



**THE INSTITUTE OF
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13.12.2021 : Today's Banking / Financial News at a Glance

- State Bank of India raises Rs 3,974 crore capital through AT1 bonds : State Bank of India (SBI) has raised about Rs 3,974-crore capital through additional tier 1 bonds (AT1 bonds). The coupon for the AT1 bonds was fixed at 7.55 per cent, cheaper by 17-basis points over the last issuance in September 2021. Bond dealers said the response to SBI's offering was good. While the indicative size was Rs 4,000 crore, the issue received bids over Rs 6,000 crore. It opted for Rs 3,974 crore with a coupon of 7.55 per cent. - Business standard

[https://www.business-standard.com/article/finance/state-bank-of-india-raises-rs-3-974-crore-capital-through-at1-bonds-121121100049_1.html#:~:text=State%20Bank%20of%20India%20\(SBI,1%20bonds%20\(AT1%20bonds\).&text=It%20opted%20for%20Rs%203%2C974.crore%20at%207.72%20per%20cent.](https://www.business-standard.com/article/finance/state-bank-of-india-raises-rs-3-974-crore-capital-through-at1-bonds-121121100049_1.html#:~:text=State%20Bank%20of%20India%20(SBI,1%20bonds%20(AT1%20bonds).&text=It%20opted%20for%20Rs%203%2C974.crore%20at%207.72%20per%20cent.)

- Govt unlikely to announce capital infusion for PSU banks in Budget 2022-23 : The government is unlikely to announce capital infusion for public sector banks (PSBs) in the upcoming Budget, as their financial health has improved on the back of reduction in bad loans, sources said. To augment their resources, banks would be encouraged to raise funds from the market and also by selling their non-core assets, they added. During the current financial year, the government has earmarked Rs 20,000 crore for the recapitalisation of PSBs. Finance Minister Nirmala Sitharaman is expected to present the fourth budget of the Modi 2.0 government on February 1. It is to be noted that the net profit of PSBs surged to Rs 14,012 crore in the first quarter, which further rose to Rs 17,132 crore in the second quarter ended September 2021. - economic times

https://www.business-standard.com/article/finance/govt-unlikely-to-announce-capital-infusion-for-psu-banks-in-budget-2022-23-121121200207_1.html

- Depositors should be careful while chasing high returns: RBI Governor Shaktikanta Das : Reserve Bank of India (RBI) Governor Shaktikanta Das on Sunday cautioned depositors to be careful while chasing high returns as it comes with greater risk. Observing that depositors themselves also need to be very discerning, he said it is important to keep in mind that higher returns or higher interest rates are usually associated with higher risks. "So, just because a bank is offering higher interest, the depositors themselves should be very careful before putting in money while chasing such high returns because usually, our experience is that high returns or high interest rates are associated with higher risks," he said. - economic times

<https://www.moneycontrol.com/news/business/economy/depositors-should-be-careful-while-chasing-high-returns-says-rbi-governor-shaktikanta-das-7818541.html>

- Bank of Maharashtra reduces home and car loans, but expects least impact on NIM : State-owned Bank of Maharashtra slashed its home and car loan rates in an aggressive push that took its interest charges below the rates offered by the country's largest lender State Bank of India and mortgage lender Housing Development Finance Corporation. The Pune-headquartered BoM has reduced home loan rates by 40 basis points to 6.4% from 6.8% earlier and car loan rates by 25 basis points to 6.8% from 7.05%. These fine rates will be available for customers with best credit scores from December 13, the bank said. One basis point is one-



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hundredth of a percentage point. SBI offers home loans at a minimum of 6.7% a year and car loans at 7.25%. HDFC's festive rate on home loans also starts at 6.7%. "The rate cut is to increase the demand and to increase our credit-deposit ratio," BoM managing director AS Rajeev told ET.- economic times

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-of-maharashtra-lowers-home-loan-rate-to-6-40/articleshow/88239282.cms>

- Bank of India conducts last-mile outreach to disburse insurance payments : Bank of India on Sunday said it hosted a last-mile outreach campaign for the distressed account holders of 16 urban cooperative banks that went bust and helped them receive their deposit insurance cover of up to ₹5 lakh in a time-bound manner. The event was held in the presence of Minister for Road Transport and Highways Nitin Gadkari and as per the directives of the department of financial services (DFS), ministry of finance. Bank of India is amongst 18 field locations selected for ensuring quick and smooth insurance disbursal. The principal event was webcast pan-India by Prime Minister Narendra Modi in New Delhi. - Live Mint

