NUCFDC

NATIONAL URBAN COOPERATIVE FINANCE AND DEVELOPMENT CORPORATION LTD.

Trust & Transformation

Building a Resilient Future for Urban Co-operative Banking.

Index

CEO's Message (Article)

> "The future of Urban Cooperative Banking will not be defined by size, but by governance, technology and trust."

A Defining Decade Begins for Urban Cooperative Banking

FY27 may well be remembered as the year Urban Cooperative Banks began transitioning from institutional resilience to sector-wide reinvention.

Urban Cooperative Banks are no longer operating in a phase of survival or recovery. The sector is steadily entering an era defined by institutional strengthening, operational maturity and strategic modernisation. The conversation around UCBs is gradually shifting from sustainability to scalability — from preserving institutions to building future-ready banking enterprises.

April–June 2026 has emerged as a defining quarter for the sector. More than a period of policy announcements, it reflected institutional intent. FY26 financial results announced by several UCBs pointed towards improving balance sheet strength, greater operational stability, growth in deposits and sustained customer confidence. Equally significant has been the sector's transition from reactive management towards long-term institution building, backed by stronger regulatory alignment and sharper governance focus.

The Reserve Bank of India's recent approach signals a calibrated balance between regulatory discipline and institutional support. Mission SAKSHAM marks a structural capacity-building intervention aimed at strengthening governance, risk management, compliance culture and operational capabilities across the sector. The increasing emphasis on board accountability, leadership development and organisational learning reflects a broader recognition that resilience in banking must be built institutionally, not episodically.

Technology modernisation has also moved to the centre of the sector's transformation agenda. Sahakar CBS initiative by National Urban Cooperative Finance and Development Corporation, represents a significant step towards creating shared digital infrastructure for UCBs through a centrally governed, scalable and cost-efficient framework. Beyond technology adoption, the initiative has the potential to drive standardisation, operational efficiency, cybersecurity readiness and regulatory alignment across institutions.

Importantly, cooperative banking continues to hold a unique relevance in India's financial ecosystem. At a time when banking is becoming increasingly digital and transactional, UCBs retain their strongest differentiator — trust and community proximity. Their deep local engagement, relationship-led approach, MSME support and grassroots financial inclusion role continue to provide the sector with a distinct cooperative advantage.

At the same time, the operating environment is becoming significantly more competitive. Commercial banks, NBFCs and fintech-led platforms are rapidly reshaping customer expectations through digital-first models, faster service delivery and data-driven engagement. The institutions that will lead the next phase of cooperative banking growth will be those capable of combining trust with agility, governance with innovation, and community banking with technology readiness.

In this evolving landscape, National Urban Cooperative Finance and Development Corporation has played an important role in strengthening sector-wide collaboration, enabling shared technology infrastructure and building confidence around institutional modernisation. Its continued focus on long-term sector sustainability and scalable transformation remains critical. As the sector progresses, areas such as board-level capability enhancement, operational efficiency and cybersecurity preparedness — particularly among smaller UCBs — will require sustained attention and collective effort.

The future of Urban Cooperative Banking will not be defined by size alone, but by the sector's ability to strengthen its cooperative advantage through governance, capability, technology and trust.

Sahakar CBS & Sahakar SahaYogi: Transforming Urban Cooperative Banking Through Technology and Intelligence

The launch of **Sahakar CBS** and **Sahakar SahaYogi** on **6 July 2026**, during the celebrations marking the **5th Foundation Day of the Ministry of Cooperation**, underscored the Government's continued commitment to strengthening the cooperative ecosystem through technology and innovation. The occasion celebrated five years of transformative initiatives aimed at empowering cooperatives across the country and advancing the vision of **'Sahakar Se Samriddhi'**. As key digital initiatives of NUCFDC, Sahakar CBS and Sahakar SahaYogi represent an important step towards building modern, resilient and knowledge-driven Urban Cooperative Banks.

Sahakar CBS: A New Digital Foundation for UCBs

Many Urban Cooperative Banks continue to face challenges such as ageing Core Banking Systems, increasing technology costs, cybersecurity threats and evolving regulatory expectations. Sahakar CBS has been developed to address these challenges through a centrally managed, cloud-based Core Banking Solution that enables banks to modernise operations while reducing technology overheads.

Following a rigorous techno-commercial evaluation, NUCFDC has empanelled two globally trusted banking technology providers—Infosys Finacle (Version 11.0) and TCS BaNCS GBP (Version 15.1). Participating banks have the flexibility to choose the platform best suited to their business requirements while benefiting from a common governance framework, standardised implementation methodology and managed support services.

