have to pay 3 per cent tax under the GST which can be claimed as input tax credit, as per the government. Under GST, "3 per cent Integrated-GST is payable on all imports of precious metals in addition to the basic customs duty.
4. The government decided to set up an Alternative Mechanism to oversee the proposals for consolidation of public sector banks (PSBs) with a view to creating fewer but stronger lenders. The Alternative Mechanism will be decided by Prime Minister Narendra Modi. The government aims to create strong and competitive banks in public sector space to meet the credit needs of the growing economy, absorb shocks and have the capacity to raise resources without depending on the state exchequer.
5. On the eve of third anniversary of Jan Dhan Scheme which aimed at financial inclusion, atleast 30 crore new families have got Jan Dhan accounts in which almost Rs. 65,000 crores have been deposited as per the Prime Minister Narendra Modi.
6. Public sector banks have taken loan recovery action under Sarfaesi law against 5,954 wilful defaulters owing about Rs 70,000 crore to the lenders. At the end of March 31, 2017, 21 banks together have taken action against 5,954 willful defaulters under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Sarfaesi) Act, as per data collated by the Finance Ministry. Total outstanding loans due to public sector banks by willful defaulters amounted to Rs. 92,376 crores, according to the finance ministry data. The total outstanding loans by willful defaulters rose to Rs. 92,376 crores at the end of financial year 2016-17, from Rs. 76,685 crores at the end of fiscal 2015-16-- up 20.4 per cent.
7. Foreign lender HSBC India's vice chairman and investment banking head Sunil Sanghai quit the British banking giant and joined hands with the Dinesh Kanabar-promoted tax and regulatory firm Dhruva Advisors to start a merchant banking division.
8. Over 8000 customers of state-run lender Bank of Baroda found their current and savings account erroneously debited with NEFT and RTGS transaction charges after the process of upgrading the bank's core banking software led to technical glitches in the NEFT, RTGS and outward clearing-related transactions.
9. Reserve Bank of India (RBI) has directed banks to refer as many as 50 dud accounts to bankruptcy court if they are unable to find a resolution for them in about three months, in the second such list that the regulator has sent out in its renewed campaign to clean up the country's overwhelming bad corporate debt problem. The new list is said to include companies such as Videocon Industries, Uttam Galva, Essar Projects and Ruchi Soya, all of which have debt that was classified as non- performing as of June in the books of at least 60% of lenders.
10. Bangladeshi Nobel Laureate and the founder of Grameen Bank Mohd Yunus has said his Grameen Bank model has now reached nearly 300 million borrowers across the world.
11. Non-food bank credit growth of schedule commercials banks slowed to 5.3 per cent in July as compared with a rise of 8.3 per cent in the same month last year, the RBI data showed. Credit to

FLAT 50% OFF

₹2500 ₹1249



SSC CGL 2017

TIER-II & TIER-III

All Rounder

100+ TOTAL TEST

- 60 Full Length Mocks
- 50 Topicwise (Advance Maths)
- 20 eBooks (Topic Wise)
- English Descriptive eBook

agriculture and allied activities moderated to 6.8 per cent in July 2017, lower than the increase of 13.4 per cent in July last year. Personal loans rose by 15 per cent in the month, lower than the increase of 18.8 per cent in the year-ago period.

12. The credit growth of all banks slowed down to 8.1 per cent in 2016-17 from 10.9 per cent in the previous year, though the aggregate deposits improved on account of massive flow of funds after demonetization. The growth in aggregate deposits, on the other hand improved from 9.3 per cent in 2015-16 to 15.9 per cent in 2016-17, largely on account of a massive flow of funds into the banking system after the demonetisation of November 2016," the report titled 'India's Top Banks 2017' noted. "The gross non-performing advances (GNPA) of banks rose to 9.6 per cent in March, 2017 from 7.5 per cent in March, 2016. The net NPA ratio of banks stood at 5.5 per cent in March 2017," the report said.



IBPS SPECIAL COMBO 2017

with Video Solutions

360 TOTAL TESTS

- 150 Full Length Mocks
- 210 Practice Sets
- Bilingual

• E-Books, Study Notes etc.

13. Public sector banks have reported 20 per cent jump in the outstanding loans by nearly 9,000 willful defaulters who collectively owed to lenders more than 92,000 crore at the end of March this year. The outstanding loans by willful defaulters rose to Rs 92,376 crore at the end of financial year 2016-17, as against Rs 76,685 crore at the end of March 2016, registering a jump of 20.4 per cent.
14. Karur Vysya Bank rolled out an Aadhaar Enrollment Centre at its Nelson Manickam Road Branch in Chennai. KVB is the first private sector bank to provide this service in India.
15. Bharat Sanchar Nigam (BSNL) unveiled its mobile wallet in partnership with MobiKwik to enable one-tap bill payment for its over 100 million subscribers. The digital wallet, developed by MobiKwik for BSNL, is in line with the telecom corporation's intent to take the reach of digital payments to semi-urban and rural India