<https://www.livemint.com/industry/banking/bank-of-india-conducts-last-mile-outreach-to-disburse-insurance-payments-11639313445746.html>

- NABARD projects Assam's credit potential at Rs 36,292cr for FY23 : National Bank for Agriculture and Rural Development has projected a 12 per cent increase in Assam's credit potential to Rs 36,292 crore for the 2022-23 fiscal, an official said on Saturday. Around 52 per cent of the total projected credit potential is estimated for the agriculture and allied activities, and a 36 per cent share for the MSME sector, according to a report - State Focus Paper for 2022-23- released by the rural development bank recently. It will be used as a base for preparation of the annual credit plan for priority sector lending by financial institutions for FY23, the official said. - economic times

<https://economictimes.indiatimes.com/industry/banking/finance/banking/nabard-projects-assams-credit-potential-at-rs-36292cr-for-fy23/articleshow/88223380.cms>

- NHB seeking agency for data collection on unsold residential units across 50 cities : The National Housing Bank (NHB) is scouting for an agency to collect data of unsold properties -- both underconstruction and ready-to-move-in ones -- across 50 cities from builders and developers for the computation of its key price index. NHB RESIDEX, India's first official housing price index (HPI), was launched in July 2007 to track the movement in prices of residential properties in select cities on a quarterly basis. The housing finance regulator publishes two HPIs -- HPI@ Assessment Prices and HPI@ Market Prices for Under Construction Properties for 50 cities. - economic times

<https://economictimes.indiatimes.com/industry/banking/finance/banking/nhb-seeking-agency-for-data-collection-on-unsold-residential-units-across-50-cities/articleshow/88238379.cms>

- Kotak Mahindra Bank appoints Ashu Suyash as director : Kotak Mahindra Bank has appointed Ashu Suyash as independent director of bank for a period of 5 years. The appointment is effective from January 24, 2022, up to January 23, 2027, the private sector lender said in a statement. Suyash was managing director of rating agency CRISIL, it said. The board has also approved raising Rs 5,000 crore in through debt instrument in one or more tranches next fiscal, it added. - economic times

<https://economictimes.indiatimes.com/industry/banking/finance/banking/kotak-mahindra-bank-appoints-ashu-suyash-as->



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[director/articleshow/88242596.cms#:~:text=NSE%20%2D1.02%20%25%20has%20appointed%20Ashu,leder%20said%20in%20a%20statement.](https://www.thehindubusinessline.com/money-and-banking/pm-modi-sees-depositors-confidence-in-banking-system-going-up/article37938004.ece)

- PM Modi sees depositors' confidence in banking system going up : Asserting that Government's recent move to enhance deposit insurance coverage to ₹ 5 lakhs would solve for hardships faced by the poor and middle class depositors', Prime Minister Narendra Modi on Sunday said that as much as ₹76-lakh crore of depositors' wealth are now secured with the latest move covering 98.1 per cent of the total accounts in banking system. Addressing a programme in the capital titled "Depositors First : Guaranteed Time Bound Deposit Insurance Payment upto ₹5 lakh", Modi highlighted that his government had also changed the law to provide for depositors to get back their money in a time bound manner in case banks go down under. - Business Line

<https://www.thehindubusinessline.com/money-and-banking/pm-modi-sees-depositors-confidence-in-banking-system-going-up/article37938004.ece>

- IBBI: Centre invites applications for two Whole-Time Member posts : The Corporate Affairs Ministry (MCA) has invited applications for two posts of Whole-Time Members in the Insolvency and Bankruptcy Board of India (IBBI) — the insolvency regulator established under Insolvency and Bankruptcy Code, 2016. The term of office of the Whole-Time Member would be up to a period of 5 years or till the age of sixty five years, whichever is earlier. - Business Line

<https://www.thehindubusinessline.com/news/ibbi-centre-invites-applications-for-two-whole-time-member-posts/article37930598.ece>

