

## Banking Current Affairs JULY - 2017

1. ICICI Bank BSE will be selling personal loans of up to Rs 15 lakh through its ATMs that can be availed of by select salaried customers even if they haven't previously applied for one.
2. Bank of Baroda into an agreement with Directorate General of Supplies & Disposal (DGS&D) for extending various banking services to Government e-Marketplace (GeM). DGS&D has been mandated to set up GeM, an initiative intended to bring greater transparency and efficiency in public procurements.
3. Ajay Kanwal is slated to join Janalakshmi Financial Services as chief executive. Kanwal will replace VS Radhakrishnan, who will take over the role of vice chairman.
4. Aurionpro Solutions a global leader in digital innovation, enterprise security and banking solutions, announced its Branch-in-a-Box product, the Virtual Teller Machine (VTM) a fully integrated self-service kiosk for automating 90% of banking transactions at the branch level.
5. For the first time, HDFC Bank has shrunk its ATM network by shutting down machines that were not seeing enough footfalls. The bank has attributed this to a shift in customer behaviour from cash to electronic payments.
6. A combined 5,076 cases of active banking frauds involving Rs 1 lakh or more causing losses of Rs 16,78,853 lakh were reported by 76 banks during 2016-17. This data was shared by the Parliament.
7. Punjab National Bank Maestro debit cards holders will face a card blockage if they fail to replace it with a more secure EMV chip based card by the end of this month. The bank will not charge anything for the replacement and it will be provided free of cost.
8. Deploying automatic teller machines (ATMs) is set to get more expensive as ATMs have been put under the highest tax slab of 28% under the new Goods and Services Tax regime.
9. ICICI Bank, State Bank of India and Yes Bank are seeking additional collateral on loans disbursed to real estate developers. In some cases, they are insisting on personal properties of promoters as guarantees. Under the new law Real Estate (Regulation and Development) Act, 2016 (RERA), a developer will have to maintain 70% money collected from home-buyers in a separate account.
10. Indian Bank has revised its interest rates on foreign currency non-resident banking deposits. Revised interest rates have been fixed at 2.43 per cent for deposits of one year and above, but less than two years from the existing 2.36 per cent. Interest rates were revised to 2.59 per cent for deposits of two years and above but less than three years from the existing 2.50 per cent.
11. Housing Development Finance Corp. said it has exposure of Rs 909 crore in one of the 12 accounts referred by the Reserve Bank of India for resolution under the insolvency and bankruptcy code.
12. Private sector Axis Bank started offering loans to purchase super bikes of 500cc & above, making purchase of bikes such as Harley Davidson and Triumph easier. Axis Bank said it will offer 95% of bike cost including accessories.
13. Private life insurance company Canara HSBC Oriental Bank of Commerce Life Insurance, has entered into an alliance with Dhanlaxmi Bank. All the life insurance products of Canara HSBC Oriental Bank of Commerce Life Insurance would be made available to customers of Dhanlaxmi Bank.
14. In a major step to protect customers from large financial losses on account of frauds, RBI capped the customer liability at Rs 25,000 if they report unauthorised transactions within seven working days. RBI said customers can't be made liable at all if they notify the bank within three working days of the transaction.
15. Export Import Bank (Exim Bank) has reported a massive 87 per cent fall in net profit at Rs 41 crore in fiscal 2017.
16. Small Industries Development Bank of India (SIDBI), the nodal agency for the financing of MSME in India, has reported a 5% drop in net profit in the fiscal year ended March 2017 mainly as operating and interest expenses increased.
17. Axis Bank emerged the frontrunner to acquire FreeCharge, the digital payments platform owned by troubled ecommerce marketplace Snapdeal.
18. IDFC and the Shriram Group agreed to finalise within 90 days the merger of financial services business of the two groups that will create a financial supermarket with offerings from motorcycle credit to lending for multi-billion dollar power projects.
19. State Bank of India launched a digital village initiative in Nepal by installing a cash recycling centre. The digital village initiative has been launched in Jarisingpouwa in Shankarapur Rural Municipality, 25 km east from Kathmandu.
20. Customers' complaints about problems like cash withdrawal and exchange of old notes faced post demonetisation cannot be entertained under the Banking Ombudsman (BO) scheme as per the RBI. The central bank said that demonetisation is not one of the 27 grounds under which a customer can lodge a complaint with the Banking Ombudsman.