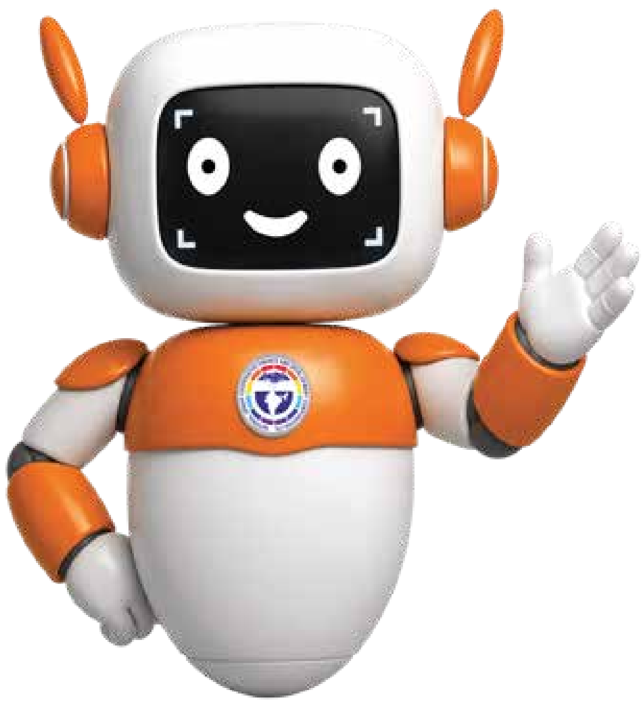
The solution provides a comprehensive suite of core banking capabilities covering deposits, advances, customer management, payments, accounting, branch operations, risk management and regulatory reporting. It is further supported by digital banking services such as mobile and internet banking, UPI integration, digital lending, API connectivity, fraud monitoring and advanced cybersecurity features. Delivered through a Software-as-a-Service (SaaS) model, Sahakar CBS helps banks reduce infrastructure costs while benefiting from enterprise-grade technology, regular upgrades, disaster recovery and continuous operational support.

Sahakar SahaYogi:
AI-Powered Knowledge at Your Fingertips

Technology alone cannot drive transformation; people need quick access to the right information to make timely and informed decisions. To address this need, NUCFDC has introduced **Sahakar SahaYogi**, an **AI-powered, non-web-based Conversational Knowledge** and **Intelligence Platform** developed exclusively for Urban Cooperative Banks.

Built on Generative AI, semantic search and conversational intelligence, **Sahakar SahaYogi** enables users to ask questions in simple natural language and receive instant, contextual responses from trusted and curated knowledge repositories. Instead of manually searching through lengthy circulars and documents, employees can quickly access reliable guidance on RBI regulations, **RCS/CRCS circulars** and other sector-specific information through an intuitive conversational interface.

The platform supports multilingual interactions, allowing users to seek information in **English, Hindi and selected regional languages**, making institutional knowledge more accessible across the cooperative banking ecosystem. Beyond information retrieval, **Sahakar SahaYogi** helps simplify regulatory interpretation, summarise lengthy documents, promote continuous learning and strengthen knowledge sharing across institutions. By enabling employees to access, understand and apply relevant information with minimal effort, the platform supports better compliance, faster decision-making and enhanced operational efficiency. In the coming years, Sahakar SahaYogi will continue to evolve into a comprehensive AI-enabled learning and workforce capability platform for the Urban Cooperative Banking sector.



Addressing Sector-Wide Technology Challenges

Sahakar CBS has been designed to overcome many of the long-standing challenges faced by UCBs, including legacy Core Banking Systems, vendor dependency, rising technology costs, cybersecurity risks, regulatory compliance requirements and business continuity concerns. Through its centrally managed Software-as-a-Service (SaaS) model, the platform enables banks to significantly reduce technology overheads while benefiting from enterprise-grade infrastructure, enhanced resilience and continuous support.

The solution offers 16 integrated core banking modules covering deposits, advances, customer management, payments, accounting, branch operations, risk management, regulatory reporting and security. It is further complemented by a comprehensive suite of allied applications and optional digital banking solutions, including mobile and internet banking, digital lending, UPI integration, Aadhaar-enabled services, fraud monitoring, API integration and advanced cybersecurity capabilities, allowing banks to progressively strengthen their digital ecosystem.

Building a Future-Ready Cooperative Banking Ecosystem

Beyond technology modernisation, Sahakar CBS represents a strategic shift towards greater standardisation, operational excellence and collaborative growth across the Urban Cooperative Banking sector. The platform incorporates enterprise-grade security, disaster recovery capabilities, 24×7 managed support, automated regulatory reporting and built-in compliance mechanisms to help banks meet evolving supervisory expectations with confidence.

By creating a shared digital infrastructure, NUCFDC aims to empower UCBs with scalable technology, lower total cost of ownership, faster implementation, stronger governance and enhanced customer experience. As cooperative banks continue to play a vital role in advancing financial inclusion and supporting local economies, Sahakar CBS provides the digital foundation required to strengthen institutional resilience and drive sustainable growth

With the launch of Sahakar CBS, NUCFDC reaffirms its commitment to enabling Urban Cooperative Banks to become digitally empowered, operationally efficient and future-ready—building a stronger cooperative banking ecosystem for the years ahead..

