

RISKCHECK

January 2022

LATEST NEWS ON OPERATIONAL RISK

explore@benchmatrix.com | www.benchmatrix.com



SUMMARY OF NEWS

1. Monetary policy, the SBP said the current account deficit for the ongoing fiscal year would come in at 4pc of GDP — higher than earlier forecast of 2-3pc of GDP.
2. Europe's biggest bank was found to have had inappropriate testing and did not check the accuracy and completeness of data.
3. The Bank of England's Prudential Regulation Authority (PRA) has fined challenger bank Metro Bank 5.38 million pounds
4. The bank is collaborating with the southeast Asian nation's largest lender, BDO Unibank, and Unionbank of the Philippines to take remedial steps, including reimbursement.
5. A North Yorkshire town which currently has no bank is to become one of the first places in the UK to get a new "banking hub" in a scheme offering basic cash services on high streets.
6. Artem Terzyan and Deivis Grochiatskij were sentenced earlier this month at Kingston Crown Court. Police believe the Bounce Back Loan fraud was one of the largest since the scheme started in 2020.
7. Rival Banks have signed a voluntary agreement in order to protect the future cash of banks.
8. Geneva bank Mirabaud & Cie SA has been ordered to pay CHF50,000 for not reporting suspicious activity on an account held by the Lucum foundation.
9. The Australian government is making moves to take Bitcoin "out from the shadows" by imposing new regulations on cryptocurrencies, while busy planning to launch its own digital currency.
10. The Harappa police claim to have foiled a bid by thieves to break a commercial bank's ATM near bus stop on Saturday night.
11. Credit and debit card users are experiencing significant levels of fraud. Eleven percent of consumers reported an incident of fraud in connection with their digital debit and credit card accounts.
12. The SME sector according to the government's own estimates, contributes 40pc to GDP and accounts for one-fourth of total exports. Naturally then, this sector must get a large chunk of banks' financing.
13. Canadian Imperial Bank of Commerce and National Bank of Canada said Wednesday they have asked staff in Canada to work remotely, joining Bank of Nova Scotia in halting plans for a return to offices amid growing concerns over the Omicron variant.
14. Societe Generale (SOGN.PA) Chief Executive Frederic Oudea will take control of the French bank's risk and compliance functions as it drew a line under U.S. legal proceedings that cost it \$2.7 billion.
15. NatWest has been fined £265m after admitting it failed to prevent money-laundering of nearly £400m by one firm.
16. Bank of America is rolling out a new credit card and beefing up its existing rewards program in a bid to encourage up to 1 million wealth clients to use its banking services as well.

OPERATIONAL RISK NEWS

Current account deficit hits \$7bn

Dec 21st, 2021 – The country's current account recorded a deficit of \$7 billion in the first five months (July to November) of the current fiscal year, mainly on account of increasing imports, the State Bank of Pakistan (SBP) data showed on Monday.

HSBC fined £64m for anti-money laundering failings

Dec 17th, 2021 – Two men have been jailed for a total of 33 years for running a £70m money laundering scheme, £10m of which came from fraudulent Covid loans.

Bank of England fines Metro Bank \$7mn

Dec 22nd, 2021 – The Bank of England's Prudential Regulation Authority (PRA) has fined challenger bank Metro Bank 5.38 million pounds (\$7.13 million) for failures in its regulatory reporting governance and controls, it said on Wednesday.

Philippine central bank battles surge in complaints of account hacking

Dec 12th, 2021 - The Philippine central bank is monitoring a surge in complaints of hacked bank accounts from some users of social media and working with consumer banks to resolve the issue, through measures such as reimbursements, its chief said on Sunday.

Knaresborough: Town with no bank to get new banking 'hub'

Dec 22nd, 2021 - A North Yorkshire town which currently has no bank is to become one of the first places in the UK to get a new "banking hub" in a scheme offering basic cash services on high streets.

Covid: £10m Bounce Back Loan fraudsters jailed

Dec 23rd 2021 - Two men were sentenced to prison for a total of £10 million, the majority of which came from fraudulent Covid loans.

Bank branches: Rival banks join forces to protect future of cash

Dec 15th, 2021 - Major banks have signed a new voluntary agreement which means an independent assessment of local needs will be carried out each time a branch is shut.

Mirabaud fined CHF50,000 for reporting failure in ML case linked to Spanish royal

Dec 15th, 2021 - Geneva bank Mirabaud & Cie SA has been ordered to pay CHF50,000 (US\$54,100) for not reporting suspicious activity on an account held by the Lucum foundation, registered in Panama, whose beneficial owner was the former king of Spain, Juan Carlos.

