

Banking Current Affairs SEPTEMBER - 2017

1. Singapore-based DBS Bank dragged the Indian government and GST council to the Delhi High Court after it was asked to pay integrated goods and services tax (IGST) on banking services provided to its head office in Singapore.
2. ICICI Bank announced a new home loan scheme that offers borrowers the benefit of 1% cashback on every EMI, for the entire tenure of the loan. The offer will be valid for home loans with a minimum tenure of 15 years and maximum tenure of 30 years. It will first get credited to the customer after completion of the 36th EMI.
3. Syndicate Bank cut savings account interest rate by 0.50% to 3.50% for deposits up to Rs 25 lakh. For the deposits above Rs 25 lakh, the interest rate is unchanged at 4%.
4. IDBI Bank initiated a turnaround plan - 'Project Nishchay' in consultation with The Boston Consulting Group (BCG). The project aims to accelerate the struggling lender's turnaround programme and improve financial performance. As part of the initiative IDBI bank will focus on four key areas - revenue enhancement, cost control & reduction, asset productivity and overall program management in consultation with BCG.
5. Ujjivan Small Finance Bank hopes to collect a total deposit of Rs 1,500 to 2,000 crores in the year ending March 2018. In Kerala, the bank has 12 micro finance branches spread over five districts, of which two have been converted to bank branches.
6. SWIFT India, a part of the global network announced that Citibank and Standard Chartered Bank have joined the Indian services as shareholders. The shareholders of SWIFT India currently comprise of Axis Bank Ltd, Bank of Baroda,
7. Bank of India, Canara Bank, Citibank, HDFC Bank Ltd, ICICI Bank Ltd, Punjab National Bank, Standard Chartered Bank, State Bank of India, SWIFT SCRL and Union Bank of India.
8. Yes Bank claimed that its credit card portfolio has grown to over Rs 250 crore with 2 lakh customers within one year of entering the segment.
9. RBI capped bank investments in private equity funds at 10% while completely prohibiting investments into hedge funds. It also permitted banks' subsidiaries to provide commodity broking services and be a professional clearing member which are subject to risk control measures and prudential norms.
10. SBI brought down service charges on not maintaining monthly average (MAB) balance by a whopping 20-50%. The bank has also decided to treat the metro and urban centres in the same category and the requirement of MAB in metro centres stands reduced to Rs 3000 from Rs 5000. The revised MAB requirement and charges will become applicable from the month of October 2017.
11. IDBI Bank said that it has sold one per cent stake in Small Industries Development Bank of India (Sidbi) for an undisclosed amount. The bank has sold 53,19,220 shares constituting 1 per cent of the paid up capital of Sidbi.
12. Artificial intelligence banking platform Payjo said that it has launched an AI-powered chat assistant for State Bank of India to address customer enquiries. The chat assistant, known as SBI Intelligent Assistant, or SIA, will help customers with everyday banking tasks.
13. SBI is planning to throw open its new banking personnel training institute for employees of other banks in India and other South East Asian countries.
14. Unique ID Authority of India (UIDAI) has asked all banks to set up Aadhaar enrollment and update centres by Sep 30. The banks are required to have one centre for every 10 branches they operate. UIDAI said it will impose a penalty of Rs 20,000 per month for every single centre not opened by the bank before the deadline.
15. Infosys Finacle, part of EdgeVerve Systems, a wholly-owned subsidiary of Infosys, announced a partnership with ToneTag, a provider of nearfield communications, payments and location based services using sound waves. Through this both will offer a joint solution that will leverage sound wave technology to enable proximity payments and interactions.
16. Indian Bank has raised Rs 2,000 crore to finance infrastructure and affordable housing. The amount raised through issuance of long term bonds is part of the bank's Rs 5,000 crore fund raise plan to support infrastructure and affordable housing in the country.
17. HDFC Bank's OnChat, the Facebook Messenger chatbot created in partnership with Niki.ai, has recorded a 160 per cent month-on-month growth in transactions since its launch in December 2016.
18. State Bank of Mauritius (SBM) is likely to become the first foreign bank to open a wholly-owned subsidiary almost four years after the Reserve Bank of India (RBI) allowed overseas lenders to open local units in India.
19. Canara Bank reduced interest rate on savings bank accounts by 50 basis points to 3.5% on deposits of up to Rs 50 lakh. However, the bank will continue to pay 4% interest on deposits of above Rs 50 lakh. It joined the league of SBI, HDFC Bank, Axis bank, Bank of Baroda, Bank of India & Karnataka Bank who have also reduced the interest rates on saving bank account.