Sector Outlook and Regulatory Watch

A. RBI Signals Stronger Foundations for Urban Cooperative Banks

The Reserve Bank of India's Financial Stability Report (June 2026) presents an encouraging outlook for the Urban Cooperative Banking sector. The report indicates that Urban Cooperative Banks (UCBs) continued to strengthen their financial position during FY 2025–26, supported by improving asset quality, healthy credit growth and strong capital buffers. While the report acknowledges that a limited number of individual institutions could face challenges under severe stress scenarios, it concludes that the sector, as a whole, remains resilient and well positioned to absorb potential shocks.

One of the most significant indicators of this progress is the continued expansion in credit. Advances by UCBs grew by 9.6% year-on-year, reflecting sustained lending activity and increasing confidence among borrowers. At the same time, asset quality improved further, with the Gross Non-Performing Asset (GNPA) ratio declining to 5.2% and the Net NPA ratio improving to 1.0%, highlighting the positive impact of stronger credit appraisal, recovery efforts and prudent risk management practices adopted across the sector.

The report also underlines the strengthening of the sector's financial resilience. Capital adequacy remained robust across all categories of Urban Cooperative Banks, with the Capital to Risk-weighted Assets Ratio (CRAR) standing at 17.7%, comfortably above the prescribed regulatory minimum. In addition, stress tests conducted by the Reserve Bank covering banks representing nearly 71% of the sector's assets indicated that the consolidated capital position would remain above regulatory requirements even under severe stress scenarios. These findings reaffirm the sector's improving ability to withstand adverse economic conditions.

What This Means for Urban Cooperative Banks

The findings of the Financial Stability Report reflect a sector that is steadily moving from recovery to sustainable growth. Strengthened balance sheets, improving asset quality and healthy capital buffers provide a solid foundation for the future. However, maintaining this momentum will require continued investment in governance, technology, cybersecurity, operational efficiency and risk management.

As customer expectations evolve and the financial landscape becomes increasingly digital, Urban Cooperative Banks have an opportunity to build on their inherent strengths of trust, community connect and relationship-based banking by embracing modern technology and strengthening institutional capabilities. The path ahead is not only about regulatory compliance but about building resilient, future-ready cooperative banks capable of supporting India's inclusive growth agenda.

strengthened. While the overall sector remains financially sound, the Reserve Bank observed that a few institutions may experience capital or liquidity pressures under extreme scenarios. The report also highlights the continued importance of robust governance, effective risk management, regulatory compliance and prudent capital planning in ensuring long-term institutional sustainability.

Another notable observation relates to the role of Urban Cooperative Banks in India's financial ecosystem. Cooperative banks continue to account for a significant proportion of institutions covered under the Deposit Insurance and Credit Guarantee Corporation (DICGC), underscoring their importance in promoting financial inclusion and community-based banking. The report also notes that the proportion of insured deposits in cooperative banks remains substantially higher than that of commercial banks, providing an additional layer of confidence for depositors.

B. Sector Brief

Four Urban Cooperative Banks Attain Scheduled Bank Status

The Urban Cooperative Banking sector achieved a significant milestone during the quarter with the **Reserve Bank of India granting Scheduled Bank status to four Urban Cooperative Banks** by including them in the Second Schedule to the Reserve Bank of India Act, 1934. The four banks are:

- **Varachha Co-operative Bank Ltd. (Gujarat)**
- **Prime Co-operative Bank Ltd. (Gujarat)**
- **Contai Co-operative Bank Ltd. (West Bengal)**
- **Shri Veershaiv Co-operative Bank Ltd. (Maharashtra)**

Scheduled Bank status is an important recognition of an institution's financial strength, governance standards, regulatory compliance, and operational stability. It enhances institutional credibility, strengthens stakeholder confidence, and provides access to select facilities and liquidity support from the Reserve Bank of India.

C. Regulatory Watch

1. RBI Proposes Harmonised Prudential Framework for Specified Non-Financial Assets

The Reserve Bank of India has released a Draft Prudential Framework for Specified Non-Financial Assets (SNFA), proposing a uniform set of prudential norms across regulated entities, including Urban Cooperative Banks. The draft framework aims to strengthen transparency, improve consistency in financial reporting, and ensure prudent management of non-financial assets held by banks.

Specified Non-Financial Assets include assets acquired by banks through debt recovery proceedings or those held for operational purposes that are not part of their core banking business. Under the proposed framework, banks will be required to adopt a structured approach for the recognition, valuation, provisioning, and disposal of such assets. The draft also prescribes clear timelines for holding these assets and strengthens disclosure requirements to enhance transparency and regulatory oversight.