21. As many as 67 crore of the 110 crore bank accounts in the country are now linked with Aadhaar, the 12-digit unique identification number.
22. Axis Bank announced that it will help traders boost relations between India and Latin America and the Caribbean in a collaboration with Inter- American Investment Corporation. It will facilitate trade with Latin America and the Caribbean in which Axis Bank will participate in the Trade Finance Facilitation Programme (TFFP) as a confirming bank. Axis Bank said it is the first Indian Bank to be a part of such a facility.
23. SBI has waived charges for fund transfer of up to Rs 1,000 through its IMPS (Immediate Payment Service) to promote small transactions. IMPS is an instant interbank electronic fund transfer service through mobile phones as well as internet banking.
24. SBI reduced charges for National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) transactions upto 75 per cent effective July 15.
25. National Payments Corporation of India (NPCI) has developed awareness videos for customers who download their BHIM application for UPI based fund transfer. These videos have been created to assist new customers with initial steps of using the app, like verifying their registered SIM card, generating BHIM App's passcode, selecting their bank, generating UPI PIN for making transactions etc.
26. Reserve Bank said that the nonexecutive chairman of a bank can also be nominated to the audit committee of board of directors.
27. Yes Bank received another round of \$150 million funding from US government and Wells Fargo to fund SME lending. This is the third round of funding as part of arrangement between the Overseas Private Investment Corporation (OPIC) - US government development finance institution & Wells Fargo, with the objective to increase lending to small and medium enterprises in India.
28. National Company Law Tribunal given a 90-day lifeline to debt-ridden Nicco Corporation, making it the first firm to get more time for debt resolution beyond the initial 180 days.

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29. Emboldened by the Banking Regulation (Amendment) Ordinance, RBI is expected to push for resolution of bad loans worth around Rs 8 lakh crore by March 2019, a move that could bring down the NPAs and improve the financial health of banks, as per the study by Assocham.
30. Transactions through debit and credit cards rose by merely seven per cent post demonetisation, as against a surge of over 23 per cent in overall digital transactions. The digital transactions in all modes increased by 23 per cent. The highest jump was witnessed in transactions through UPI.
31. Bank of India's new chief launched Project Connect, an initiative to revive the bank that has suffered huge losses for two consecutive years due to a sharp rise in bad loans. The new initiatives aimed at reducing bad loans, improving the share of low cost deposits and retail credit
32. HDFC Bank launched a national digital-only marketing campaign, reinforcing its position as 'India's No. 1 Bank' in products like credit cards, personal loans and auto loans. Created by Leo Burnett, the campaign aims to connect with customers by asking them to #StartDoing and talk to India's No 1 Bank, to fulfil all their needs.
33. Ravi Mittal, additional secretary in Ministry of Finance, is now a part-time member of IRDAI (Insurance Regulatory and Development Authority of India) board. He replaced N S Rao.
34. Shikha Sharma reappointed as the Chief Executive of Axis Bank for another three-year term as the board felt the need for "continuity" with the industry undergoing stress and facing challenges on many fronts, including technology-led change.
35. Bajaj Allianz Life Insurance has renewed the corporate agency agreement with Dhanlaxmi Bank, one of the oldest private sector banks in India. Under the agreement, Dhanlaxmi Bank will continue to sell life insurance products of Bajaj Allianz Life Insurance.
36. Chhattisgarh government decided to merge all district cooperative central banks (DCCBs) of state into a single State Cooperative Bank, aiming to serve the farmers with better and efficient banking facilities. Cooperative banks play a significant role in paddy procurement and disbursements of short term agricultural loans to farmers.
37. Unified Payments Interface (UPI) grew the fastest on a month-on-month basis in May among all the retail modes of payment. It was followed by the Unstructured Supplementary Service Data (USSD) channel.
38. National Payments Corporation of India (NPCI) said that all the co-operative banks in the country would be part of digital transactions by March 2018. UPI is currently offered by 56 banks in the country.
39. Foreign investors cannot buy further shares in non-banking company Capital First as foreign institutional investors/foreign portfolio investors (FIIs/FPIs) have crossed the maximum permissible investment limit, as per the Reserve Bank of India (RBI).
40. Global rating agency Moody's affirmed ratings of nine banks, including Bank of India, Punjab National Bank and Axis Bank, at Baa3/Prime-3, and downgraded the ratings of Indian Overseas Bank and Central Bank of India to Ba3 from Ba1. Other banks whose rating was affirmed are Bank of Baroda, Canara Bank, Oriental Bank of Commerce, Syndicate Bank Union Bank of India and ICICI Bank.
41. The government collected a total Rs 2,35,307.75 crore last fiscal by way of a host of cesses, including those of education, Swachh Bharat, Krishi Kalyan and other surcharges as per the data given in the Parliament.
42. Indian Overseas Bank offered Bharat Bill Payment System, introduced by the National Payments Corporation of India, for its customers.
43. BBPS is an integrated bill payment system that offers inter-operable online bill payments to customers. The services include online payments of electricity, telecommunication, DTH, water and gas bills.
44. Insurance regulator Irdai asked leading private sector life insurer ICICI Prudential Life Insurance (IPRU) to take over the business of beleaguered Sahara India Life Insurance (SILIC), with effect from July 31. IPRU shall ensure that systems are integrated within a period of one year from the appointed date.
45. Lulu Exchange, a foreign exchange and remittance company announced that it has entered into an agreement to acquire 100 per cent ownership of Al Falah Exchange Company in the UAE for Rs. 95 crores.
46. The Centre raised the national floor-level minimum wage (NFLMW) by 10% to Rs 176 per day from Rs 160 a day earlier with effect from July 1 and sent advisories to the states to comply with the new threshold. Industrial workers and employees in sectors, including plantations and services, could benefit from the wage hike, if the states follow the revised national wage floor.
47. Nine of the 21 public sector banks, including IDBI Bank and Indian Overseas Bank, reported losses during 2016-17. As many as 13 state-owned banks had reported losses during the 2015-16 financial year. IDBI Bank reported a loss of Rs 5,158 crore in the last fiscal, while the amount was Rs 3,417 crore in the case of Indian Overseas Bank.
48. Reserve Bank of India (RBI) announced the sale of government securities worth Rs 10,000 crores via open market operations (OMO). An OMO sale is conducted to suck excess liquidity from the system while an OMO purchase is done to infuse liquidity.

