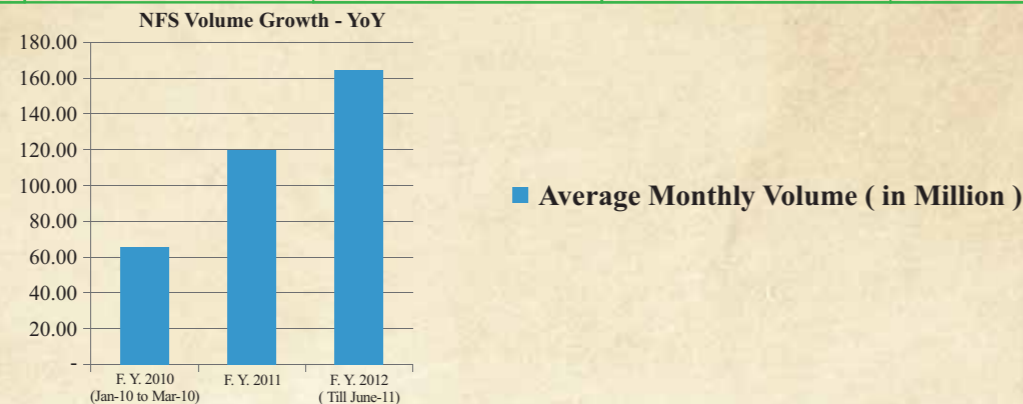


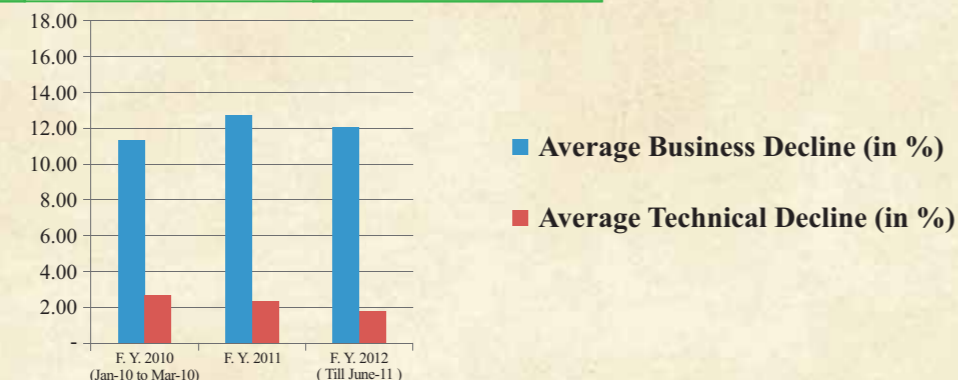
**NFS VOLUME ANALYSIS**

Period	Approved	Declined	Total Volume	Average Monthly Volume
F. Y. 2010 (Jan-10 to Mar-10)	17,52,92,448	2,82,25,781	20,35,18,229	6,78,39,410
F. Y. 2011	1,23,05,38,605	21,34,06,722	1,44,39,45,327	12,03,28,777
F. Y. 2012 ( Till June-11 )	42,30,48,168	6,69,42,759	48,99,90,927	16,33,30,309



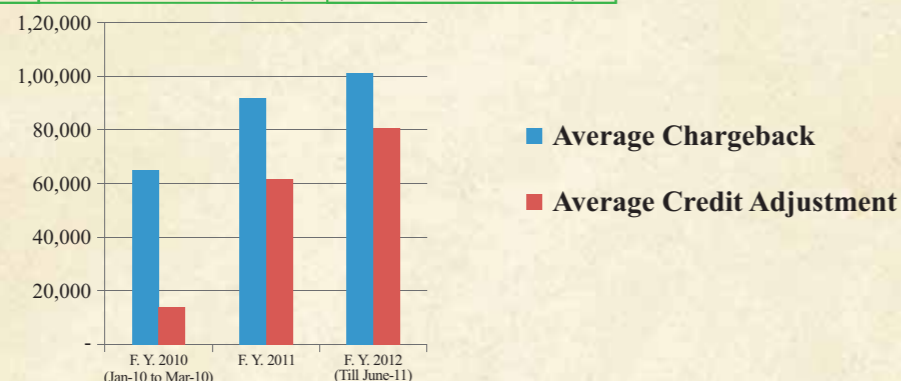
**NFS BUSINESS AND TECHNICAL DECLINE ANALYSIS**

Period	Average Business Decline (in %)	Average Technical Decline (in %)
F. Y. 2010 (Jan-10 to Mar-10)	11.26	2.61
F. Y. 2011	12.48	2.30
F. Y. 2012 ( Till June-11 )	12.06	1.60