20. The credit growth of all banks slowed down to 8.1% in 2016-17 from 10.9% in 2015-16, as per the Dun and Bradstreet report. The growth in aggregate deposits, on the other hand improved from 9.3% in 2015-16 to 15.9% in 2016-17. The gross non-performing advances (GNPA) of banks rose to 9.6% in March, 2017 from 7.5% in March, 2016.
21. Singapore's biggest lender DBS Group Holdings won the Reserve Bank of India's approval to provide banking services in the country through a wholly-owned subsidiary. DBS Group CEO is Piyush Gupta.
22. K Balasubramanian, head of corporate banking at HDFC Bank BSE has quit the Mumbai-based lender to head back to Citibank.
23. Supreme Court has found a way to secure the income-tax department's claims on the income earned from Formula One races conducted in India, by allowing Axis Bank to honour letters of credit (LCs) issued to two English banks, and at the same time, asking the UK-based Formula One to deposit an equivalent amount with the Bombay High Court within four weeks, before the Indian lender could release the money to UK banks.
24. Punjab National Bank and state-run firm BSNL teamed up to roll out open mobile wallet Speedpay across 10 states in the country. PNB's Speedway wallet will operate like any other mobile wallet for paying bills, recharging phone besides its users will be able to deposit and withdraw money from authorised retail outlets.
25. PNB customers will have to shell out money beginning October if they carry out more than five transactions a month from the bank's ATMs. The bank said savings fund/current/overdraft account holders would all attract charges at Rs 10 per transaction beyond a limit of five times a month even if the PNB card holder makes the transaction at PNB ATM only.
26. IndusInd Bank and India's second largest Microfinance company Bharat Financial Inclusion have signed an confidentiality agreement for the proposed merger between them.
27. Banks should not only adhere to Know Your Customer (KYC) norms but also on 'Know Your Employee' to check frauds, says the recently-released vigilance manual by the CVC.
28. Andhra Bank lowered interest rate on its savings bank account to 3.5% in line with market competition. Deposits up to Rs. 50 lakh will now attract 3.5 % interest rate. Deposits over Rs 50 lakh will still attract 4% interest.
29. Allahabad Bank met to consider a draft scheme of amalgamation of its wholly-owned subsidiary All Bank Finance. All Bank Finance (ABFL) is a leading merchant banker and has been holding licence for Debenture Trusteeship since February 2010.
30. eMudhra which manages digital identity and transaction for customers has launched Aadhaar eSign based authentication for NACH (National Automated Clearing House) mandate with National Payments Corporation of India for large and small enterprises to collect recurring payments from their customers.
Note: V Srinivasan, chairman of eMudhra.
31. Indian Banks will require about USD 65 billion in additional capital to meet the Basel III capital adequacy norms by March 2019 and push loan growth, as per the Fitch Ratings.
32. IndusInd Bank said that it has secured up to USD 200 million (about Rs 1,282 crore) loan from multilateral lender Asian Development Bank (ADB) to serve low income women borrowers in rural areas. As per the loan agreement, about 95% of the ADB funding is to go towards credit to women borrowers.
33. Joining the digital payment bandwagon in India, Google is reportedly launching a Unified Payments Interface (UPI)-based digital payment service called "Tez". UPI is a payment system launched by the National Payments Corporation of India (NPCI) and regulated by the Reserve Bank of India which facilitates the instant fund transfer between two bank accounts on the mobile platform.
34. Sunil Mittal-driven Airtel Payments Bank integrated the Unified Payments Interface (UPI) on its digital platform, allowing customer choice and convenience to facilitate secure digital payments.