



Bombay Mercantile Bank Ltd.

BOMBAY MERCANTILE CO-OPERATIVE BANK LTD.
(Scheduled Bank)

NEWSLETTER

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FROM THE EDITOR'S DESK

Welcome to the **September 2023** edition of the **Newsletter**. The Newsletter, as you all know, is a trusted and reliable channel **to enhance and update your professional knowledge**.

The bank conducted a three day Business Review Workshop from the 4th to 6th of August 2023, in Mumbai, which was attended by the Executives, Area Heads and Managers of our 52 branches. The branch-wise achievements against the targets w.r.t. advances, deposits, recoveries etc were reviewed in detail with the Branch Managers and Area Heads; and the business plan for next two quarters was firmed up. The roadmaps for Insurance and Mutual Fund businesses were also discussed. It's important to hold such business review workshops at periodic intervals to boost employees' morale and ensure achievement of targets.

Our country is heading towards becoming the third largest global economy and the entire world is looking at the Indian growth story. India **G20 Presidency** is hosting the G20 summit on **9th and 10th September 2023** at New Delhi to address global economic and financial challenges. With the hosting of G20 World leaders, India is poised to get added international attention which will further boost the economy with the inflow of fresh FDI.

Your bank conducted a written test through **IBPS** for the post of **Junior Executive Assistants** on the 3rd of September 2023. The interviews of the shortlisted candidates will be conducted shortly and the selected candidates will be placed at different branches after initial orientation and training.

The bank will be holding its **86th Annual General Meeting** on the **18th September 2023** at the Hajj House, Mumbai. The Branch Managers are advised to contact our valued share holders, members and ensure their attendance and participation.

I am pleased to inform you that the undersigned, along with the Director Mr. Abid Patel and the Managing Director attended the Conference of UCBs hosted by the **Governor of Reserve Bank of India, Mr. Shaktikanta Das** on the **30th of August 2023** at Hotel Taj Lands End, Mumbai, wherein he met with the directors on the boards of Tier 3 and 4 UCBs in Mumbai Zone.

We look forward to a great period ahead and I wish you all the very best in achieving your business targets.



ZEESHAN MEHDI

PHOTO GALLERY : GLIMPSES OF BUSINESS REVIEW SUMMIT HELD ON 4TH, 5TH AND 6TH AUGUST 2023 AT MUMBAI



UCB NEWS

The Reserve Bank of India (RBI) on 30th August 2023, held a Conference of Directors on the Boards of Tier 3 and 4 Urban Cooperative Banks (UCBs) in Mumbai Zone. The Governor, RBI inaugurated the Conference on the theme 'Governance in Banks - Driving Sustainable Growth and Stability'. Reserve Bank has started engaging with the Directors of its Regulated Entities functioning in different segments of the financial system.

Recalling the objectives and strengths of UCBs in furthering financial inclusion and supporting economic development by providing last mile connectivity, the Governor acknowledged the role played by UCBs in these aspects. He noted that while the UCB sector has displayed improved financial performance at an aggregate level in recent times, concerns and vulnerabilities are seen for certain individual entities. He highlighted the need for the UCBs to strengthen their financial and operational resilience so as to contribute to the overall financial and banking sector stability.

Turning to specific expectations from the UCBs, the Governor stressed that the quality of governance was the most important aspect in ensuring stability of individual banks and urged the Directors of UCBs to further strengthen governance practices, especially the three supporting pillars of Compliance, Risk Management, and Internal Audit. On the functioning of Boards, the Governor emphasized five aspects - adequate skills and expertise of Directors, constitution of a professional Board of Management, diversity and tenure of Board members, transparent and participatory nature of Board discussions, and effective functioning of Board level Committees. He also emphasized on a planned approach towards human resources in the UCBs to ensure adequate quality and right size of manpower in UCBs.

The Governor reinforced the need for Board's involvement in upholding rigorous credit risk management including robust underwriting standards, effective post sanction monitoring, timely recognition and mitigation of incipient stress, rigorous follow up of large NPA borrowers for effective recovery, and maintaining adequate provisioning. He emphasised that the role of Directors is very significant in ensuring the integrity and transparency of financial statements, and cautioned against use of innovative accounting practices to camouflage the actual financial position.

