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# Bombay Mercantile Co-operative Bank Ltd.

(Scheduled Bank)

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NEWSLETTER

HAPPY 2026 NEW YEAR

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## EDITORIAL

Dear Colleagues,

Welcome to the January 2026 edition of the BMC Bank Newsletter—your trusted source for insights, updates, and key milestones in our ongoing transformation journey. I extend my warm wishes to all for a happy, healthy, and prosperous New Year 2026.

As we step into 2026, the Indian banking sector finds itself at a pivotal juncture—where resilience converges with reinvention. Over recent years, banks have demonstrated notable strength amid global economic uncertainty, robust domestic credit growth, regulatory recalibration, and rapid technological advancement. The year ahead will test not only balance sheets, but also the sector's ability to balance growth with governance, innovation with inclusion, and speed with security.

Credit growth with prudence will remain a central theme. Sustainable expansion, supported by sound risk management practices and robust credit appraisal mechanisms, will be critical in preserving asset quality and long-term stability.

Digital banking has evolved beyond convenience to become core infrastructure. In 2026, the focus will shift from digital adoption to digital maturity. Artificial intelligence, data analytics, and automation are set to redefine credit assessment, customer service, fraud detection, and regulatory compliance. However, innovation must go hand in hand with responsibility.

Cybersecurity, data privacy, and system resilience will require continuous investment and vigilant oversight. Banks that successfully integrate technology while preserving customer trust will emerge as industry leaders. Importantly, digital transformation must remain inclusive, ensuring that rural customers, senior citizens, and small businesses are not left behind. In this direction, our Bank has initiated significant digital transformation initiatives, and further adoption of advanced technologies is planned in the year ahead.

Even in an increasingly automated environment, banking remains a people-centric industry. Skill upgradation, ethical leadership, and a strong customer-centric mindset will define successful institutions. As experienced professionals retire and younger talents enter the workforce, structured knowledge transfer and continuous training will be essential. I am pleased to note that our Bank has begun upgrading the skills of staff across all levels to meet emerging challenges.

The year 2026 presents immense opportunities for the banking sector, but only for institutions that remain adaptable, disciplined, and forward-looking. Trust continues to be the most valuable currency in banking and must be preserved through transparency, accountability, and service excellence.

As custodians of public savings and key drivers of economic growth, banks have a vital role in shaping India's financial future. With prudent policies, an innovative spirit, and an unwavering commitment to ethics, the banking sector can confidently navigate 2026 and beyond.

*Warm regards,*

**ZEESHAN MEHDI,**
CHAIRMAN

## From the desk of Managing Director

Warm Greetings !!!

As we enter the final quarter of the financial year, we stand at a decisive moment, one that will define our Bank's performance, sustainability, and strategic direction for the year ahead. The last quarter is traditionally the most demanding, yet it also presents the greatest opportunity to accelerate growth, strengthen customer relationships, and close the year with robust financial achievements.

The concluding quarter of the financial year acts as a performance mirror, reflecting the combined efforts of all preceding months. It is in this period that final numbers take shape, targets are consolidated, and strategic initiatives either yield results or reveal gaps. For any financial institution, the last quarter is critical because:

- It significantly impacts capital adequacy and profitability ratios.
- It sets the foundation for next year's business goals.
- It influences stakeholder confidence, including customers, regulators, and investors.
- It shapes the Bank's competitiveness in an increasingly dynamic financial landscape.

In essence, the last quarter is not just the end of a cycle, it is the launch pad for the next.

To ensure the Bank ends the financial year on a strong, stable, and upward-trending note, every team and branch must channel their efforts strategically, where collective and focused action can make a measurable difference:

- Quality customer interactions remain the most powerful driver of business growth as a satisfied customer today becomes a loyal ambassador tomorrow.
- Stable and low-cost deposits are the backbone of healthy banking operations and every additional deposit strengthens the Bank's liquidity and financial stability.
- While expanding the loan portfolio is essential, doing so responsibly is equally important as growth must be sustainable, not merely numerical.
- Healthy financials require not just increased business, but also disciplined recoveries. Reducing NPAs directly improves profitability and enhances the Bank's credibility.
- Digital platforms allow faster service delivery and broader outreach. Digital adoption not only boosts efficiency but also expands the Bank's customer base.
- No growth strategy can succeed without the collective energy of the workforce. With unity and determination, every challenge can be turned into an opportunity.

The path ahead may be demanding, but the potential it holds is enormous. Every account opened, every customer served, every query resolved, and every recovery made moves us closer to a strong and inspiring year-end balance sheet.

This is the time for us to stay focused, think proactively, and act decisively. With commitment, discipline, and teamwork, we can not only meet our targets but exceed them, setting a new benchmark for excellence.

Let us move forward with confidence and a shared purpose, ensuring that this final quarter becomes a celebration of our collective strength and dedication.