The proposed norms are intended to harmonise existing regulatory practices across different categories of regulated entities while promoting better governance and efficient balance sheet management. By encouraging timely disposal of non-core assets and appropriate provisioning, the framework seeks to minimise financial risks and improve the overall quality of bank balance sheets.

What This Means for Urban Cooperative Banks

For Urban Cooperative Banks, the proposed framework highlights the importance of maintaining robust asset management practices beyond traditional lending operations. Banks may need to review their policies relating to the identification, valuation, monitoring, and disposal of non-financial assets to ensure alignment with the proposed regulatory expectations. Strengthening internal controls, documentation, and governance around such assets will not only support regulatory compliance but also contribute to greater financial discipline and operational efficiency.

2. RBI Mandates Daily Disclosure of Deposit Interest Rates

In a move aimed at enhancing transparency and enabling informed decision-making for depositors, the **Reserve Bank of India has directed banks, including Urban Cooperative Banks, to disclose their deposit interest rates on their official websites on a daily basis.** The revised framework seeks to improve accessibility to deposit-related information while promoting greater transparency and consistency across the banking sector. Under the revised guidelines, banks are required to prominently display the latest interest rates applicable to various deposit products, ensuring that customers have access to accurate and up-to-date information before making investment decisions. The measure is expected to improve customer awareness, facilitate comparison of deposit offerings, and strengthen confidence in the banking system.

Why This Matters for Urban Cooperative Banks

Urban Cooperative Banks should promptly update deposit rate changes on their websites, ensuring accurate and accessible information. Transparent disclosures support regulatory compliance, build depositor trust, and reinforce customer-centric banking.

D. Indian UCBs represented on Global

India's Urban Cooperative Banking Reforms Gain Global Attention at UN

The National Urban Cooperative Finance and Development Corporation (NUCFDC) strengthened India's presence on the global cooperative finance platform through its participation in the **United Nations Symposium on Sustainable Development.** The symposium was attended by **Shri Jyotindra Mehta, Chairman, NUCFDC, and Shri Prabhat Kumar Chaturvedi, Chief Executive Officer, NUCFDC**, reflecting the organisation's commitment to promoting the Urban Cooperative Banking sector at international forums.

many Urban Cooperative Banks, the challenge is not

The symposium brought together policymakers, financial institutions, development organisations and cooperative leaders from across the world to deliberate on the role of financial institutions in achieving the **United Nations Sustainable Development Goals (SDGs).** During the discussions, Shri Mehta highlighted the unique contribution of Urban Cooperative Banks in delivering community-based banking services, supporting micro, small and medium enterprises (MSMEs), promoting financial inclusion and strengthening local economies.

The participation also provided an opportunity to showcase India's evolving Urban Cooperative Banking sector, which is increasingly embracing stronger governance, digital transformation, technological modernisation and sustainable banking practices. The discussions reaffirmed that cooperative financial institutions continue to play a vital role in building resilient and inclusive financial systems capable of addressing both economic and social development priorities.

As the Umbrella Organisation for Urban Cooperative Banks, NUCFDC remains committed to bringing global knowledge, emerging best practices and international perspectives to the cooperative banking sector. Participation in such international forums strengthens collaboration, encourages knowledge exchange and reinforces NUCFDC's vision of building **future-ready, technology-enabled and globally competitive Urban Cooperative Banks.**

Sector Performance Highlights

Saraswat Co-operative Bank Crosses ₹1.06 Lakh Crore Business Milestone

Saraswat Co-operative Bank created a significant milestone during FY 2025–26 by becoming the **first Urban Cooperative Bank to surpass a ₹1 lakh crore business mix**, closing the year at ₹1.06 lakh crore. The bank registered healthy growth in both deposits and advances while strengthening its asset quality, with Gross NPA improving to **1.82%**. It also expanded its branch network and successfully integrated New India Cooperative Bank, demonstrating strong governance and operational capability. The achievement reflects sustained customer confidence, financial discipline and the growing scale of India's Urban Cooperative Banking sector.

Cosmos Bank Continues Strong Growth Momentum

Cosmos Bank reported another year of consistent growth, with its total business crossing **₹44,000** crore during FY 2025–26. Healthy expansion in deposits and advances, coupled with compliance with priority sector lending norms, reinforced the bank's sound financial position. The bank also expanded its presence by opening new branches in Gujarat and continued to maintain healthy asset quality. With a growing footprint across multiple states and a focus on operational efficiency, Cosmos Bank continues to strengthen its position as one of India's leading multi-state Urban Cooperative Bank.

