

NEWSLETTER

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TOP NEWS

- WORLD BANK KEEPS INDIA'S FY25 GDP GROWTH ESTIMATE UNCHANGED AT 6.4%
- NCGTC TO CONDUCT DETAILED AUDIT OF CLAIMS SUBMITTED BY BANDHAN BANK AGAINST NON-PERFORMING LOANS
- HDFC SECURITIES APPOINTS NEETIKA BHATIA AS CHIEF HR OFFICER

RBI REVISE GUIDELINES FOR SFBS, RAISE MIN CAPITAL REQUIREMENT TO RS 200 CR

- PAYMENTS BANKS CAN APPLY FOR CONVERSION INTO SFB AFTER FIVE YEARS OF OPERATIONS IF THEY ARE OTHERWISE ELIGIBLE AS PER THE GUIDELINES
- THE RESERVE BANK ANNOUNCED THAT URBAN CO-OPERATIVE BANKS (UCBS) AIMING TO BECOME SMALL FINANCE BANKS (SFBS) MUST INITIALLY HAVE A NET WORTH OF RS 100 CRORE, WHICH SHOULD RISE TO RS 200 CRORE WITHIN FIVE YEARS OF STARTING OPERATIONS.
- THE DIFFERENCE BETWEEN SFBS AND PAYMENTS BANK IS THAT THE LATTER IS NOT ALLOWED TO DO LENDING.
- AS PER THE NORMS, SFBS ARE SUBJECT TO MOST OF THE PRUDENTIAL NORMS THAT SCHEDULED COMMERCIAL BANKS HAVE TO ADHERE TO. FOR INSTANCE, THEY NEED TO MAINTAIN A CASH RESERVE RATIO (CRR), OR PORTION OF DEPOSITS TO BE SET ASIDE WITH THE CENTRAL BANK, AND STATUTORY LIQUIDITY RATIO (SLR), OR THE PORTION OF DEPOSITS TO BE INVESTED IN GOVERNMENT SECURITIES, AS STIPULATED FOR COMMERCIAL BANKS.
- ABOUT 75 PER CENT OF THE CREDIT ADVANCED BY SMALL FINANCE BANKS WILL NEED TO GO TO SECTORS THAT ARE CONSIDERED PART OF THE SO-CALLED PRIORITY SECTOR, INCLUDING AGRICULTURE, SMALL ENTERPRISES AND LOW-INCOME EARNERS.
- COMMERCIAL BANKS HAVE TO MANDATORILY LEND 40 PER CENT OF THEIR NET BANK CREDIT TO SUCH SECTORS.