**(IMRAN AMIN SIDDIQUI)**
MANAGING DIRECTOR

## Banking: Where Trust Is Transformed into Lasting Economic Power

Banking: Where Trust Is Transformed into Lasting Economic Power

Before a nation builds skyscrapers, highways, or industries, it first builds trust—and banking is the institution that safeguards it. Banking does not make noise, yet it moves economies. It works quietly, like a finely sharpened sword—precise, disciplined, and powerful—cutting through uncertainty while protecting financial stability.

At its core, banking transforms idle savings into active capital. By mobilizing deposits and extending credit, banks turn individual security into collective progress. Every loan sanctioned carries faith in enterprise; every deposit accepted carries responsibility. Through this continuous flow of funds, banking fuels trade, employment, and innovation.

Beyond lending, banking enables the smooth circulation of money. Payment systems, digital platforms, and settlements have made transactions faster, safer, and more inclusive. In doing so, banks connect households, businesses, and markets, ensuring that economic activity never stands still. Modern banking has sharpened this function further by embracing technology without compromising trust.

Risk management is the unseen strength of banking. Through careful credit evaluation, liquidity management, and regulatory compliance, banks maintain balance in an unpredictable environment. Like a well-guarded sword, power is exercised with restraint—protecting depositors, preserving confidence, and ensuring long-term stability.

Most importantly, banking is a service rooted in ethics. Profit is essential, but purpose is greater. A strong banking system does not merely accumulate wealth; it builds confidence, supports ambition, and sustains growth. When guided by integrity and responsibility, banking becomes more than an institution—it becomes a pillar of national development.

In conclusion, banking activities shape the present and secure the future. By channeling savings into opportunity and managing risk with discipline, banking converts trust into lasting economic power, strengthening both individuals and the nation.

**Mr. SAYED JAVED HUSAIN, Code No. 2999 BHIWANDI BRANCH, MUMBAI.**

## INDUSTRY NEWS

### Number of UCBs declines to 1,457 in FY25 as RBI consolidation continues

The number of Urban Co-operative Banks (UCBs) has steadily declined to 1,457 at the end of March 2025 from 1,926 during the same period in 2004 owing to the consolidation process initiated by the Reserve Bank of India (RBI) in 2004-05. The process included the amalgamation of unviable UCBs with viable ones, closure of non-viable entities, and the suspension of issuance of new licences.

During 2024-25, seven mergers of UCBs -- six in Maharashtra and one in Telangana — were effected. With this, the total number of mergers since 2004-05 rose to 163, more than half of which were in Maharashtra.

In addition, the licences of eight non-scheduled UCBs were cancelled during the year. These included two each in Uttar Pradesh and Andhra Pradesh, and one each in Bihar, Maharashtra, Assam, and Tamil Nadu.

On December 1, 2022, the RBI adopted a four-tiered regulatory framework for UCBs, in line with the recommendations of the expert committee on UCBs headed by N S Vishwanathan.

"The regulation aimed to balance the spirit of mutuality and co-operation more prevalent in smaller banks with limited area of operation vis-à-vis the growth ambitions of large-sized UCBs through geographical spread and diverse business activities," said the report.

At the end of March 2025, 57.5 per cent of the UCBs were classified as Tier-1. Tier-III and Tier-IV UCBs, together with less than 6 per cent share in the total number of UCBs, dominated the sector, accounting for more than half of deposits, advances and total assets.

### ATM numbers dip in FY25 as digital payments rise: RBI

The number of automated teller machines (ATMs) declined moderately in FY25, with the increase in digitisation, a RBI report said on Monday. The number of bank branches increased by over 2 per cent on the back of network expansion by the public sector banks, the report on Trend and Progress of Banking in India for FY25 said. "Increase in digitalisation of payments has reduced the customers' requirement of transacting with ATMs," the report said.

Public sector banks' ATM distribution was evenly distributed between rural, semi-urban, urban and metropolitan areas, while the private sector banks and foreign banks had a concentration in the urban and metropolitan areas in their ATM networks. However, banks continue to open new branches despite the ingress of alternative channels powered by digital technologies, the report said.

### Insurance penetration remained unchanged in 2025, at about half of global average

Insurance penetration remained unchanged at 3.7% in FY25-about half the global average of 7.3% for 2024-the latest regulatory data showed.

Life insurance penetration in India declined to 2.7% in FY25, from 2.8% a year earlier, while non-life insurance penetration stayed flat at 1%, the latest Insurance Regulatory and Development Authority of India (Irdai) data published showed.In contrast, world penetration was at 7.3% in 2024, with life insurance accounting for 3% and non-life insurance 4.3%

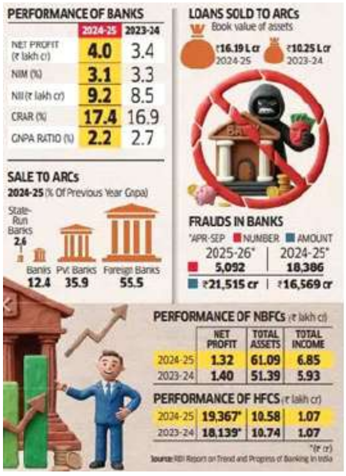
The regulator has taken several measures to address insurers' profitability concerns which may likely increase penetration through a period of adjustment to new provisions.