SVC Co-operative Bank Reports Strong Growth and Financial Stability

SVC Co-operative Bank recorded another year of steady growth in FY 2025–26, with its total business reaching ₹43,693 crore. Deposits increased to ₹24,956 crore, while advances grew to ₹18,737 crore, reflecting sustained customer confidence and balanced business expansion. The bank reported a net profit of ₹205 crore and maintained healthy asset quality, with Net NPA at 0.96% and CRAR improving to 15.48%. Continuing its customer-centric approach, SVC Bank remains focused on strengthening digital banking capabilities, governance, and operational excellence. Its strong financial performance highlights the bank's resilience and commitment to sustainable growth within the Urban Cooperative Banking sector.

Janata Sahakari Bank Continues Strong Business Growth

Janata Sahakari Bank, Pune reported steady operational growth during FY 2025–26, with total business crossing ₹17,522 crore. Deposits increased to ₹10,811 crore, while advances reached ₹6,711 crore, supported by a strengthened capital base with CRAR improving to 15.07%. Although net profit was impacted by investment-related provisioning, the bank maintained healthy operating performance and financial stability. Looking ahead, Janata Sahakari Bank plans to cross ₹20,000 crore in business and expand its branch network, reflecting confidence in its long-term growth strategy and commitment to prudent governance.

NKGSB Bank Crosses ₹14,700 Crore Business Milestone

NKGSB Bank achieved a significant milestone in FY 2025–26, with its total business surpassing ₹14,700 crore, reflecting its strong financial foundation and sustained growth. Building on four years of steady organic expansion, the bank is now exploring strategic inorganic growth through the merger and acquisition of willing cooperative banks across multiple states to strengthen its national presence. The bank remains focused on its core banking philosophy while maintaining sound financial health and prudent risk management. Looking ahead, NKGSB plans to expand into new geographies, particularly Northern India, supported by a favourable policy environment and continued emphasis on governance, operational stability, and long-term institutional growth.

TJSB Sahakari Bank Crosses ₹25,000 Crore Business

TJSB Sahakari Bank achieved another important milestone by recording a total business of **₹25,360 crore** during FY 2025–26. The bank maintained stable profitability, reported **zero Net NPA**, and continued to strengthen its balance sheet through prudent credit management. Expansion into Rajasthan and Chhattisgarh, along with strategic amalgamations, further enhanced its geographic presence. The bank's consistent performance reflects its focus on sustainable growth, customer trust and sound governance practices.

Visakhapatnam Cooperative Bank Strengthens Growth with ₹8,472 Crore Business

Visakhapatnam Cooperative Bank delivered a strong financial performance in FY 2025–26, with its total business growing by 8.74% to ₹8,472 crore. Deposits increased to ₹4,595 crore, while advances registered robust growth of 12.83%, reaching ₹3,877 crore, reflecting sustained customer confidence and healthy credit demand. The bank reported a Profit Before Tax of ₹88.15 crore and continued to strengthen its financial position through improved asset quality, with Gross NPA declining to 1.42%. Growth in CASA deposits, expansion of its branch network to 60 branches, and an improved Credit-Deposit Ratio of 84.38% underscore the bank's commitment to sustainable growth, prudent financial management, and customer-centric banking.

Nagpur Nagrik Sahakari Bank Delivers Robust Growth in FY 2025–26

Nagpur Nagrik Sahakari Bank reported a strong financial performance during FY 2025–26, driven by healthy growth in deposits, advances, and profitability. Total deposits increased to ₹2,532.73 crore, while advances reached ₹1,622.80 crore, reflecting growing customer confidence and sustained credit expansion. The bank's net profit nearly doubled to ₹30.10 crore, and Gross NPA improved to 3.91%, with Net NPA remaining at zero for the third consecutive year, demonstrating prudent risk management. The bank also expanded its branch network, successfully completed the merger of Mehkar Urban Cooperative Bank, and introduced IMPS and UPI-enabled mobile banking, further strengthening its digital capabilities and customer service offerings.

Zoroastrian Co-operative Bank Elects New Leadership Ahead of Centenary Year

Zoroastrian Co-operative Bank entered a new chapter with the unopposed election of its Board of Directors for a five-year term beginning April 2026. Shri Homa D. Petit assumed office as Chairman, while Shri Percy B. Chhapgar was elected Vice Chairman, leading a diverse board of experienced professionals. As the bank prepares to celebrate its centenary year, it continues to maintain strong financial fundamentals, including a Capital Adequacy Ratio of 19.97%, near-zero NPAs and consistent profitability. Supported by robust technology infrastructure and sound governance, the new leadership is well positioned to guide the bank through its next phase of sustainable growth.

Jalore Nagrik Sahakari Bank Doubles Business in Just Three Years

Jalore Nagrik Sahakari Bank continued its impressive growth trajectory during FY 2025–26, with total business reaching ₹918.74 crore, reflecting a robust 22.06% annual growth. The bank has consistently maintained over 20% growth for the past three years, enabling it to double its business in just 3.5 years. Strong asset quality, with Gross NPA at 1.69% and Net NPA at zero, underscores its prudent risk management practices. The bank also maintains a strong focus on priority sector lending and financial inclusion. The inauguration of its new headquarters and continued expansion across western Rajasthan further reinforce its position as a well-governed and fast-growing Urban Cooperative Bank.