**NFS CHARGEBACK AND CREDIT ADJUSTMENTS ANALYSIS**

Period	Average Chargeback	Average Credit Adjustment
F. Y. 2010 (Jan-10 to Mar-10)	64,753	15,349
F. Y. 2011	91,422	61,308
F. Y. 2012 ( Till June-11 )	1,02,564	80,205



**MAJOR DEVELOPMENTS IN INTERBANK MOBILE PAYMENT SERVICE (IMPS)**

- Dombivli Nagari Sahakari Bank joins IMPS with soft launch - April 29, 2011
- Indian Overseas Bank joins IMPS with soft launch - April 30, 2011
- Punjab National Bank joins IMPS with soft launch - May 19, 2011
- IMPS Public Launch by Dombivli Nagari Sahakari Bank - May 21, 2011
- Citibank Bank joins IMPS with soft launch - June 06, 2011
- IMPS Public Launch by Canara Bank - June 06, 2011
- South Indian Bank joins IMPS with soft launch - June 28, 2011

# NPCI NEWSLETTER

Volume 5, July 2011



## FROM THE DESK OF MD & CEO

I am pleased to share with you that RuPay card is now a reality. I am a proud owner of RuPay card myself issued to me by Bank of India. I have used it on the ATM of Bank of Baroda and it works perfectly like any other ATM card. I have also carried out a balance inquiry transaction from a micro-ATM managed by a business correspondent using my finger print. RuPay cards have also been issued by three other banks - Kashi Gomti Samyut Gramin Bank (RRB) sponsored by Union Bank of India, NGKSB Co-operative Bank Ltd and Gopinath Patil Parsik Janata Sahakari Bank Ltd. Several other banks will be issuing RuPay ATM cards in a month or two. RuPay's journey has, thus, begun. RuPay scheme is getting ready for POS and internet acceptance as well. Timeline is January-March 2012. National Financial Switch (NFS), our flagship service offering has been growing from strength to strength. It has now 78,000+ ATMs. Members providing Value Added Services- Pin Change and Mini Statement have grown to 17 banks.



Similarly the banks enrolled for IMPS has reached to the count of 23 banks till June 2011 with more than 10 million MMIDs issued. Work is in full swing for enabling merchant payments in IMPS. A few banks have started advertising on prints. NPCI has also started a Customer Education Campaign. I am sure IMPS would be a visible service in a year's time similar to NEFT or ECS. A very successful User Group meeting for NFS and IMPS was organised by us for the member banks on 28th June 2011 and we were overwhelmed with the members participation and response. Nearly 200 participants were present at the event.

As regards our proposed Cheque Truncation Service (CTS) at Chennai, out of 64 member banks in Chennai Bankers Clearing House, 45 banks are fully ready to participate. First Express Cheque Clearing System (ECCS) implementation was completed at Thirumala Clearing House managed by State Bank of India. Second ECCS implementation was completed at Rampur Clearing House near Lucknow. The project for covering 1093 non-MICR clearing locations in the country is now gaining momentum. NPCI – as the umbrella organisation for all retail payment systems in the country – is on a transformational journey. This can be a success only with dedication and hard work by my Team at NPCI and enthusiastic participation by member banks. Should you like to make any suggestion on any new services to be offered by NPCI, please don't hesitate to email to me directly at [aphota@npci.org.in](mailto:aphota@npci.org.in)

**A. P. Hota**  
Managing Director & CEO

Launch of Dhanaadhaar BOI RuPay ATM & Micro-ATM Card



Dr. Sam Pitroda addressing IMPS workshop dated May 23, 2011



## RuPay

RuPay is a coinage which indicates the coming together of 'Rupee' and 'Payment' to announce the launch of a new world class payment system. The new system is simple to use, affordable, state-of-the-art and easily accessible even in the remotest corners of our nation around the clock. RuPay is brand of domestic card scheme floated by National Payments Corporation of India (NPCI). This project had been conceived by Indian Banks' Association and has the approval of Reserve Bank of India. The objectives to be fulfilled are:

1. The RuPay ATM & MicroATM card offers inter-operability giving the card user access to over 78,000+ ATMs under the NFS network.
2. The RuPay card fee guide is simple and transparent ensuring the bank gets a cost effective solution to offer to its customers
3. Build environment whereby payment information of the country remains within the country
4. Shift Personal Consumption Expenditure (PCE) from cash to electronic payments in a growing economy.

## RuPay Logo



The RuPay Visual Identity is more than just a logo unit. It epitomizes the brand and is made up of a number of 'Ownable' elements like typography, colours, graphics and so on – intrinsic to its look feel.

The RuPay Visual Identity is a modern and dynamic unit. The orange and green arrows indicate a nation on the move and a service that matches its pace. The Indian colours connote that it's deeply rooted in India. The colour blue stands for tranquility and peace which is precisely the sense that people must get from the brand 'RuPay'. The bold and unique typeface grants solidity to the whole unit and symbolizes a stable entity.