49. State Bank Of India has introduced a 2-tier saving bank interest rate with effect from July 31. Balances above Rs. 10 million to continue to earn interest at 4 per cent per annum, interest at 3.5 per cent per annum to be offered on balances of Rs. 10 million and below.
50. State Bank of India has launched 'SBI Realty' - a one-stop integrated website [www.sbirealty.in](http://www.sbirealty.in) for home buyers. This will help customers to choose their dream home from 3,000 SBI approved projects across the country.
51. Canara Bank launched its first 'Digital Banking Branch' named 'CANDI' in Bengaluru. The branch will provide an end-to-end digital experience to customers. The bank has introduced customer-friendly mobile apps which help customers get most of the information related to their accounts from the app without the need to visit the branch.
52. RBI said that it has imposed a penalty of Rs 1 crore on state-owned Union Bank of India for "non-compliance" with the directions on Know Your Customer (KYC) norms.

### Revision of guidelines of Sovereign Gold Bonds (SGB) Scheme

- ✚ The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given approval for revision of guidelines of Sovereign Gold Bonds (SGB) Scheme with a view to achieve its intended objectives.
  - ✚ Two sets of changes have been made in the scheme which is related to the attributes of the scheme & other one is related to Flexibility that has been given to Ministry of Finance to design and introduce variants of SGBs.
- The specific changes in the scheme which have been approved:
- ✚ The investment limit per fiscal year increased to 4 kg for individuals, 4 Kg for Hindu Undivided Family (HUF) and 20 Kg for Trusts and similar entities.
  - ✚ The ceiling will be counted on Financial year basis and will include the SGBs purchased during the trading in the secondary market.
  - ✚ The ceiling on investment will not include the holdings as collateral by Banks and Financial institutions.
  - ✚ SGBs will be available 'on tap'.

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### Pension Scheme for Elderly launched

- ✦ Finance Minister Arun Jaitley launched a pension scheme for elderly with 8 per cent fixed rate of interest on their savings. It can be purchased offline as well as online through Life Insurance Corporation (LIC) of India which has been given the sole privilege to operate this scheme.
- ✦ Pradhan Mantri Vaya Vandana Yojana (PMVVY) is a pension scheme announced by the government exclusively for the senior citizens aged 60 years and above which is available from May 4, 2017 to May 3, 2018.
- ✦ Scheme provides an assured return of 8 per cent per annum payable monthly (equivalent to 8.30 per annum effective) for 10 years.
- ✦ Pension is payable at the end of each period, during the policy term of 10 years, as per the frequency of monthly, quarterly, halfyearly, yearly as chosen by the pensioner at the time of purchase.
- ✦ The scheme is exempted from Goods and Services Tax & loan up to 75 per cent of purchase price shall be allowed after 3 policy years to meet the liquidity needs.

- ✦ On premature exit, 98 per cent of the purchase price will be refunded. On death of the pensioner during the policy term of 10 years, the purchase price will be paid to the beneficiary.

### Banking Regulation (Amendment) Bill, 2017 introduced in Lok Sabha

- ✦ A bill to authorise the RBI to direct banking companies to resolve the problem of stressed assets was introduced in the Lok Sabha by Finance Minister Arun Jaitley.
- ✦ The Banking Regulation (Amendment) Bill, 2017, seeks to amend the Banking Regulation Act, 1949 and replace the Banking Regulation (Amendment) Ordinance, 2017.
- ✦ The measure allows the RBI to initiate insolvency resolution process on specific stressed assets.
- ✦ The RBI would also be empowered to issue other directions for resolution, appoint or approve for appointment, authorities or committees to advise the banking companies for stressed asset resolution.

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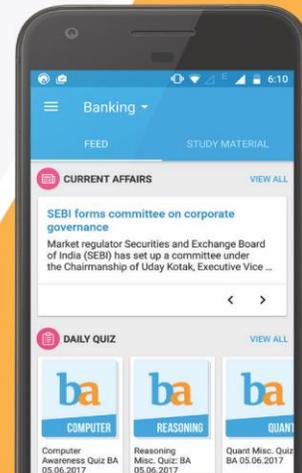
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