



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

January 1, 2022

- **Asheesh Pandey joins Bank of Maharashtra as Executive Director:** Asheesh Pandey joined as Executive Director of Bank of Maharashtra (BoM) on Friday. Prior to joining BoM, Pandey was Chief General Manager & Chief Operations Officer (COO) at Union Bank of India (UBI). In a professional career spanning more than 24 years, Pandey handled a diversified portfolio ranging from credit, credit monitoring, treasury & merchant banking, foreign transactions & joint ventures, marketing & customer relationships and banking operations, BoM said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/asheesh-pandey-joins-bank-of-maharashtra-as-executive-director/article38081185.ece>
- **Agri, MSME and retail loans help push bank loan book:** Bank credit picked up 7.1 per cent in November, higher than 5.9 per cent clocked in the same period a year ago driven largely by better growth in retail, agriculture and MSME loans according to the latest data on sectoral deployment of bank credit released by the Reserve Bank of India. Credit to agriculture and allied activities continued to be robust at 10.4 per cent in November 2021 as compared to 7.0 per cent in November 2020. Retail loans rose 11.6 per cent in November 2021 vis-a-vis 9.2 per cent in November 2020 driven primarily by 'consumer durables' and 'vehicle loans, the RBI said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/agri-msme-and-retail-loans-help-push-bank-loan-book/articleshow/88618370.cms>
- **RBL Bank's board constitutes search panel to identify MD & CEO:** RBL Bank's Board has constituted a search committee to identify and evaluate candidates for the position of MD & CEO both from within and outside the Bank. The committee comprises the Chairman of the Nomination & Remuneration Committee, two members of the Board and one external expert, the private sector bank said in a regulatory filing late Thursday. "The Board has decided to appoint a reputed recruitment firm for the purpose. The Bank will endeavor to complete the succession process at an early date," per the filing
<https://www.thehindubusinessline.com/money-and-banking/rbl-banks-board-constitutes-search-panel-to-identify-md-ceo/article38076754.ece>
- **ATM usage beyond permissible free transactions to become expensive from January 1:** Using ATMs beyond the permissible free transactions for cash as well as non-cash purposes will cost more from Saturday. As per the Reserve Bank directive issued in June, the banking customers would be required to pay Rs 21 per transaction with effect from January 1, 2022 for transactions beyond the free permissible limit. Presently, banks are allowed to charge Rs 20 for such transactions through ATMs. Customers would, however, continue to be eligible for five free transactions (inclusive of financial and non-financial transactions) every month from their own bank ATMs. They would also be eligible for three free transactions from other bank ATMs in metro centres and five in non-metro centres.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/atm-usage-beyond-permissible-free-transactions-to-become-expensive-from-january-1/articleshow/88618261.cms>