Varachha Cooperative Bank Announces New Leadership

Varachha Cooperative Bank has elected Shri Narendra Kukadiya as Chairman and Shri Haresh Kapadia as Vice Chairman, marking a new phase in the bank's leadership journey. The appointments come at a time when the bank continues to register strong business growth and institutional expansion. During FY 2025–26, the bank reported deposits of ₹4,411 crore, advances of ₹2,571 crore, and a gross profit of ₹95.61 crore. Over the years, it has grown into one of Gujarat's leading Urban Cooperative Banks, supported by a strong shareholder base and sound financial performance. The new leadership is expected to further strengthen the bank's governance and growth trajectory.

Pune People's Cooperative Bank Delivers Strong Performance in its 75th Year

Celebrating its Amrit Mahotsav, Pune People's Cooperative Bank reported a strong financial performance in FY 2025–26, with total business crossing ₹3,063 crore. Deposits increased to ₹1,841 crore, while advances reached ₹1,222 crore, maintaining a healthy Credit-Deposit Ratio of 66.41%. The bank continued its exemplary asset quality with zero Net NPA, reflecting disciplined financial management. It also secured Direct Membership with the Reserve Bank of India, paving the way for enhanced digital payment capabilities. Looking ahead, the bank plans to expand its branch network and strengthen its presence beyond Maharashtra while exploring strategic merger opportunities.

Chittorgarh Urban Cooperative Bank Strengthens Governance and Infrastructure

Chittorgarh Urban Cooperative Bank reported a total business of ₹240 crore and a pre-tax profit of ₹1.10 crore for FY 2025–26, reflecting steady operational performance. During the year, the Board approved plans for constructing a new head office, marking an important milestone in the bank's infrastructure development. The bank also reviewed loan recovery, NPA management and branch performance, while continuing customer-friendly initiatives such as concessional loan interest rates. With a focus on governance, operational efficiency and institutional development, Chittorgarh Urban Cooperative Bank continues to strengthen its foundation for sustainable future growth

Innovation Spotlight

Udaipur Mahila Samriddhi Urban Co-operative Bank Launches Sahakar DigiLoan

Udaipur Mahila Samriddhi Urban Co-operative Bank marked another milestone in its digital transformation journey with the launch of Sahakar DigiLoan, a technology-enabled lending platform designed to deliver faster, paper-light and customer-friendly loan services. The initiative aims to simplify the loan application process, reduce turnaround time, and strengthen access to credit through digital workflows. By leveraging technology to enhance operational efficiency and customer convenience, the bank is reinforcing its commitment to modern banking while preserving the relationship-driven values of the cooperative sector. The launch reflects the increasing adoption of digital lending solutions by Urban Cooperative Banks and their continued focus on delivering seamless, secure and accessible financial services.

Quarterly Amalgamation Highlights

a) Peoples' Urban Co-operative Bank Strengthens Presence through Amalgamation

The amalgamation of **The Mattancherry Mahajanik Co-operative Urban Bank Ltd., Cochin with The Peoples' Urban Co-operative Bank Ltd.,Tripunithura, Kerala** came into effect on **27 April 2026**, marking another significant milestone in the strengthening of the Urban Cooperative Banking sector. Following the amalgamation, all branches of the erstwhile Mattancherry Mahajanik Co-operative Urban Bank now operate as branches of Peoples' Urban Co-operative Bank, ensuring seamless continuity of banking services for customers.

The consolidation reflects the sector's continued emphasis on building stronger, more resilient institutions through voluntary amalgamations. Such initiatives help enhance operational efficiency, strengthen governance and capital frameworks, improve customer service capabilities, and support long-term financial sustainability. The development aligns with the broader objective of creating well-capitalised and technology-enabled Urban Cooperative Banks that are better positioned to meet evolving regulatory expectations while delivering enhanced value to their members and customers.

b. Nagpur Nagrik Sahakari Bank Expands through Strategic Amalgamation

The amalgamation of The **Mekhar Urban Co-operative Bank Ltd**., **Mehkar** with **Nagpur Nagrik Sahakari Bank Ltd.**, Nagpur came into effect on **24 April 2026**, marking another significant step towards strengthening the Urban Cooperative Banking sector through voluntary consolidation. Following the amalgamation, all branches of the erstwhile Mekhar Urban Co-operative Bank now operate as branches of Nagpur Nagrik Sahakari Bank, ensuring seamless continuity of banking services for customers.

