



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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May 13, 2022

Reserve Bank of India imposes monetary penalty on KEB Hana Bank

The Reserve Bank of India (RBI) has imposed, by an order dated May 12, 2022, a monetary penalty of ₹59 Lakh (Rupees Fifty Nine Lakh only) on KEB Hana Bank (the bank), for non-compliance with the directions issued by RBI on "[Reserve Bank of India \(Interest Rate on Deposits\) Directions, 2016](#)". This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with sections 46 (4) (i) of the Banking Regulation Act, 1949 (the Act).

This action is based on the deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.

Background

The Statutory Inspection for Supervisory Evaluation of the bank was conducted by RBI with reference to its financial position as on March 31, 2020, and the examination of the Risk Assessment Report and all related correspondences pertaining to the same, revealed, *inter alia*, non-compliance with the above mentioned directions to the extent (i) interest rates offered on deposits were not consistent and transparent, (ii) details of interest rates were not available in the Core Banking System for supervisory review and (iii) the interest rates offered were not uniform for all customers and were discriminatory in nature. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the RBI directions, as stated therein.

After considering the bank's reply to the notice, and oral submissions made during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty, to the extent of non-compliance with such directions.