GATEWAY TO NATIONWIDE CONNECTIVITY

WHY OUR ASP MODEL

1) We offer EFT Switching Services to UCBs on a shared ASP model, thereby saving a UCB from a huge capex, while increasing its revenue and customer satisfaction.

2) We have already invested into EFT Infrastructure and are certified by National Payments Corporation of India (NPCI) to provide Switch-to-Switch connectivity between Sarvatra® EFT Switch and National Financial Switch (NFS). Sarvatra® EFT Switch is already integrated with NFS.

3) Becoming our customers opens up access to 100,000+ ATMs across India. The UCB just has to issue NFS-compliant "RuPay" Cards to its customers.

4) UCB need not have direct RTGS membership or CA with RBI. This also saves them from significant investment.

5) We already have a tie-up with NFS member banks HDFC Bank and ICICI Bank to act as Sponsor Banks for UCBs using Sarvatra® Switching Services.

6) We have already developed the interface for NPCI's dispute management system (via Sponsor Bank).

Sarvatra® **Switching Services** offers UCBs with existing CBS the most affordable and fastest method to participate in a larger financial ecosystem. Sarvatra® offers access to our EFT Switch on a shared-basis. Not only does the UCB save on the huge capital expenditure for a world-class full-fledged EFT Switch, it will also get access to the nationwide ATM network of National Financial Switch (NFS). The UCB can deploy onsite and offsite ATMs, POS terminals in their branches (our patented solution) that act as a fallback if the leased line fails.

WHY CONNECT WITH NFS

Banks on CBS issue proprietary ATM cards

‣ UCBs usually deploy ad hoc technology solutions and establish ATMs and issue proprietary ATM cards.

‣ Proprietary ATM cards only work on the UCB's ATMs. As a result, there are fewer transactions, which raises the cost per transaction. As a result, the usage of ATMs is low and the ROI in slow.

Customers need access to a larger ATM network

‣ This is required so that the UCB can be at par with the larger commercial banks in public and private sectors.

‣ This is possible only if UCBs connect with the country-wide ATM network of all NFS Member Banks.

HURDLES IN CONNECTING WITH NFS

Requirements for direct NFS Membership

‣ A stable Core Banking System which is available 24x7 to process ATM transactions

‣ EFT Switch infrastructure with standard HSMs for cryptographic operations, e.g. PIN verification

‣ Direct RTGS Membership and current account with RBI for settlement

‣ Trained manpower to manage and maintain infrastructure and its operation

High expense for low card volume

‣ Huge capital and recurring expenditure is not justified for the low volume of cards a small UCB will issue.

Difficult for NPCI to connect many UCBs

‣ Low volume of cards and transactions does not justify dedicated connection.

‣ Non-availability of EFT expertise on UCB side is an hindrance in setup, testing, day-to-day operations and

Sarvatra®
Switching Services

The Urban Co-op Bank Ltd.

ATM

5012 3456 7890 1234
5012
VALID FROM 05 / 1 1   VALID THRU 04 / 14
CUSTOMER NAME

For use at ATM in India only.

RuPay▶

trouble shooting.

‣ It is tedious for NPCI to certify and deal with each UCB for connectivity with NFS, considering the large no. of UCBs.

NFS Sub-membership & ASP Model

✓ The UCB joins NFS as sub-member. All it requires is 24x7 available CBS .

✓ A shared EFT Switch infrastructure will be provided by **NPCI-certified ASP**, such as Sarvatra Technologies .

✓ ASP's EFT switch will enable UCB to act as Acquirer of transactions for other NFS members' cards, in addition to providing ATM/POS driving and monitoring on a very available, secure and reliable setup.

✓ ASP's EFT switch will host the UCB's card database, thereby enabling the UCB to participate in the NFS network as Issuer.

✓ Approved **Sponsor Bank**, already a NFS member, will manage settlement of transactions done for sub-member UCB. Dispute Management is also front-ended by Sponsor Bank.

✓ Sponsor Bank will assign a gross limit for each of its NFS sub-member UCBs for authorizing Issuer trxns.

SWITCHING SERVICES

GATEWAY TO NATIONWIDE CONNECTIVITY

SAVE AND EARN

Sarvatra® Switching Services offers a UCB with CBS access to NFS (network of 10,000+ ATMs) without huge capex and maintenance expense on EFT Switch Infrastructure. In addition, Sarvatra® also offers a good ROI:

1) Fee-based income from acquiring trxns. of NFS member banks on own ATMs.

2) Usage of ATMs by other banks' customers increases trxn. volume, reduces cost per trxn. and increases ROI.

3) Improved CASA float, due to anytime-anywhere access of customers to their A/c's.

4) UCB can charge customers a one-time Card Issuance fee, besides annual card usage fee. Alternatively, UCB can impose min. AQB on A/c's.

5) Due to access to large ATM network, UCB can save on deployment & maintenance. of ATMs; it just needs to issue "RuPay" cards to customers.

OTHER BENEFITS

1) UCB's image will improve by launching "RuPay" cards and customer retention will increase.