The Governor urged the Boards to be more proactive in Asset Liability Management and the necessity of managing liquidity risk in a more systematic manner. He also stressed that the Board's role is pivotal in establishing a robust IT and cyber security infrastructure and availability of requisite skills at the bank level. It was stated by the Governor that the management of the UCBs should enjoy the required autonomy in their functioning.

The Governor concluded that Boards of UCBs can play a pivotal role in navigating change by adapting their bank's strategy and offerings as suited to the digital age, promoting innovation and embracing change, while retaining the essence of their cooperative culture.

The Conference included addresses by the Deputy Governors and technical sessions on Governance, Business Risks and Cyber Security. The Conference concluded with an open house interaction of the participants with the Executive Directors of the Reserve Bank.

KNOWLEDGE BASE

Population that Owns a Credit Card (%)

-  Canada - 82.74%
-  Japan - 69.66%
-  Switzerland - 69.21%
-  United States - 66.7%
-  United Kingdom - 62.11%
-  China - 37.95%
-  India - 4.62%

Less than 5% Indian Owns a Credit Card 

Do you know 8-4-3 Rule??

Assumption of Rs50,000
#investments every month @12%
Returns

It takes painfully long **8years** to
reach your **First 80 lakhs**

It takes half the time **4years**
for the **second 80lakhs**

It takes only **3Years** for the **Third 80lakhs**

What i really love is this 📌📌

By the time you reach 20years, You
add 80 lakhs almost every year

*As Einstein told, Compound
interest is the eighth wonder of
the world. He who understands
it, earns it ... he who doesn't ...
pays it.*

KNOWLEDGE HUB

Types of cyber security threats

The process of keeping up with new technologies, security trends and threat intelligence is a challenging task. It is necessary in order to protect information and other assets from cyber-threats, which take many forms. The various types of threats are.

Malware : The term “malware” refers to malicious software variants—such as worms, viruses, Trojans and spyware—that provide unauthorized access or cause damage to a computer. Malware attacks are increasingly “fileless” and designed to get around familiar detection methods, such as antivirus tools, that scan for malicious file attachments.

Ransomware: It is a type of malware that locks down files, data or systems and threatens to erase or destroy the data - or make private or sensitive data to the public - unless a ransom is paid to the cybercriminals who launched the attack.

Social engineering: is an attack that relies on human interaction to trick users into breaking security procedures to gain sensitive information that is typically protected.

Phishing: It is a form of social engineering that tricks users into providing their own PII or sensitive information. In phishing scams, emails or text messages appear to be from a legitimate company asking for sensitive information, such as credit card data or login information.

Insider threats: Current or former employees, business partners, contractors or anyone who has had access to systems or networks in the past can be considered an insider threat if they abuse their access permissions. Insider threats can be invisible to traditional security solutions like firewalls and intrusion detection systems.

Man-in-the-middle (MitM) is an eavesdropping attack, where a cybercriminal intercepts and relays messages between two parties in order to steal data. For example, on an unsecure Wi-Fi network, an attacker can intercept data being passed between guest's device and the network.

Advanced persistent threats (APTs): In an APT, an intruder or group of intruders infiltrate a system and remain undetected for an extended period. The intruder leaves networks and systems intact so that the intruder can spy on business activity and steal sensitive data while avoiding the activation of defensive countermeasures.

Cyber Security has become a collaborative effort of the organization's cyber security teams as well as the customers and other users. Therefore, it is of utmost importance that everyone follows cyber security and cyber hygiene practices in their day-to-day activities to protect IT assets and sensitive information.

RBI NEWS

Transaction limits for Small Value Digital Payments in Offline Mode-Enhancement

RBI has issued a framework to enable small value digital payments in offline mode using cards, wallets, mobile devices, etc in October 2021. The upper limit of an offline payment transaction was fixed at ₹200. The total limit for offline transactions on a payment instrument shall be ₹ 2,000 at any point in time.

On a review, RBI has recently increased the **upper limit** of an **offline payment transaction** to **₹500**. All other guidelines associated with shall remains the same.

