



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

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- **Khan Academy, SBI Foundation join hands to accelerate localisation of educational content:** SBI Foundation, the CSR arm of State Bank of India, is partnering with Khan Academy India, an edtech platform, for localisation of educational content and making them accessible to students in Punjab. The focus of the partnership will be on successfully implementing a personalised math learning programme for 100,000 learners in Punjab. "SBI Foundation and SBI Funds Management Pvt. Ltd. are exclusively providing funding support for math content localisation in Punjabi and teacher training programs... across 3,000 schools in Punjab," both the organisations said on January 25, but did not disclose the funding amount.
<https://www.livemint.com/companies/news/sbi-foundation-partners-khan-academy-to-accelerate-content-localisation-11643019465480.html>
- **Lendingkart partners with Bank of Maharashtra to disburse low-cost MSME loans:** Lendingkart Technologies' subsidiary Lendingkart Finance has partnered with the Bank of Maharashtra to co-lend business loans to MSME borrowers across India at low interest rates. Through this partnership, the fintech start-up aims to make credit available to MSME borrowers at their doorstep powered by the 'zero touch' technology platform Lendingkart '2gthr'. The MSMEs will be eligible for loans up to ₹10 lakhs. Last week, Lendingkart had announced a similar partnership with Canara Bank too.
<https://www.thehindubusinessline.com/money-and-banking/lendingkart-partners-with-bank-of-maharashtra-to-disburse-low-cost-msme-loans/article64938872.ece>
- **Federal Bank Q3 net profit up 29 per cent:** Private sector lender Federal Bank reported a 29.1 per cent jump in its net profit at ₹521.73 crore in the third quarter of the fiscal as against ₹404.1 crore a year ago. For the quarter ended December 31, 2021, its net interest income grew by 7.1 per cent to ₹1,538.9 crore as against ₹1,437.04 crore in the same period last fiscal. Net interest margin improved sequentially by seven basis points to 3.27 per cent as on December 31, 2021. Other income grew by 1.6 per cent y-o-y to ₹484.19 crore in the third quarter of the fiscal.
<https://www.thehindubusinessline.com/money-and-banking/federal-bank-q3-net-profit-up-29-per-cent/article64938756.ece>
- **Karnataka Bank introduces mobile banking facility for NRIs:** Karnataka Bank Ltd has launched a mobile banking facility for its NRI customers through the existing mobile banking application - 'KBL MobilePlus'. According to the bank, NRI customers can access a whole range of banking facilities with this facility. These include fund transfer, bill payments, credit card payments, deposit opening and closing, and account statement. A statement said that the bank has also incorporated an added feature of the Kannada language user interface in its mobile banking app to cater to the preferences of customers who wish to operate in regional language.
<https://www.thehindubusinessline.com/money-and-banking/karnataka-bank-introduces-nri-get-mobile-banking-facility/article64939301.ece>
- **Government approves PMC Bank merger with Unity Small Finance Bank:** Notifying the scheme for amalgamation, the Centre today announced that the branches of Punjab and Maharashtra Co-operative Bank will operate as Unity Small Finance Bank branches from January 25, 2022. "The amalgamation will come into force with effect from the date of the notification of the scheme i.e. January 25, 2022. All the branches of the PMC Bank will function as branches of Unity Small Finance Bank Ltd. with effect from this date," read the circular in the official site of the Reserve Bank of India. "USFBL is making necessary arrangements to implement the



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provisions of the scheme. The Scheme of amalgamation notified today envisages takeover of the assets and liabilities of PMC Bank, including deposits, by the USFBL in terms of the provisions of the scheme." further read the readout.