The development reflects the sector's ongoing focus on creating stronger and more resilient cooperative banking institutions through strategic amalgamations. Such initiatives enhance operational efficiency, strengthen governance and capital frameworks, improve service delivery, and enable banks to leverage greater scale for sustainable growth. As Urban Cooperative Banks continue to modernise and strengthen their institutional capabilities, voluntary consolidation remains an important enabler for building financially sound, technology-driven, and future-ready institutions that can effectively meet evolving customer expectations and regulatory standards.

Technology Perspective

By Shri Padmabhushan Bahadure, Chief Technology Officer, NUCFDC

Technology Is the New Foundation of Urban Cooperative Banking

Urban Cooperative Banks have long been built on one enduring strength—trust. For decades, they have served local communities, MSMEs, businesses and households through relationship-driven banking that sets them apart.

Today, however, trust alone is no longer enough.

Customers expect secure digital banking, instant payments and uninterrupted services, while regulators continue to strengthen expectations around cybersecurity, fraud prevention, operational resilience and data governance. Technology has therefore become a business necessity rather than an optional investment. For many Urban Cooperative Banks, the challenge is not the need for technology but adopting it in a sustainable and cost-effective manner. Legacy systems, rising maintenance costs, vendor dependencies and increasing compliance requirements place significant pressure on smaller institutions. Technology decisions must therefore be guided by long-term resilience, security and operational efficiency—not just initial implementation costs.

Recognising these realities, NUCFDC has been established to enable Urban Cooperative Banks to benefit from shared digital infrastructure, sector-wide technology platforms and collective bargaining. Through modern Core Banking, digital payments, cybersecurity, fraud monitoring and regulatory support, NUCFDC is creating an integrated technology ecosystem that allows member banks to focus on what matters most—serving customers and strengthening local economies.

Technology is no longer just about digital transformation; it is about safeguarding customer trust, strengthening governance and ensuring long-term competitiveness. By making enterprise-grade technology accessible to Urban Cooperative Banks of every size, NUCFDC remains committed to building a stronger, more secure and future-ready cooperative banking ecosystem.

Accelerating API Integration for Secure Digital Banking

To support sector-wide digital resilience, NUCFDC has been assisting UCBs in implementing secure API integration through a structured, stage-wise approach covering technical discussions, API development, testing, and production deployment. The Corporation has been working closely with banks and technology partners to resolve implementation challenges and facilitate faster integration with national digital infrastructure, thereby strengthening operational efficiency, regulatory compliance, and secure data exchange.

Supporting UCB Readiness for RBI's MuleHunter.ai Platform

NUCFDC has initiated coordinated efforts to prepare Urban Cooperative Banks for integration with the Reserve Bank of India's MuleHunter.ai platform, an AI-driven initiative aimed at identifying and curbing mule accounts involved in financial fraud. Dedicated awareness workshops have been organised in collaboration with RBI to familiarise banks with the platform's technical and operational requirements. These efforts are intended to enhance fraud prevention capabilities, strengthen compliance, and improve the overall security of the Urban Cooperative Banking ecosystem.

NUCFDC Highlights

Key Initiatives & Milestones | April–June 2026

Facilitating UCB Integration with I4C's CFCFRMS Platform

NUCFDC is actively supporting Urban Cooperative Banks in integrating with the **Indian Cyber Crime Coordination Centre's (I4C) Citizen Financial Cyber Fraud Reporting and Management System (CFCFRMS)** to strengthen cyber fraud reporting and response capabilities. The Corporation has been coordinating with banks throughout the onboarding process, conducting technical workshops, and facilitating implementation support to accelerate adoption across the sector. Additionally, the **Sahakar CBS** platform has been designed with built-in compatibility for I4C API integration, enabling seamless onboarding for participating UCBs.

BharatCoopathon: Driving the Next Wave of Cooperative Innovation

As part of its vision to build a future-ready cooperative ecosystem, NUCFDC is championing **BharatCoopathon**—a first-of-its-kind national innovation initiative designed to harness emerging technologies for strengthening cooperative institutions across India. The initiative aims to create a collaborative platform where startups, students, technology professionals, academia, fintech innovators, and cooperative stakeholders can develop practical, scalable solutions to address the evolving needs of the sector.

BharatCoopathon seeks to encourage innovation in key areas such as d**igital banking, artificial intelligence, cybersecurity, financial inclusion, governance, regulatory technology, customer experience, and operational efficiency.** By promoting collaboration between the cooperative and innovation ecosystems, the initiative aims to accelerate digital transformation while addressing real-world challenges faced by Urban Cooperative Banks.

Beyond identifying innovative ideas, BharatCoopathon is envisioned as a catalyst for nurturing a culture of research, technology adoption, and continuous innovation within the cooperative sector. The initiative reflects NUCFDC's commitment to supporting sustainable growth, strengthening institutional capabilities, and enabling cooperative institutions to remain resilient, competitive, and digitally empowered in an increasingly dynamic financial landscape.

