

## CURRENT AFFAIRS FEBRUARY 2016 - BANKING

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News 1 - Corporation Bank Signs MoU with Universal Sampo for Accident Death Coverage.



Corporation Bank has inked an MoU with Universal Sampo General Insurance Co. Ltd. for offering accidental death coverage to its savings bank account holders. Under this agreement, the bank will provide free personal accident death cover of Rupees 10 lakh to its Corp Signature and Rupees 5 lakh to its Corp Super account holders. Mr. Jai Kumar Garg, Managing Director and CEO of the Corporation Bank, and VV Vendhen, Head (Bancassurance), Universal Sampo General Insurance Co Ltd were the leads, while signing this MoU.

News 2 - YES Bank ties-up with Smartbox Ecommerce Solutions.



The YES Bank tied-up with Smartbox Solutions Ecommerce on February 09, 2016 to solve problems related to last-mile delivery for e-commerce players. The bank's co-operation will power the payment solutions for Smartbox network of Automated Parcel Delivery Terminals. Cash-on-delivery is the most preferred payment mode for e-commerce consumers. The market is expected to reach \$100 billion by 2020. The partnership with YES Bank will bring down costs for these e-commerce firms.

News 3 - RBI tells Banks to set aside more for Stressed Loans.



The Reserve Bank of India has directed commercial banks on February 11, 2016 to accelerate provisioning requirement, from April 1, 2016. This amendment was meant for the existing stock of restructured loans that are showing signs of stress. RBI has identified specific accounts in which the respective lenders have to make higher provisioning from the new financial year. The account restructuring was done earlier.

News 4 - RBI signs Currency Swap Pact with UAE.



The Reserve Bank of India entered into a Currency Swap Agreement with the UAE on February 11, 2016 to nourish and enhance the economic ties with the Gulf nation. This was signed during the bilateral meeting between Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces Sheikh Mohamed Bin Zayed Al Nahyan and Prime Minister Narendra Modi. The United Arab Emirates are India's third-largest trading partner, after US and China.

News 5 - RBI announces liquidity measures for March 2016.



The central bank of India, Reserve Bank will inject adequate additional liquidity to the economy. The bank will be using a combination of required instruments, while continuing with its normal liquidity adjustment facility operations. The RBI said, this will be done with a view to addressing the expected tightening of liquidity conditions next month on account of advance tax payments by corporate and in order to provide flexibility to the banking system in its liquidity management towards March-end 2016.

News 6 - World Bank commits \$150 million to combat Zika.



The World Bank announced on February 18, 2016 that it will provide \$150 million to Latin American countries and the Caribbean to fight against Zika virus. The World Bank's estimates that the short-term economic impact on these regions is around \$3.5 billion. The World Health Organization (WHO) have also launched a global response plan to address the ongoing spread of Zika virus outbreak, with 56 million dollars required for implementation.

News 7 - YES Bank and UltraCash partner to launch payments service.



The YES Bank and UltraCash Technologies has partnered to launch payments processing through sound waves. It was announced on February 16, 2016. UltraCash's patent technology, where payment data is transferred using unique ultra-high frequency sound waves will be utilized. Their sound wave technology enables mobile payments to be done without the need for internet connectivity using any of the options such as bank account and cards.

News 8 - State Bank of India (SBI) launches 'Japan Desk'.



State Bank of India (SBI) on February 16, 2016 launched 'Japan Desk', a first-of-its-kind initiative to facilitate Japanese corporates looking to invest in India. This SBI Japan Desk will serve as a single point comprehensive and reliable information support source for India-bound investments of Japanese companies. These companies are keen to see more reform measures on the ground. The main areas that require focused attention are taxation, financial sector reforms.

News 9 - Axis Bank partners with Suvidhaa to offer loans to urban poor.



The private sector lender Axis Bank tied up with domestic remittance company, Suvidhaa on February 19, 2016 in order to lend to the urban poor. This will help the taxi drivers, rickshaw pullers, tailors, etc., who do not get loans as the bank considers them to be mere workers and not entrepreneurs. Suvidhaa has processed the transaction history of its 35 million customer base who have been doing remittances through its retail touch points for years.

News 10 - ICICI Bank takes over Rs 1800 Crores land from Jaypee Group.



ICICI Bank took over about 275 acres' land, worth an estimated Rs1,500 -1,800 crores on February 22, 2016 in Noida and Greater Noida from a flagship company of the Jaypee Group. The land was acquired since the company could not service its debt on a quarterly basis. Of the total 275 acres that ICICI Bank has acquired, 250 acres are on the Yamuna Expressway, while 20 acres are in the Jaypee Sports City in Greater Noida. The remaining 4-5 acres are in the prime Jaypee Wish Town on the Noida-Greater Noida Expressway.

News 11 - Standard Chartered posts first loss in global operations in 26 years.



The British Lender, Standard Chartered recorded its first loss in global operations in 26 years. On February 24, 2016 the bank reported a loss worth \$1.3 billion or Rs. 9,781 crores due to its loans given in India. India was the largest contributor to StanChart's profits until 2010. The bank had bet big on India and was the only multinational entity to list here under the Indian Depository Receipts route in 2010.

News 12 - RBI extends currency swap arrangement with SAARC nations.



To strengthen economic cooperation and increase financial stability, RBI has extended the \$2 billion currency swap arrangement to SAARC nations till mid-November 2017. The facility will be available to SAARC nations — Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka. The swap amount available to various member central banks has been arrived at broadly based on two months import cover subject to a floor of \$100 million and a maximum of \$400 million per country.

News 13 - IDBI receives SEBI's nod to raise Rs 3771 Crores.



IDBI Bank recently received the approval of SEBI on February 23, 2016 to raise Rs. 3771 crores from qualified investors. The bank will sell some of its non-core assets and is to place equity with the largest domestic investor, Life Insurance Corporation to raise their capital. If the bank raises the entire amount of Rs 3771 crore through the QIP route, government holding in the bank would fall to 65% from the current level of 80%. The shares of the bank closed at Rs 55.70 on Tuesday down 2% over Monday's close.

News 14 - PNB Declares 904 Firms as Willful Defaulters.



CState-owned Punjab National Bank (PNB) has declared 904 borrowers on February 24, 2016, who owed it a combined Rs. 10,869.71 crores as of December-end as defaulters. The bank added 140 new companies to the list of willful defaulters in the last quarter. As part of its balance sheet clean-up exercise, PNB plans to sell up to Rs. 3,000 crore worth of bad loans to asset reconstruction companies (ARCs) in the ongoing 4th quarter of the current fiscal year.

News 15 - SBI launches new branch for e-commerce loans.



Banking giant, SBI launched SBI e-Smart SME, a working capital loan offering for sellers on ecommerce platforms on February 24, 2016. Now, sellers can apply for the loan online on the e-commerce platform and get instant sanctioning of the loan. This product was launched in partnership with e-commerce platform Snapdeal in the presence of bank's chairman Arundhati Bhattacharya & Snapdeal CEO Kunal Bahl.

News 16 - MasterCard to launch payments by selfie.



MasterCard said on February 23, 2016 that it is launching new mobile technologies that will allow customers to authenticate their online purchases using selfies or fingerprints. The technology will be rolled out by big banks in the U.S., Canada, the U.K. and some European countries in a few months.

News 17 - India's largest lender SBI to raise Rs. 15,000 crore.



On February 26, 2016 India's largest lender State Bank of India (SBI) announced that it has got the approval of shareholders to raise Rs. 15,000 crores by issuance of shares. In January 2016, SBI had announced its plans to raise this sum of Rs. 15000 crores by March 2017.