Rebate in NPCI Switching Fees for Cooperative & RRBs on Rupay cards Switching fee is the commission collected by the card network providers for routing the transaction and authorization, clearing and settlement between the parties like issuer, Merchant's Bank or acquirer bank and Merchants. To support **Cooperative banks** and **Regional Rural Banks**, NPCI has announced rebate of 50% of NPCI's switching fees on **RuPay Debit card POS** and **e Com domestic transactions** in **March 2022**. NPCI has recently decided to continue this rebate upto **31st March 2024**.

This support is only applicable to RRBs and cooperative banks. The rebate structure shall not be applicable for Credit, prepaid and specific value services like Auto pay, EMI, Cash @POS, NCMC offline transactions etc. The rebate shall cease to exist upon roll-back of **Zero MDR regime**.

उद्गम - UDGAM - Centralised Web Portal for searching Unclaimed Deposits

RBI has recently launched a Centralised Web Portal **“उद्गम UDGAM” (Unclaimed Deposits – Gateway to Access inforMation)**. The portal is developed by RBI for use by public to facilitate and make it easier for them to search their **unclaimed deposits** across **multiple banks** at one place.

Given the increasing trend in the amount of unclaimed deposits, RBI has been undertaking **public awareness campaigns** from time to time to sensitize the public on this matter. Further, through these initiatives, the RBI has been encouraging members of public to identify and approach their respective banks for claiming unclaimed deposits.

The launch of the web portal will aid users to identify their unclaimed deposits/ accounts and enable them to either claim the deposit amount or make their deposit accounts operative at their respective banks. Reserve Bank Information Technology Pvt Ltd (ReBIT), Indian Financial Technology & Allied Services (IFTAS) and participating banks have collaborated on developing the portal. To begin with, users would be able to access the details of their unclaimed deposits in respect of **seven banks** (SBI, PNB, Central Bank, Dhanlaxmi Bank, South Indian Bank, DBS Bank & CITI bank). The search facility for remaining banks would be made available by **October 15, 2023**.

BANKING NEWS

FATF-High risk & other monitored jurisdictions – Jun 23

Financial Action Task Force (FATF) is an inter- governmental body established in 1989 by the Ministers of its Member jurisdictions. The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. The FATF monitors the progress of its members in implementing necessary measures, reviews money laundering and terrorist financing techniques and counter-measures globally. The FATF's decision making body, the **FATF Plenary**, meets **three times a year** and updates these statements.

FATF Plenary has released its report **"High-Risk Jurisdictions subject to a Call for Action" – June 2023**. As per the report, in addition to **Democratic People's Republic of Korea (DPRK)** and **Iran**, **Myanmar** has been added to the list of **High-Risk Jurisdictions**. In addition to this, **Cameroon, Croatia & Vietnam** have been added to this list of Jurisdictions under Increased Monitoring along with previously identified countries such as Albania, Barbados, Burkina Faso, Cayman Islands, Congo, Gibraltar, Haiti, Jamaica, Jordan, Mali, Mozambique, Nigeria, Panama, Philippines, Senegal, South Africa, South Sudan, Syria, Tanzania, Türkiye, Uganda, United Arab Emirates & Yemen.

BMC BANK NEWS

THE MANAGING DIRECTOR INAUGURATED THE OPENING/SHIFTING OF OUR COLABA BRANCH on 28th Aug 2023 TO NEW PREMISES AT CUSROW BAUG, COLABA, Mumbai.



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

QUESTIONAIRES

Q.1 RBI conducted Conference of Directors of UCBs of Delhi Zone

(a) True (b) False

Q.2 India's population that owns a Credit card (%)

(a) 2% (b) 46.20% (c) 4.62%

Q.3 Malware security threats is attack that relies on human interaction

(a) True (b) False

Q.4 Which branch has been recently shifted/relocated

(a) A.R. St (b) Colaba (c) Mahim

Q.5 Our Banks Annual General Meeting is on 22nd September 2023

(a) True (b) False

Your reply should reach us on or before 29th September 2023

Quiz Answer :

1. (b) 2. (b) 3. (b) 4. (b) 5. (a)

**W
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R**



WINNER's NAME: Mr. VINAY RAVI MISHRA of Central Advances Dept, Head Office, Mumbai 13

SLOGAN : BANKING ON YOUR TERMS, FOR YOUR TOMORROW

Cash prize and Quiz Competition Certificate is ready and will be delivered to winner during staff function program or seminar by the hands of Managing Director.



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