<https://www.businesstoday.in/industry/banks/story/govt-approves-merger-of-pmc-bank-with-unity-small-finance-bank-with-immediate-effect-320328-2022-01-25>

- **Loan demand back to pre-COVID levels** : Indian banks are set to see strong recovery in loan demand this fiscal along with higher net interest margin and improved asset quality as economy recovers allaying concerns over the rise in infections due to the Omicron variant , according to global rating agency Standard and Poor's "Indian banks are ready to shift into a growth phase, just in time to meet rising demand as the country's economy recovers," said Nikita Anand, associate director for credit risk at S&P Global Ratings. "Faster loan growth will be bolstered by improving asset quality and a normalization in credit costs over the next 12-18 months." Overall bank credit growth accelerated to 9.2% year over year in December, RBI data showed. That compared with 5.2% growth in March 2021. HDFC Bank Ltd., India's largest private sector bank, said its total advances as of Dec. 31, 2021, increased 16.5% year over year.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/loan-demand-back-to-pre-covid-levels/articleshow/89119476.cms>
- **AP Mahesh Co-op Urban Bank servers hacked, Rs 12 crore siphoned off**: Servers of city-based Andhra Pradesh Mahesh Co-operative Urban Bank were hacked by some people and funds to the tune of nearly Rs 12 crore were allegedly fraudulently transferred to several bank accounts across the country, police said on Tuesday. A senior official of the AP Mahesh Co-operative Urban Bank said funds of the bank was found to be transferred by the hackers and no amount was diverted from customers accounts. The officials said around Rs 12 crore were transferred to several individual accounts of many banks, most of them located in other states and also in Telangana.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/ap-mahesh-co-op-urban-bank-servers-hacked-rs-12-crore-siphoned-off/articleshow/89115253.cms>
- **Hero Fincorp to raise Rs 2,000 cr for growth**: Hero Fincorp could raise ₹2,000 crore equity funding from existing and new investors to create a capital buffer for its business, according to people familiar with the matter. As part of the funding plan that is under deliberation, Hero Motocorp and members of the Munjal family through their investment companies could bring in ₹1,100-1,200 crore of equity funding with new investors bringing in the remaining amount. The Munjal family are the promoters of Hero MotoCorp and also have substantial shareholding in Hero Fincorp, which is registered as a non-bank finance company.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hero-fincorp-to-raise-rs-2000-cr-for-growth/articleshow/89104552.cms>
- **CreditAccess Grameen invests Rs 150 crore in Madura**: CreditAccess Grameen has invested Rs 150 crore in its subsidiary Madura Micro Finance to augment the capital adequacy ratio of the latter. India's largest NBFC-MFI has invested the fund in the form of subordinate debt on Tuesday, the company said in a regulatory disclosure to stock exchanges. The fund infusion is aimed at maintaining Madura's capital adequacy ratio around 18-20 per cent levels, on the backdrop of a steady portfolio growth. Madura had the ratio close to 20 per cent at the end of September 2021.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/creditaccess-grameen-invests-rs-150-crore-in-madura/articleshow/89121993.cms>