Within the life insurance segment, premium growth remained positive in 2024-25. The industry reported total premium income of ₹8.86 lakh crore, registering growth of 6.73% during the year.

### Bank profits strengthen, bad loans fall to multi-decade low in FY25: RBI Report

The banking sector showed stronger profitability and improved asset quality in FY25, even as margins moderated and fraud-related amounts rose, according to RBI Report on Trend and Progress of Banking in India. The GNPA ratio declined to a multi-decadal low of 2.2%. Banks also stepped up sale of stressed assets to ARCs, with loans sold at a book value of Rs 16.19 lakh crore in FY25, compared with Rs 10.25 lakh crore a year earlier.

Private and foreign banks accounted for a significantly higher share of ARC sales. Among non-bank lenders, NBFCs saw asset and income growth in FY25, though net profit moderated slightly to Rs 1.32 lakh crore. HFCs reported steady improvement in profitability, with net profit rising to Rs 19,367 crore, while asset growth remained largely stable.




## RBI NEWS

### RBI likely to run more OMOs in Q1 CY26, pause rate cuts.

New Delhi, Reserve Bank of India (RBI) may undertake more open market operations in February-March to keep durable liquidity.

Following the rate cut in December 2025, the RBI is likely to maintain an extended pause, keeping interest rates lower for longer amid a favourable macro environment.

Liquidity was in surplus from April 2025 after the RBI infused Rs 12 trillion via OMOs and cash reserve ratio cuts, and December policy measures which are also expected to keep liquidity positive through March 2026.

A stable rate cycle, sustained liquidity normalisation and probable inclusion of Fully Accessible Route government bonds in the Bloomberg Global Aggregate Index will likely flatten the yield curve in 2026.

## KNOWLEDGE BASE

### Digital arrests, fake QR codes, deepfakes and more: The devastating financial scams robbing innocent victims and how to fight back.

India's digital revolution has made life easier than ever, but it has also given rise to a sophisticated criminal ecosystem that even educated professionals, retired officials, and wealthy businesspeople are falling victim to. Cybercrime hit India's digital economy more for over Rs 22,845 crore in 2024, which is a staggering 890% jump from the Rs 2,306 crore recorded in 2022.

How to protect yourself

1. No Indian law enforcement agency conducts arrests or investigations over phone or video. If someone claims to be from an agency, ask for their ID and FIR number, then hang up and call the official department number found on a "gov.in" website.
2. Never make payments to "clear charges" or "verify accounts" and be wary of requests for payment via UPI, gift cards, or crypto, and fake ID cards or arrest warrants sent on WhatsApp or email.
3. One should remember that in order to receive money one doesn't need to scan a QR code or enter a PIN; never approve unknown collect requests or download apps from unknown links.
4. Be wary of scanning a QR code to receive money for refunds or lottery winnings, requests to "test" a transaction or approve a reverse/collect request, scammers asking you to screen share, urgent messages claiming refunds or KYC expiry, and screenshots showing fake "pending" or "failed" UPI transactions.
5. You must disable UPI autopay mandates that you don't recognize.
6. Always verify if any platform or broker is SEBI-registered on the SCORES (Link) portal and avoid investments sourced from social media groups or unsolicited messages.

Last thing to say is that the best defence against scams is being well-informed about the major scam patterns and emerging threats. For immediate help with ongoing scams, call 1930 or visit cybercrime.gov.in.

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.

## QUESTIONAIRES

1. Number of UCBs in FY 2025 are.........................
(a) 1517 (b) 1926 (c) 1457
2. Total mergers of UCBs since 2024-2025 was 163
(a) True (b) False
3. The number of ATMs in India have increased in FY 2025
(a) True (b) False
4. OMOs stands for ...................
5. For Cyber Crime, the number to dial is.
(a) 1930 (b) 139
6. Bank fraud cases have increased during the FY 2024-25.
(a) True (b) False
7. Card & Internet frauds made upto 33.10% in FY 2024-25.
(a) True (b) False
8. Banks will be facing competition from NBFC.
(a) True (b) False
9. DICGC stands for........
10. Name the CASA scheme launched by the bank w.e.f. 01.01.2026.

**Mr. SAYED JAVED HUSAIN**
**Code No. 2999 BHIWANDI BRANCH, MUMBAI.**

**Your reply should reach us on or before 31.01.2026**

## Quiz result of VOL X Issue 11

**Quiz Answer :**
1. (b) 2. (b) 3. (a) 4. (b) 5. (a)
6. (b) 7. (National Payment Corporation of India)
8. (Target Instant Payment Settlement)
9. (C) 10.(b)

**Mr. Mohammed Iliyaz, Code No. 4406, Jr. Executive Assistant, Pune branch.**

**SLOGAN : BMC Bank – Har pal zindagi ke saath.**

**Ms. Arshin Naz, Probationary Officer, Code No.4383, Jodhpur branch.**

**SLOGAN : Beyond money, banking connects dreams, discipline and development.**

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