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- **PPF, NSC, other post office schemes interest rates remain unchanged for March 31, 2022 quarter:** The government has decided to keep the interest rates unchanged on small savings schemes or post office schemes for the January-March quarter of FY 2021-22. The Ministry of Finance made this announcement via a circular dated December 31, 2021. What this means is that for the quarter ending March 31, 2022, investors in small savings schemes like the Public Provident Fund (PPF) and Sukanya Samriddhi Yojana (SSY) will continue to earn the same interest rate as they were earning during the quarter ending December 31, 2021. New investments made during the January-March 2022 quarter into these schemes will also earn the same interest rates as in the previous quarter.
<https://economictimes.indiatimes.com/wealth/invest/ppf-nsc-other-post-office-schemes-interest-rates-remain-unchanged-for-march-31-2022-quarter/articleshow/88386664.cms>
- **RBI cancels auction for Rs 17,000-crore govt bonds:** The Reserve Bank of India cancelled the primary sale of sovereign bonds for Rs 17,000 crore Friday in what could help arrest rising yields. In the weekly auction held on the last day of the calendar year, the merchant banker for North Block did not accept any bids for the benchmark series and a set of floating rate bonds maturing in 2028. Bidders were likely higher than the central bank's comfort level. "RBI must have received bids at higher yields," said Naveen Singh, head of trading at ICICI Securities PD. A devolvement would have triggered spikes in yields. That's why the central bank chose to cancel the auction for those select securities."
<https://economictimes.indiatimes.com/markets/bonds/rbi-cancels-auction-for-rs-17000-crore-govt-bonds/articleshow/88620910.cms>
- **Axis Bank turns to unsecured loans as growth revives:** Axis Bank plans to gradually increase its unsecured proportion in retail loans as it seeks higher yields on an expected bounceback in economic activity. Retail lending head Sumit Bali said the proportion of unsecured loans will increase to 22%-24% in the near future as the bank increases its focus on credit cards, personal loans and small business loans. "The Covid impact has now waned and risk appetite is returning. We plan to progressively increase our exposure to low tenure unsecured loans," Bali said.
<https://economictimes.indiatimes.com/markets/stocks/news/axis-bank-turns-to-unsecured-loans-as-growth-revives/articleshow/88603286.cms>
- **Bad loan recovery through IBC remains a drag on banks:** Bad loan recovery from the revamped insolvency-resolution mechanism has been on a steady decline, with the rate dropping to 24.7% at the end of September, data from the Reserve Bank of India showed. Loan recovery rates halved to 20% in 2020-21 as the impact of the pandemic - and the moratorium to take cases to courts - played out during the year. The recovery rate through the Insolvency and Bankruptcy Code (IBC) mechanism was 46.3% at the end of 2020.
<https://economictimes.indiatimes.com/markets/stocks/news/bad-loan-recovery-through-ibc-remains-a-drag-on-banks/articleshow/88603315.cms>
- **PB Fintech to invest up to ₹700 crore in Policybazaar Insurance Brokers:** PB Fintech — parent of online insurance and credit comparison platforms Policybazaar and Paisabazaar—will invest up to ₹700 crore in Policybazaar Insurance Brokers Private Limited (Policybazaar) Policybazaar is a wholly-



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owned subsidiary of PB Fintech. This investment of ₹700 crore will be done in one or two tranches during the financial year 2021-22 and 2022-23, PB Fintech said in a filing with the stock exchanges. Out of the overall ₹700 crore, PB Fintech has invested ₹250 crore in Policybazaar.

<https://www.thehindubusinessline.com/money-and-banking/pb-fintech-to-invest-up-to-700-crore-in-policybazaar-insurance-brokers/article38076515.ece>

- **LIC, GIC Re and New India systemically important insurers: IRDAI:** Insurance regulator Irdai on Thursday said the state-owned LIC, GIC Re and New India continue to be identified as Domestic Systemically Important Insurers (D-SIIs) for 2021-22. D-SIIs refer to insurers of such size, market importance and domestic and global inter connectedness, whose distress or failure would cause significant dislocation in the domestic financial system. "LIC, GIC Re and New India continue to be identified as Domestic Systemically Important Insurers (D-SIIs), as in the 2020-21 list of D-SIIs," Insurance Regulatory and Development Authority of India (Irdai) said in a release.
<https://www.businesstoday.in/latest/economy/story/lic-gic-new-india-assurance-are-domestic-systemically-important-insurers-for-2021-22-317446-2021-12-31>
- **Small-segment stress at public sector banks a major concern, shows financial stability report:** A significant amount of stress may be building up in small loan portfolios of public sector banks (PSB), according to data available in the latest edition of the financial stability report (FSR). At 5.03%, the share of delinquent consumer credit accounts at PSBs was higher than that at fintech lenders (4.56%), who are known to underwrite far riskier customers. The report defined delinquent accounts as those where repayments are 90 days past their due. Nearly a third of the PSBs' micro, small and medium enterprises (MSME) book was under stress as of September 2021, with the gross non-performing asset (NPA) ratio at 18.5% and the special mention accounts (SMA) book at 14.9%. PSBs saw 12.7% of their credit card receivables turning bad, as against 3.1% for private banks.
<https://www.financialexpress.com/industry/banking-finance/small-segment-stress-at-public-sector-banks-a-major-concern-shows-financial-stability-report/2394545/>
- **Forex reserves decrease by \$587 million to \$635.08 billion:** India's forex reserves decreased by \$587 million to \$635.08 billion for the week ended December 24, the RBI said on Friday. In the previous week ended December 17, the overall reserves had decreased by \$160 million to \$635.667 billion. The kitty had touched a lifetime high of \$642.453 billion in the week ended September 3, 2021. For the reporting week ended December 24, the dip in the overall reserves was on account of a decline in foreign currency assets (FCA), a major component of the overall reserves. FCA dipped by \$847 million to \$571.369 billion in the reporting week, the RBI data showed.
<https://www.moneycontrol.com/news/business/economy/forex-reserves-decrease-by-587-million-to-635-08-billion-7887411.html>
- **Ujjivan Small Finance Bank raises interest rates on FDs of up to Rs 2 crore:** Customers of Ujjivan Small Finance Bank (SFB) can now earn as much as 6.75-7.50 per cent interest on their fixed deposits of up to Rs 2 crore, as the lender has increased the deposit rates with effect from Friday, according to a statement. The revised interest rates are applicable on fixed deposits of up to Rs 2 crore across various tenures. The revised rates offer the highest interest of 7.5 per cent for senior citizens. The new



