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EDITORIAL

Dear Colleagues,

Welcome to the December 2025 edition of the BMC Bank Newsletter – your trusted source for insightful updates and the latest developments in our transformation journey.

I am pleased to welcome our newly appointed Probationary Officers and Junior Executive Assistants to the BMC family. Their induction, along with the successful completion of a focused training programme marks an important step in our succession planning and strengthens the foundation of our future workforce. I am confident that their fresh perspectives and commitment will contribute meaningfully to the Bank's progress.

I urge the management, executives and senior staff to extend their guidance and support to the new team members. Effective mentorship and structured on-the-job training will help them develop clarity on processes, regulatory responsibilities, and service expectations. This will reinforce operational discipline, elevate professionalism, and enhance service quality across the organisation.

We are now in the last month of the third quarter, entering a decisive phase of the financial year. Although the Bank continues to demonstrate strong year-on-year performance across several parameters, we remain behind last year's levels in deposits and advances. With four months left in FY 2025–26, achieving our March 2026 targets will require unified and determined effort from all staff members.

The Bank's liquidity position remains comfortable. To enhance income and profitability we must prioritise secured lending and substantially increase non-interest income, especially fee-based earnings from the insurance business. The targets in these areas are realistic, and achieving them is extremely essential.

Customer experience remains central to our growth strategy. Courteous, prompt, and consistent service will increase footfalls, deepen customer trust, and expand our client base. In line with this, the Bank has launched three new CASA products **effective 1st December 2025**, and all staff members are encouraged to actively promote them to maximise outreach and adoption.

The Board extends its appreciation to our top performers, who were recently recognised for their exemplary contributions. Their excellence sets a benchmark for the staff members as we move into a crucial period for the Bank.

Let us approach the months ahead with renewed focus, discipline, and determination. With collective effort and an unwavering commitment to excellence, we can strengthen the Bank's performance and deliver a robust and commendable year-end outcome.

Warm regards,



ZEESHAN MEHDI,
CHAIRMAN

From the desk of Managing Director

Warm Greetings !!!

A warm welcome to all our newly inducted Probationary Officers and Junior Executive Assistants to the BMC family. Your selection marked the beginning of a meaningful journey with this esteemed organisation, and I am confident that your contributions will truly make a difference.

I urge all senior staff members to guide and support our new colleagues. Your mentorship will help build consistent skills, enhance efficiency, and elevate professionalism, directly strengthening the Bank's growth and service quality. On-the-job training will further ensure a uniform understanding of processes, regulatory requirements, and service standards. This, in turn, will lead to improved operational efficiency, fewer errors, better customer service, and a more professional work environment. Together, we will build a stronger, more capable workforce that supports the Bank's strategic growth objectives.

I would also like to draw everyone's attention to the fact that we are now in the final month of the third quarter, with only one quarter left before the close of the financial year, a period that is both crucial and challenging. The performance in the coming months will significantly influence the Bank's final financial results.

Improving bank's business is a continuous process that requires vision, teamwork, and dedication. By focusing on customer relationships, deposit mobilization, quality lending, digital adoption, and employee development, the bank can create a strong and sustainable growth trajectory.

With the right strategies and a collective commitment to excellence, the bank has the potential to elevate performance, strengthen trust, and deliver long-term value to customers, employees, and stakeholders alike.

Therefore, I urge all staff members to stay focused, intensify efforts, and move forward with determination to strengthen the Bank's business and help deliver an impressive year-end balance sheet.



(IMRAN AMIN SIDDIQUI)
MANAGING DIRECTOR



INDUSTRY NEWS

India's record low retail inflation in Oct opens space for rate cut if H2FY26 growth weakens

The moderation in India's retail inflation to a record low in October has provided the Reserve Bank of India (RBI) with greater space for the rate cut if the growth remains weak in the second of the current financial year. **In the Monetary Policy the RBI has reduced the Repo rate by 0.25% on 5th December 2025.**

India's retail inflation eased sharply to 0.25 percent in October, its lowest level in the current series that began in 2013, down from 1.44 percent in September.

The moderation was led by a continued decline in food prices, with the food index falling to -5.02 percent in October from -2.3 percent in the previous month, reflecting a broad-based softening in key staples and edible items.

Inflation has now averaged 2.22 percent in the first half of FY26, staying well below the RBI's medium-term target of 4 percent. The trend reinforces the easing price environment that has prevailed since mid-year, driven by subdued global commodity prices and a high base effect.