- Entire loss of PMC Bank being thrust on depositors: Sahakar Bharati to RBI : Sahakar Bharati wants small depositors of fraud-hit Punjab & Maharashtra Co-operative (PMC) Bank to be paid their money in five years from the appointed date. Further, the depositors should be paid interest at least equal to the average inflation rate per annum, but minimum six per cent till repayment, Sahakar Bharati said on Saturday. In a communication to the Reserve Bank of India, the umbrella body of co-operative organisations suggested changes to the draft scheme for the amalgamation of PMC Bank with Unity Small Finance Bank (SFB). "It was expected that the resolution of the PMC Bank crisis would be to protect the interests of the hapless depositors. It was expected that Unity SFB would provide a fair and just solution to the depositors. However, the entire loss suffered by the PMC Bank is being thrust on the shoulders of the depositors," Sahakar Bharati said. - Business Standard

https://www.business-standard.com/article/finance/entire-loss-of-pmc-bank-being-thrust-on-depositors-sahakar-bharati-to-rbi-121121100615_1.html

- Fino Payments Bank eyes 30-35 pc revenue growth over long term: MD Rishi Gupta : The recently listed Fino Payments Bank has witnessed good growth across key parameters during the first half of the current fiscal year and is expecting to grow at about 30-35 per cent in terms of revenue on a long-term basis, its managing director and CEO Rishi Gupta said. Fino Payments Bank has been a profit making company since last quarter of FY20 and bulk of its revenue comes from transaction fee. It was listed on the stock exchanges with its IPO in November this year. "We have been a profitable company, we have shown good growth. In the first half of this year, our transaction value went up by 51 per cent, our revenue went up by 36 per cent and our profit went up by 73 per cent," he said. - Financial express



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https://www.business-standard.com/article/pti-stories/fino-payments-bank-eyes-30-35-pc-revenue-growth-over-long-term-md-rishi-gupta-121121200424_1.html

- Bank deposit insurance cover upped from Rs 1 lakh to Rs 5 lakh, refund in 90 days: Piyush Goyal : Union Commerce and Industry Minister Piyush Goyal on December 12 said that the government has increased the bank deposit insurance cover from Rs 1 lakh to Rs 5 lakh. The amount has to be refunded to the depositor within 90 days, he added. "Earlier there used to be a bank deposit insurance cover of Rs 1 lakh for the deposit of the same amount or more under the 'Deposit Insurance Credit Guarantee Scheme'. It took nearly 10 years. When Prime Minister Narendra Modi was the Chief Minister of Gujarat, he had written to the then Prime Minister Manmohan Singh to extend this limit to Rs 5 lakh. The then government did not do it," new agency ANI quoted Goyal as saying. - moneycontrol.

<https://www.moneycontrol.com/news/business/economy/bank-deposit-insurance-cover-upped-from-rs-1-lakh-to-rs-5-lakh-refund-in-90-days-piyush-goyal-7817101.html>

- FPIs net sellers at Rs 8,879 crore in December so far : Foreign portfolio investors (FPIs) were net sellers in the Indian markets to the tune of Rs 8,879 crore so far in December. As per depositories' data, they took out Rs 7,462 crore from equities, Rs 1,272 crore from the debt segment and Rs 145 crore from hybrid instruments during December 1-10. This took the total net outflow to Rs 8,879 crore during the period. In November, FPIs were net sellers to the tune of Rs 2,521 crore in Indian markets. - Moneycontrol.

<https://www.moneycontrol.com/news/business/economy/fpis-net-sellers-at-rs-8879-crore-in-december-so-far-7816791.html>

- 7 out of top 10 most-valued cos add over Rs 2.28 lakh cr to m-cap : Seven of the top-10 valued companies together added Rs 2,28,367.09 crore in market valuation last week, with Reliance Industries emerging as the biggest gainer. Others among the gainers were HDFC Bank, Infosys, HDFC, ICICI Bank, Bajaj Finance and State Bank of India. The market valuation of Reliance Industries surged Rs 1,35,204.46 crore to Rs 16,62,776.63 crore and that of HDFC Bank jumped Rs 5,125.39 crore to Rs 8,43,528.19 crore. - economic times.

<https://economictimes.indiatimes.com/markets/stocks/news/7-out-of-top-10-most-valued-cos-add-over-rs-2-28-lakh-cr-to-m-cap/articleshow/88234912.cms>

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