Australian government planning digital currency launch, as regulation looms for Bitcoin

Dec 18th, 2021 - The Australian government is making moves to take Bitcoin "out from the shadows" by imposing new regulations on cryptocurrencies, while busy planning to launch its own digital currency.

Bid to break ATM foiled

Dec 27th, 2021 - Police said the thieves used sledgehammers and other gadgets while trying to break the ATM but a team thwarted their attempt by reaching there on information by a person.

OPERATIONAL RISK NEWS

Over 10% Of Credit and Debit Card Users Experienced Fraud in the Last 12 Months

Dec 24th, 2021 - While credit and debit card users are the digital account users who are experiencing the most fraud, more than 5% of consumers also reported experiencing fraud attacks in five other digital account types: social media platforms (9%), banks (8%), online retail stores (7%), mobile phone networks (6%) and digital wallets (6%).

How effective is the new SME policy?

Dec 27th, 2021 - The government has come up with a new 2021-2025 policy for small and medium enterprises (SME). Federal ministers claim it will bring about "a revolution" in the SME sector and the entire economy.

Canada's CIBC, National Bank ask employees to work remotely as Omicron worries grow

Dec 16th, 2021 - Canada's top health official Theresa Tam warned on Monday that COVID-19 cases in the country could rise rapidly in the coming days, leading banks and financial firms to rethink return-to-office plans.

SocGen CEO takes over risk controls after U.S. penalties

Dec 10th, 2021 - The bank had reached the deal in 2018, agreeing to pay a total of \$2.7 billion to settle a series of legal disputes, including investigations into its handling of dollar transactions in violation of U.S. sanctions against Cuba and other countries.

NatWest fined £265m after bin bags of cash laundered

Dec 13th, 2021 - A gold trading business suspected of money-laundering deposited £700,000 in cash into one NatWest branch in black bin bags.

Bank of America targets new banking customers among its wealth clients

Dec 09th, 2021 - Chief Executive Brian Moynihan has called the preferred rewards program a key pillar of the bank's growth strategy. The new benefits aim to encourage clients of the bank's Merrill Lynch and U.S. Trust wealth management businesses to open credit cards and checking accounts.

ABOUT BENCHMARKIX

BenchMatrix Private Limited is a Management Consultancy and Financial Solutions firm specialized in providing innovative, practical, and comprehensive solutions to its valuable clients. BenchMatrix is strengthened by renowned senior executives of the industry who have international working experience with global brands. We believe in understanding the complex needs of clients and delivering them tailor made solutions for their organizations.

RISKCHECK

RiskCheck Operational Risk newsletter is published monthly. It keeps you abreast with the latest news, events and external risk exposures which could potentially impact your organization. Both national as well as international potentially high risk events are covered in this newsletter.

[Click here](#) to subscribe

For more information, please contact:

Tel: (+92 21) 3562-0945

Email: explore@benchmatrix.com

Sources: Reuters, New York Times, The International News, BBC, Dawn News, Business Recorder, Tribune, The Nation, American Banker, Belleville News-Democrat, Bank for International Settlements, Harvard Business Review, Federal Reserve, Telegraph, Norman Transcript, Indian Express, Buffalo News, US news, Ottawa Citizen, LA Times, Chicago Tribune and ABC.

CONTACT US

Head Office, Bahrain

Office 63, Building 2317,
Road 2830, Block 428, Al Seef,
Manama, Kingdom of Bahrain
E: waqas.alam@benchmatrix.com
M: +973 3513 9689

Pakistan Office

A301-4, 3rd Floor, Lakson Square
Building # 3, Sarwar Shaheed Road,
Karachi, Pakistan
E: taimur.kaleem@benchmatrix.com
M: +92 332 5432689

Canada Office

53 Village Center Place,
Mississauga, ON, Canada
E: noman.zahid@benchmatrix.com
M: + 1 (647) 546-1985

UAE Office

Prime Tower office #53 20 floor,
Business Bay Dubai, United Arab
Emirates.
E: asad.ali@benchmatrix.com
M: +971 50 8508325

Kingdom of Saudia Arabia Office

2839 Sufayyah bint Abdulmutalib
Street, Alnaeem district, Zipcode
23621, Jeddah, Saudi Arabia
E: sultan.malki@benchmatrix.ca
M: +966 50 666 0202

Kuwait Office

E: nadeem.mukaddam@benchmatrix.com
M: +965 9406 7607

Algeria Office

E: imed.ouitis@benchmatrix.com
M: +213 7714 78444

Liability clause: All the information in this newsletter is published in good faith and for general information purpose only. We do not make any warranties about the completeness, reliability and accuracy of this information. Any action you take upon the information in our newsletter is strictly at your own risk and we will not be liable for any losses and damages in connection with the use of our newsletter.