NPCI will soon provide a full range of card payment services including the RuPay ATM, RuPay micro-ATM, Debit, Prepaid and Credit Cards which will be accepted in India and abroad, across various channels like POS, internet, IVR and mobile etc. RuPay card being issued by banks presently can be used at all 78,000+ NFS ATMs of the country. The card could be used at microATMs when UIDAI commences the biometric verification service. The efforts for acceptance at POS and ecommerce have already been initiated and are expected to be available by the end of the current year. NPCI is simultaneously working with International card schemes for international acceptance of RuPay cards.

Four banks have already commenced issuing RuPay cards and several others are expected to issue shortly.

## RuPay for Regional Rural Banks

NPCI sees a substantial business opportunity for the issuance of RuPay ATM cards for the customers of RRBs and Co-operative banks, as their customer base, initially, would predominantly require an ATM and microATM cards for conducting transactions in their accounts.

A Report of the Working Group on technology up gradation of Regional Rural Banks, RBI, 2008, expressed its opinion that RRBs cannot afford to remain isolated from the technological developments sweeping the banking sector. It was recommended that as a matter of policy, all RRBs should begin moving towards CBS and achieve 100 % coverage by September 2011. The CBS in RRBs will be geared towards better management control and monitoring, wider range of services offered and enhanced level of customer satisfaction. The responsibility of ensuring adherence to the timeframes was that of the sponsor bank.

Presently, as the deadline is nearing, 43 RRBs have achieved 100% CBS status, and the remaining are in various levels of completion. A CBS enabled RRB opens up immense possibilities in terms of products and services. As a first step, the sponsor banks can plan to integrate the RRBs CBS with their Core Banking, so that customers of RRBs can avail anytime, anywhere banking through multiple delivery channels like RTGS, NEFT, ECS, ATMs, internet, telebanking, mobile and SMS banking, ensuring greater speed of transactions and availability of real time information, comparable to those enjoyed in the metro and urban centers. The moot point is making the RRB customer a customer of the bank rather than the customer of the branch.

### ATM Services:

The starting point can be to explore utilizing ATMs of its sponsor bank to allow customers withdraw money from anywhere in the country obviating the need for investing in setting up of ATMs by the RRBs. This strategy warrants the need of a low cost card network unlike the existing global card networks with their prohibitive prices. Until the establishment of NPCI, such a low cost domestic payments network was a long standing need. NPCI has now made it possible for RRBs to issue ATM cards for its customers on its RuPay platform in a cost effective, safe, secure, robust and scalable manner. A total of 57 member banks and 78,000+ ATMs on its NFS network only means that with the RuPay Card the RRB customer can use an ATM just about anywhere in the country.

### Aadhaar Enabled Bank Accounts:

With UID enabling financial inclusion it is encouraging to note that out of 64 empanelled banks, 23 are RRBs. As per the SLA's of the RRBs with UID, the Aadhaar numbers will be pushed electronically and RRBs can open new accounts at very minimal costs. It also opens up a whole new BC channel with micro ATMs and UID based biometric authentication systems which is cost effective and viable. Further, these accounts will be the future delivery points of EBTs of the government, thus CBS enabled RRBs are better positioned to provide this service to the rural masses making the dream of financial inclusion a possibility. To leverage on UID, NPCI is ready with the RuPay Aadhaar card which takes financial inclusion to the next level as it can operate between any bank's ATM, and also at any bank's micro ATM, thus offering unlimited customer freedom never seen before in the rural scenario.

CBS enabled RRBs can be the future of banking in rural India. Driven by the wheels of innovation, efficiency and customer satisfaction, they indeed have a long way to go and the start has been made.

## Major developments for National Financial Switch (NFS) in first quarter of 2011

- ❖ NFS has seen the volume of 161.40 million transactions processed for the month of June, 2011
- ❖ On an average 26.32% of the transactions are of Balance Enquiry and rest are Cash Withdrawal.
- ❖ On an average 11.57% of the total transactions were declined as Business Decline and 1.70% as Technical Decline.
- ❖ On an average 5.38 million transactions were processed on daily basis with peak of 6.65 million transactions.
- ❖ In the month of May, 2011, the lowest ever technical decline achieved at 1.38% of the total transactions processed.
- ❖ There are 17 Member banks Live on the Value Added Services (VAS) and 5 are ready to go live by July, 2011.
- ❖ NPCI has launched its' 1st "RuPay" ATM and Micro ATM Card with Union Bank and in Co.Op. Bank segment with The Gopinath Patil Parsik Janata Sahkari Bank Ltd. And NKGSB Co. Op. Bank Ltd.
- ❖ Currently NPCI Covers all the PSU Banks (20) as NFS Members, Foreign Banks (4), Pvt. Banks (20) and Co.Op. Banks (13) totalling to 57.
- ❖ Chargeback to total volume ratio was on average 0.060 %.