Sahakar Council: Collective Leadership for Sector Transformation

a. Sahakar Council Leadership Panel Convenes to Shape the Future of Urban Cooperative Banking

NUCFDC successfully convened the inaugural meeting of the **Sahakar Council Leadership Panel,** bringing together eminent Chairpersons, CEOs and senior leaders from Urban Cooperative Banks across India. The Council serves as a strategic platform for sector-wide dialogue on governance, growth, technology adoption and regulatory preparedness.

The discussions focused on strengthening the long-term sustainability and competitiveness of Urban Cooperative Banks through enhanced governance standards, digital transformation, cybersecurity preparedness and business expansion. Members also shared perspectives on sector growth priorities, financial inclusion, technology modernization and capacity building. The Council reaffirmed the importance of collaboration and collective action in advancing the cooperative banking sector and supporting the vision of building stronger, future-ready institutions.

b. Technology Panel Highlights Digital Transformation Priorities for UCBs

The first meeting of the **Sahakar Council Technology Panel** brought together technology leaders and experts from Urban Cooperative Banks to deliberate on the future technology roadmap for the sector. Discussions centred on core banking modernization, cybersecurity, digital banking adoption, regulatory compliance and emerging technology opportunities.

Panel members emphasized the need for secure, scalable and standardized technology platforms to support the evolving requirements of Urban Cooperative Banks. Key themes included strengthening cybersecurity frameworks, enhancing digital payment capabilities, improving customer experience through digital channels and accelerating the adoption of shared technology infrastructure. The deliberations reinforced the importance of collaborative technology initiatives in helping UCBs improve operational resilience, compliance readiness and digital competitiveness.

c. Business Panel Deliberates on Growth, Customer Acquisition and Sector Competitiveness

NUCFDC convened the inaugural meeting of the **Sahakar Council Business Panel**, bringing together banking leaders from across the country to discuss growth opportunities and business priorities for Urban Cooperative Banks. The discussions focused on customer acquisition, CASA growth, digital engagement, MSME financing, product innovation and strategies for strengthening business performance.

Members highlighted the importance of attracting younger customers, expanding digital banking capabilities, enhancing customer outreach and creating sustainable growth models for cooperative banks. The panel also explored opportunities to strengthen financial inclusion, improve operational efficiency and support credit growth through technology-enabled business solutions. The meeting reinforced the role of collaboration and knowledge sharing in building a stronger and more competitive Urban Cooperative Banking ecosystem.

NUCFDC Sahkar Paathshaala Highlights

Recognising that the strength of Urban Cooperative Banks lies in the knowledge and capabilities of their people, NUCFDC's **Sahakar Paathshaala** continued to serve as a dedicated learning platform during **April–June 2026**, delivering a series of expert-led capacity-building programmes for all employees across the UCB sector. During the quarter, 11 learning interventions were conducted, bringing together over 2,100 participants from Urban Cooperative Banks across the country.

The programmes covered a wide spectrum of contemporary banking themes, including **Credit Appraisal and NPA Management, Regulatory Framework & RBI Inspection, Liquidity and Asset Liability Management (ALM), Digital Personal Data Protection (DPDP) Act, Sustainable Development Goals (SDGs), Financial Governance, Customer Communication, and Employee Well-being through Yoga**. Led by experienced bankers, subject matter experts, chartered accountants and industry professionals, each session combined practical insights with regulatory perspectives, enabling participants to strengthen their professional competencies and address emerging challenges in the banking landscape.

A key highlight of the quarter was Sahakar Saptah, celebrated from 29 June to 4 July 2026 to commemorate the 5th Foundation Day of the Ministry of Cooperation. As part of this week-long celebration, NUCFDC organised a series of special knowledge sessions featuring eminent leaders from the cooperative banking ecosystem. The sessions included **"The Next Five Years of Cooperation: Vision for a Stronger Cooperative Movement"** by **Shri Satish Marathe, Director, Central Board of RBI; "Governance in Cooperative Banks: From Compliance to Excellence"** by **Shri Amarnath Savnal, Director, SVC Bank;** and "**Strengthening Balance Sheets: Recovery, NPA Management & Financial Discipline"** by **Shri Ravinder Singh, Managing Director, SVC Bank**. These sessions provided participants with valuable perspectives on governance, strategic leadership, regulatory excellence and sustainable growth, while reinforcing the spirit of **"Sahakar Se Samriddhi."**

The overwhelming response from participating banks reflects the sector's growing commitment to continuous learning and professional excellence. Through **Sahakar Paathshaala**, NUCFDC remains committed to supporting Urban Cooperative Banks by providing relevant, practical and future-focused learning opportunities that enhance institutional capabilities, strengthen governance, and equip employees with the knowledge and skills required to navigate an increasingly dynamic financial ecosystem.

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