Reflecting this moderation, the RBI recently lowered its FY26 inflation forecast to 2.6 percent from 3.1 percent earlier, while maintaining a cautious stance amid uncertainties in global energy and food markets.

Why banks are finding borrowing via TREPS more attractive over RBI's VRR auctions

Banks are increasingly turning to the Tri-party Repo (TREPS) market to meet their short-term funding requirements, given its lower borrowing costs compared to the Reserve Bank's Variable Rate Repo (VRR) auctions.

The trend has emerged in recent liquidity operations, and suggests that lenders are prioritizing cost-efficient funding routes even as short-term money market rates remain steady. Market participants have said that the narrowing rate differential between TREPS and RBI's VRR auctions has made the former more attractive route for banks to meet their funding requirements.

Experts believe as long as short-term rates remain stable, banks will continue to rely more on market borrowings rather than RBI's repo facilities. Any shift in liquidity conditions or rise in money market rates, however, could again drive lenders back to the central bank's auction window.

RBI and Europe Union's central bank agree to start initial phase of linking domestic payment systems

The Reserve Bank of India and the central bank of European Union have agreed to start the initial phase of linking domestic payments systems.

RBI has been actively pursuing interlinking of Unified Payments Interface (UPI) with fast payment systems of other jurisdictions to promote cross-border payments. These initiatives are aligned with the G20 Roadmap for enhancing cross-border payments, with a focus on cheaper, efficient, more transparent and more accessible remittances.

RBI and NPCI International Payments Limited (NIPL) have been engaging with European Central Bank on the initiative to connect UPI with the TARGET Instant Payment Settlement (TIPS), the instant payment system operated by the Eurosystem. "Following constructive and sustained engagement, both sides have agreed to start the realisation phase for the UPI-TIPS link."

Reserve Bank of India and NIPL will continue to collaborate closely with European Central Bank to operationalize the UPI-TIPS link, including technical integration, risk management and settlement arrangements.

REGULATORY UPDATES

RBI issues 244 Master Directions, consolidating over 9,000 circulars aimed at reducing compliance burden

The Reserve Bank of India (RBI) has undertaken a significant overhaul of its regulatory framework, consolidating thousands of circulars and guidelines into a streamlined set of Master Directions. According to the central bank, it was intended to ease compliance burdens for banks and other regulated entities.

The RBI issued 244 Master Directions, consolidating the instructions currently administered by the Department of Regulation on an 'as-is' basis.

"These instructions have been issued separately for 11 types of regulated entities and are cohesively organised across various regulatory areas.

According to the RBI, the consolidation exercise marks a "paradigm shift" in regulatory communication.

The 11 types of regulated entities identified are: (a) Commercial Banks; (b) Small Finance Banks; (c) Payments Banks; (d) Local Area Banks; (e) Regional Rural Banks; (f) Urban Co-operative Banks; (g) Rural Co-operative Banks; (h) All India Financial Institutions; (i) NonBanking Financial Companies; (j) Asset Reconstruction Companies; and (k) Credit Information Companies.

The comprehensive exercise involved consolidation of more than 9000 existing circular/ guidelines administered by Department of Regulation into 238 function-wise Master Directions (MDs), specific to each category of regulated entity.

This exercise, according to RBI, is expected to enhance clarity, ease of access, and reduce compliance burden for REs, thereby supporting the broader objective of improving ease of doing business.

The Reserve Bank has issued numerous directions over the years, under the statutory powers conferred upon it by various Acts. While increase in regulatory guidelines is a natural process as the financial system evolves, this was further driven by an expanding regulatory perimeter, distributed supervisory/ regulatory jurisdiction over certain regulated entities, and non-repeal of some of the earlier instructions when new ones were issued.

RBI uses multi-model, forward-looking framework to sharpen inflation, growth forecasts.

The Reserve Bank of India follows a multi-layered and continuously evolving forecasting framework to meet its inflation targeting mandate while keeping growth in focus.

Just as the inflation forecasts, the RBI uses a varied set of approaches to generate its growth projections. RBI relies on a balanced synthesis of robust econometric analysis, contemporary economic conditions, and forward-looking sectoral perspectives in preparing its projections.

Under the flexible inflation targeting (FIT) framework, monetary policy decisions operate with well-recognised transmission lags and impact output and inflation over several quarters, making it essential for policymakers to remain forward-looking.