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- **Monetary penalties on UCBS: Fix the responsibility on erring decision-makers, says Satish Marathe, RBI Director:** Urban Co-operative Banks (UCBs) need to fix responsibility for the wrong actions of their officers, managers, directors and administrators and recover the penalty that the Reserve Bank of India (RBI) imposes from them, according to Satish Marathe, Founder-Member, Sahakar Bharati. His observation came in the backdrop of RBI announcing on Monday that it had imposed a penalty on eight Co-operative Banks, including seven UCBS. The penalty has been imposed for non-compliance with provisions or contravention of certain directions issued by RBI.
<https://www.thehindubusinessline.com/money-and-banking/monetary-penalties-ucbs-need-to-fix-responsibility-for-wrong-actions-of-officers-and-directors-says-satish-marathe-rb/article64938708.ece>
- **Microloan securitisation volume see recovery in 9M FY22: ICRA:** Microloan securitisation volumes have seen a recovery, increasing to around ₹6,200 crore in the first nine months (9M) of FY2022 compared to around ₹1,900 crore in 9M FY2021, according to ICRA. However, the volume in the 9M FY22 remains much lower than the pre-Covid period (of around ₹29,000 crore in FY2020). As per note by the credit rating agency, the Q4 securitisation volume (January-March 2022), which should have otherwise seen a healthy improvement, could be impacted by the concerns around the third wave of Covid infections that may affect the repayment capabilities of the borrowers who have a marginal financial profile.
<https://www.thehindubusinessline.com/money-and-banking/micro-loan-securitisation-volumes-see-recovery-in-9mfy22-icra/article64938635.ece>
- **ARC would soon eye stressed assets across sector: YES Bank:** The setting up of an asset reconstruction company (ARC) and transfer of bad loans would be completed at the latest by the first quarter of 2022-23 and the entity would eventually look at buying stressed assets across the banking industry, said Prashant Kumar, Managing Director and CEO, YESBank. The private sector lender would be able to fully focus on growth and technology, he said, adding that the bank was already on a growth trajectory and asset quality issues were a thing of the past.
<https://www.thehindubusinessline.com/money-and-banking/proposed-arc-would-be-eventually-for-the-entire-banking-sector-yes-bank/article64938728.ece>
- **Fresh addition of bad loans for Q4 to be less despite Omicron wave: Bandhan Bank MD:** Bandhan Bank expects fresh slippages or the fresh addition of bad loans for the fourth quarter to be less than that of for the third quarter this fiscal despite the wave of Omicron as it believes the current surge in Covid-19 cases is unlikely to affect its asset quality. For the lender, which swung back to profit in the third quarter after registering a whopping loss in the second quarter, fresh slippages net of recovery from stressed accounts stood at Rs 1,893 crore in the October-December period of 2021. "I have not seen any impact of the Omicron wave on our bank's asset quality."
<https://www.financialexpress.com/industry/banking-finance/fresh-addition-of-bad-loans-for-q4-to-be-less-despite-omicron-wave-bandhan-bank-md/2414970/>
- **Fintechs issue BNPL cards to push usage at offline stores:** Fintech lenders active in the 'buy now pay later' (BNPL) space are now issuing physical cards to customers to push usage in the offline mode. PayU Finance, Slice and Uni Cards have tied up with banks to issue BNPL cards, which are essentially prepaid payment instruments (PPIs) bearing a credit line. BNPL is often touted to be one of the fastest-growing modes of digital payments and has often been seen as an alternative to credit cards, especially for people in their twenties. In a recent report on BNPL trends, lender ZestMoney said citing Goldman Sachs that BNPL forms about 2% of total retail gross merchandise value (GMV) and is expected to surge to nearly 7% by the end of FY26. The current GMV of \$3 billion is estimated to go up to \$35 billion by 2026, the report said.
<https://www.financialexpress.com/industry/fintechs-issue-bnpl-cards-to-push-usage-at-offline-stores/2414758/>



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- **Rupee falls by 16 paise to 74.76 against US dollar:** The rupee on Tuesday depreciated by 16 paise to close at 74.76 (provisional) against the US dollar due to month-end dollar demand from oil importers and a stronger dollar in overseas markets. Investors' weak appetite for riskier assets also weighed on the rupee. Moreover, market participants are now eyeing the US Fed's meeting outcome for further cues. At the interbank foreign exchange market, the local currency opened at 74.60 against the greenback and witnessed an intra-day high of 74.57 and a low of 74.80 during the session. The rupee finally settled at 74.76, down by 16 paise over its previous close of 74.60.
<https://www.moneycontrol.com/news/business/markets/rupee-falls-by-16-paise-to-74-76-against-us-dollar-7983331.html>
- **Bulls put up a fight as market ends 5-day losing streak :** The BSE Sensex closed at 57,858.15, up 366.64 points or 0.64 per cent. It recorded an intraday high of 57,966.93 and a low of 56,409.63. The Nifty 50 closed at 17,277.95, up 128.85 points or 0.75 per cent. It recorded an intraday high of 17,309.15 and a low of 16,836.80. Maruti, Axis Bank, State Bank of India, IndusInd Bank and UPL were among the top gainers on the Nifty 50 while Wipro, Bajaj Finserv, Titan, Ultratech Cement and Tech Mahindra were the top losers.
<https://www.thehindubusinessline.com/markets/sensex-up-366-pts-at-closing-nifty-ends-above-17200-ending-5-day-losing-streak/article64938923.ece>

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