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rates come into effect from December 31, 2021, the bank said in a statement on Friday. Deposits for 990 days tenure for general citizens will earn interest at 6.75 per cent, up from 6.60 per cent earlier. For the 19 months 1 day tenure, the bank now offers 6.60 per cent interest.

<https://www.moneycontrol.com/news/business/ujjivan-small-finance-bank-raises-interest-rates-on-fds-of-up-to-rs-2-crore-7887401.html>

- **Life insurers settled 97% of COVID-19 death claims: IRDAI annual report:** The life insurance industry paid out over 97 percent of the COVID-19 death claims it received during financial year 2020-21, the year of the pandemic. Now, the sector received 21,836 claims between April 2020 and March 2021, of which, 21,304 claims were paid, as per the Insurance Regulatory and Development Authority of India's (IRDAI) annual report for 2020-21. This included claims settled under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), which offers a life cover of Rs 2 lakh. When the pandemic hit Indian shores, the insurance regulator directed all life and health insurance companies to expedite the claim settlement process across their policies.
<https://www.moneycontrol.com/news/business/personal-finance/life-insurers-settled-97-of-covid-19-death-claims-irdai-annual-report-7885231.html>
- **Sensex, Nifty end a year full of milestones on a high note:** The BSE Sensex closed at 58,253.82, up 459.50 points or 0.80 per cent. It recorded an intraday high of 58,409.30 and a low of 57,846.52. The Nifty 50 closed at 17,354.05, up 150.10 points or 0.87 per cent. It recorded an intraday high of 17,400.80 and a low of 17,238.50. Hindalco, Titan, Ultratech Cement, Tata Motors and Kotak Bank were the top gainers on the Nifty 50 while NTPC, Cipla, Tech Mahindra, Powergrid and SBI Life were the top laggards.
<https://flipboard.com/topic/marketsindia/sensex-nifty-end-a-year-full-of-milestones-on-a-high-note/a-L3JcoN5URKaJ-uaSyUnqgg%3Aa%3A2437248393-e412f3f9de%2Fthehindubusinessline.com>
- **Rupee closes 2021 on firm note; settles 13 paise higher at 74.29 against USD:** The rupee surged 13 paise to close at 74.29 (provisional) against the US dollar on the last trading session of 2021, tracking positive domestic equities amid year-end dollar selling by banks and exporters. At the interbank forex market, the local unit opened up at 74.35 against the greenback and witnessed an intra-day high of 74.10 and a low of 74.38. It finally settled at 74.29, a rise of 13 paise.
<https://www.thehindubusinessline.com/markets/forex/rupee-closes-2021-on-firm-note-settles-13-paise-higher-at-7429-against-usd/article38079709.ece>

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