As a result, the bi-monthly policy resolutions of the Monetary Policy Committee provide projections for inflation and growth up to four quarters ahead. However, that forecasting is inherently prone to errors, particularly during periods of high uncertainty and unforeseen shocks. Inflation forecasting in India, is further complicated by the high and outdated weight of food in the CPI basket and the volatile nature of food prices.

BMC BANK NEWS

Congratulation



Certificate of Appreciation awarded to Ms. Shaziya Arif Khan Sarguroh, Code No. 3969 for excellence in managing GST returns of Maharashtra state branches and Service branch of our bank.



Certificate of Appreciation awarded to Mr. Feroz C. Shah, Code No. 3325, Deputy Chief Officer at Audit and Inspection department, by Mr. Fahim Ansari, Chairman of Apex Committee for recovery of revenue leakage.



Congratulations to Ms. Alfiya Salim Hawaldar , Code no. 4334, JEA, Audit department, for passing the JAIIB Examination (First attempt) conducted by IIBF, appreciated by Chief Operating Officer

BEST PERFORMERS OF THE MONTH OF NOVEMBER 2025



**Mr. Abid Zahid Saleh,
E.R. Road Branch**



**Mr. Shadab Rehman,
Bhopal Branch**



**Mr. Zubair Chaus,
Fort Branch**



**Mrs. Suraiya Mughal,
Jodhpur Branch**



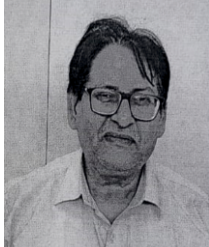
**Mr. Syed Said Ali Rizvi,
Ajmer Branch**



**Mrs. Shaista Aslam,
Delhi Branch**



**Mr. Mazhar Khan,
M.A. Road branch**



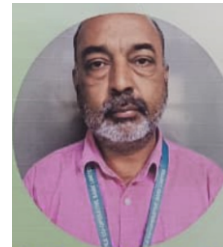
**Mr. Gayoor Mehdi,
P.D. Mello Road branch**



Mr. Surendra K. Yadav



**Mr. Zamin Ali Mir,
Srinagar Branch**



**Mr. Sadique Shaikh,
Solapur Branch**



**Mr. Mehmood
A.R. Street Branch**



Mr. Tajammul Husain,
Malegaon Branch



Mr. Dayaprasad Bhat,
Colaba Branch

GLIMPSES OF TRAINING PROGRAMME OF JR. EXECUTIVE ASSISTANTS at Indian Bank, Training College, Andheri, Mumbai from 1st December to 6th December 2025.



Win a prize of Rs.1000/- to Rs. 5000/- and a certificate of appreciation from the Managing Director for the best article on banking with a beautiful slogan concerning banking activity. The slogan should not be more than 30 words. Win a prize of Rs. 500/- each (3 Nos.) for correct Quiz answer with a beautiful slogan not more than 30 words. Send your article with slogan in sealed envelope mentioning your Name, Code No. and branch to Treasury Department, 2nd Floor, 78, Mohammedali Road, Mumbai – 400 003.

QUESTIONNAIRES

- The training programme for newly appointed Jr. Executive Assistants was held at Zain Rangoonwala Bankers Training College, Mumbai.
(a) True (b) False
- The TREPS market is a long-term money market platform operated by Clearing Corporation of India (CCIL)
(a) True (b) False
- On 5th December 2025, RBI MPC meeting, repo rate was reduced by 25 bps.
(a) True (b) False
- In the new labour codes, the salary of the employee should be credited before 5th of next month.
(a) True (b) False
- RBI has consolidated thousands of circulars and guidelines to ease compliance burden.
(a) True (b) False
- Retail inflation recorded increase in October 2025.
(a) True (b) False
- NIPC Stands for.....
- TIPS stands for
- How many types of Regulated entities are there.
(a) 9 (b) 7 (c) 11
- RBI follows a layered and continuously evolving forecasting frame.
(a) Single (b) Multi

Your reply should reach
us on or before
30.12.2025

Quiz result of VOL X Issue 10

Quiz Answer :

- (a)
- (a)
- (Authorized Dealer)
- (b)
- (a)
- (b)
- (Bonds prices falling and their Yield rising)
- (b)
- (Smartphone app that securely stores payment information)
- (a)



Mr. HIDAYAT ALI, Code No. 3003
Head Office branch, Mumbai.

"All banking needs fulfilled under one roof"



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