16. Airtel Payments Bank, which has achieved 10 million customer base since launch, has tied up with Hindustan Petroleum Corporation Limited for enabling all its petrol stations that are typically cash surplus to be used as ATM points for customers of the bank.
17. The amount of corporate loans restructured by lenders has seen a decline in the last three financial years, according to the
18. data tabled by Finance Minister Arun Jaitley. Banks restructured loans, that were sanctioned to companies, of worth Rs 3,70,279 crore in FY2014-15 and Rs 2,99,111 crore in 2015-16. "Any restructuring is to be carried out in accordance with detailed guidelines issued by RBI on restructuring like Joint Lenders' Forum (JLF), Strategic Debt Restructuring (SDR) and Scheme for Sustainable Structuring of Stressed Assets (S4A)," Jaitley said.
19. National Company Law Tribunal Ahmedabad, admitted Essar Steel insolvency case. State Bank of India's suggested interim resolution professional (IRP) Satish Kumar Gupta, of Alvarez and Marsal India, has been appointed as IRP.
20. State-run Indian Bank is looking to bring down its gross non-performing assets to below 5 per cent by March from over 7 per cent in the June quarter on the back of better recoveries, upgrades and write-offs. The Chennai-based lender is also targeting to improve its net interest margin to 3 per cent from 2.79 per cent now.
21. PNB customers will have to pay charges for depositing cash above Rs 5,000 in a non-base branch even if it is located in the same city. A customer will have to pay Re 1 per Rs 1,000 for above Rs 5,000 cash deposit or part thereof with a minimum of Rs 25 per transaction. At an outstation branch, cash deposit up to Rs 5,000 will be free of cost from September 1, which at present is limited for Rs 25,000. While, for above Rs 5,000 cash deposit at outstation branch, the bank will levy Rs 2 per Rs 1,000 or part thereof with a minimum of Rs 25 per transaction.
22. Public sector banks have "written off" nearly Rs 2.5 lakh crore loans in the last five financial years, the finance ministry said quoting RBI data. As many as 27 public sector banks, including SBI and its five associates, in 2016-17 have written off Rs 81,683 crore, the highest in the last five fiscals.
23. Private sector Kotak Mahindra Bank said it will offer debit card at a special price of Rs. 99 for the first year for customers who will open account under its zero-balance account scheme till September 15. The usual annual fee for debit card procured by 811 account holders (zero balance) is Rs 299.
24. The country's largest private sector lender, ICICI Bank launched instant credit cards enabling its

savings account customers to get a credit card instantly, in a completely digital and paperless manner. The bank has opened up the card with a credit limit of up to Rs. four lakh based on pre-checked bureau scores.

25. Private sector lender IDFC Bank has partnered with digital payments company Zeta, to launch 'IDFC Bank Benefits' - a payment solution for corporates that digitises employee spends and claims, making the process simple, real-time and paperless. The end-to-end digital solution comprises an IDFC Bank Benefits Card and Zeta app which integrates the full suite of allowances and reimbursements offered by an employer into one preloaded card.

Interest Rate Reduced by Banks on Savings A/C

1. Dena Bank cut interest rate on savings account deposits up to Rs 25 lakh by 0.5 per cent to 3.50 per cent. Those having deposits over Rs. 25 lakhs in their savings bank accounts will continue to get the existing interest of 4 per cent.
2. Bank of India has reduced interest rate on savings bank accounts by 50 basis points to 3.5 per cent on deposits of up to Rs 50 lakh. However, the bank will continue to pay 4 per cent interest on deposits of above Rs 50 lakh.
3. Canara Bank has reduced interest rate on savings bank accounts by 50 basis points to 3.5 per cent on deposits of up to Rs 50 lakh. However, the bank will continue

to pay 4 per cent interest on deposits of above Rs 50 lakh.

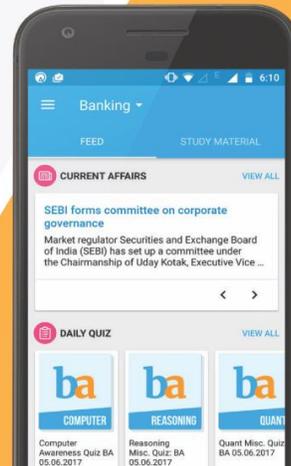
4. PSU lender Indian Bank said it will offer interest rate of 4 per cent per annum on savings account with incremental balance of over Rs 50 lakh and 3.50 per cent per annum for deposit up to Rs 50 lakh.
5. Two leading lenders PNB & HDFC Bank slashed interest rate on savings bank accounts by 50 basis points to 3.5 per cent on deposits up to Rs 50 lakh. Besides, Punjab National Bank also reduced interest rates on fixed deposits of less than Rs 1 crore by 15-40 basis points on select maturities. Interest rate on savings bank account for balance up to Rs 50 lakh has been reduced to 3.50 per cent per annum.
6. ICICI Bank, India's largest private sector lender became the latest bank to cut its savings bank rate. The bank said it had cut the interest rate on deposits below Rs. 50 lakh to 3.5%. ICICI joins peers SBI, Bank of Baroda, HDFC Bank, Axis Bank, Yes Bank among others which have reduced their rate on savings account deposits.
7. Kotak Mahindra Bank has cut its savings bank rate for savings bank deposits between Rs 1 crore to Rs 5 crore to 5.5% from 6% effective August 4. Kotak however has kept its savings bank rate for deposits upto Rs 1 lakh at 5% and between Rs 1 lakh and Rs 1 core at 6%. People keeping deposits of more than Rs 5 crore will also continue earning 5.5% interest on their savings deposits.
8. Private sector lender Axis Bank reduced interest rate on savings bank accounts by 50 basis points to 3.5 per cent for deposits up to Rs 50 lakh. However, the bank will continue to pay 4 per cent interest on deposits of above Rs 50 lakh.



VIDEO COURSE

Compliment your classroom with Banking Video Courses
visit: videocourses.adda247.com

Study on the GO with the Adda247 App



Boost your prep with Topic-wise E-books and monthly Magazines
visit: store.adda247.com