2) UCB will benefit from the knowledge and experience of Sponsor Bank, in addition to benefitting from cross-selling Sponsor Bank's products and services to its customers.

OUR SHARED EFT INFRASTRUCTURE

✓ World-class EFT switch, u/Switchware from CSFi Inc., USA, available on a shared ASP basis.

✓ ISO 8583 messaging protocol ensures interoperability with other switching networks for card-based trxns.

✓ Multiple redundant and high capacity Hardware Security Modules (HSMs).

✓ Multi-device connectivity including PCs, POS terminals, and ATMs.

✓ Supports on-site and off-site ATM/ POS deployment and on-us and off-us transactions.

✓ Built-in reconciliation system interfaces with UCB host.

IN-BUILT ATM / DEBIT CARD MANAGEMENT SYSTEM

✓ Provides ATM and POS connectivity with UCB's existing CBS.

✓ Eliminates the need of dispatching PIN mailers to cardholders, thereby saving time and cost.

✓ Customers set their own secret PIN at the branch, and they can get their PIN reset at branch on Sarvatra® POS Terminals in case they forget it.

✓ Thus, Sarvatra® is more secure and offers ease of setting/resetting PIN. Also, UCB saves on cost of printing PIN mailers and sending them by courier to customers.

SARVATRA POS TERMINALS

✓ Low cost front-end works on ordinary connectivity and operates on built-in rechargeable battery.

✓ Works on wireless GPRS, so acts like a fallback to leased circuits. Recurring cost of GPRS is as low as Rs.100/month.

✓ Customers can carry out ATM like trxns. from the POS (our patented system).

✓ PIN can be set/reset on POS termianls immediately in any branch.

MONITORING INTERFACE

✓ Online interface for UCBs to monitor their system like ATMs, cards, setup SMS/Email alerts for ATM/network link status monitoring.

✓ ATM monitoring: status, health, transactions, cash position, and log download.

✓ Card management: upload card file, hot list/block card, re-PIN, query data and transactions log.

✓ Network link monitoring is carried out by our 24x7 monitoring team. We also log issues and follow up with service providers for fault correction.

SWITCHING SERVICES: DELIVERY DIAGRAM
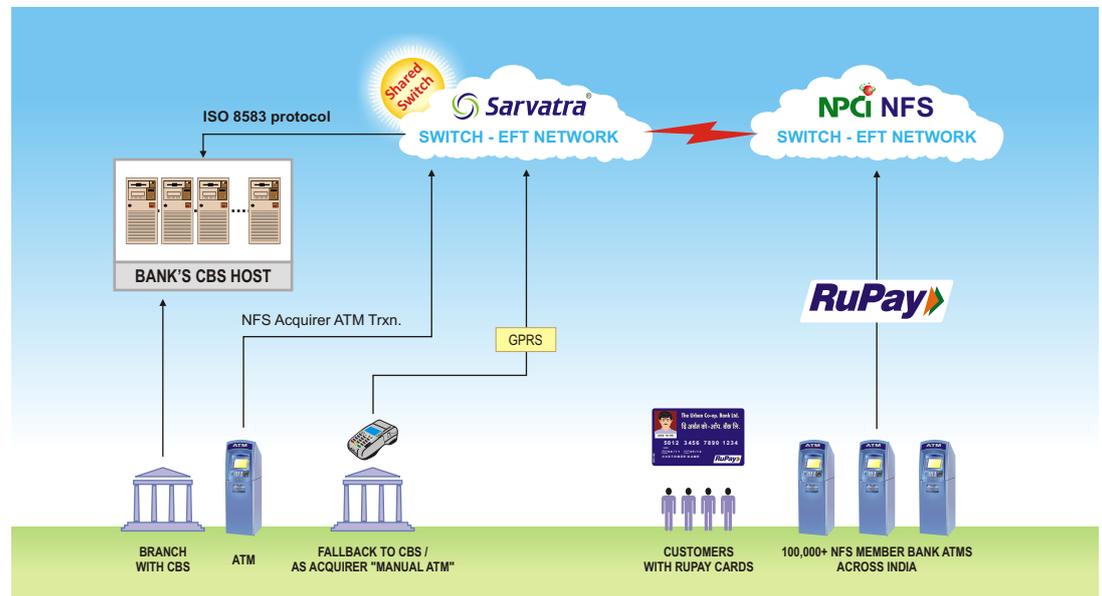
STANDARDS & CERTIFICATIONS

✓ Disaster Recovery (DR) site for continuation of IT infrastructure after natural or human-induced disaster.
✓ ISO27000: Information Security Management Systems.
✓ BS25999: Business Continuity Management.
✓ PCI DSS: Security standard to reduce card fraud.
✓ NPCI certified ASP for NFS sub-members.

FUTURE OPPORTUNITIES

NPCI plans to enable use of "RuPay" cards at all merchant terminals (over 4,00,000 across India). NPCI may also allow use of our branch POS as "Manual ATM" for customers of other NFS members and sub-members. Bank stands to earn acquiring fee from such transactions.