

SBI and Hitachi group enter into Joint Venture to accelerate Digital Payments in India

- a) To establish state-of-the art card acceptance platform**
- b) To set up future ready digital payments capabilities**

MUMBAI, October 29, 2018: State Bank of India (SBI) and Hitachi Payment Services Private Limited (Hitachi Payments), India ; a wholly owned subsidiary of Hitachi, Ltd., Japan have signed definitive agreement to enter into a joint venture for the establishment of a state-of-the-art card acceptance and future ready digital payment platform for India. The JV agreement is subject to requisite regulatory approvals.

SBI is a market leader in digital payment space in India and will have a majority stake in the proposed JV. It will leverage its unrivalled branch network and its engaged relationship with Corporates & Government to provide a technology-led superior payment service in the country.

Hitachi Payments is a market leader that provides comprehensive cash and digital payment solutions. Hitachi Payments has been providing deployment, technology and management services for the card and digital acceptance payment network of SBI since 2011 and has partnered with SBI to become the largest acquiring network in the country. Backed by Hitachi Payments' in-house technology platform and widespread field services in the country, SBI has been able to offer innovations to its consumers, including the recently launched MOPAD, a multi-modal payment device.

The JV combines the unparalleled distribution network, customer trust of SBI with cutting edge technology and services of the Hitachi Group in areas such as digital payments technology, services, big data, analytics and artificial intelligence. The JV will provide comprehensive suite of payment options to customers and merchants focussing on areas such as roll-out of a nationwide card acceptance infrastructure, quick response (QR) code acceptance, Unified Payment Interface (UPI), mass transit sector and e-commerce businesses.

Speaking about the joint venture, Mr. Rajnish Kumar, Chairman, SBI said, "At 2,500 PoS per million people, the penetration of payment acceptance infrastructure is still low. With this JV, we aim to grow the payment landscape by providing a frictionless modern digital payment platform to our customers. In Hitachi Payments, we see a long-term business and technology partner that has the ability, capability and willingness to develop the broad vision of SBI which is tied into the success of the digital payment imperatives of the country. SBI also believes that the future of the payment services lies in the capability of the JV to develop new digital acquiring strategies for the benefit of its consumers."

Mr. Toshiaki Higashihara, President & CEO of Hitachi, Ltd., Japan; said, "Along with the accelerating movement of digitization around the world, Hitachi aims to improve people's lives by providing digital solutions in India and other countries. By establishing the joint venture with SBI, Hitachi will further contribute to the development of digital payments in India by building a state-of-the-art digital payments platform and leveraging SBI's robust customer network."

Mr. Bharat Kaushal, Managing Director of Hitachi India Pvt. Ltd., said "Under the India Government's "Digital India" initiative, India is progressing towards becoming a knowledge economy with

technology as the pivot. Hitachi is aiding in development of India's social infrastructure as well as giving a fillip to the economy. This mutually benefitting partnership with the financial giant SBI will allow us to widen our footprint pan India."

About SBI

State Bank of India (SBI) the largest commercial bank in terms of assets, deposits, branches, customers and employees; is also the largest mortgage lender in the country. As on June 30, 2018, the bank has a deposit base of Rs. 27.47 lakh crore with CASA ratio of 45.07% and advances of Rs. 19.09 lakh crore. SBI commands a 32% market share in Home Loans and a 35% market share in Auto Loans. The Bank has the largest network of nearly 22,500 branches in India and an ATM network of nearly 59,000 ATMs. Downloads for YONO - an integrated digital and lifestyle platform by SBI - are over 1 Cr, with more than 3 lakh logins per day. More than 1.6 million SB accounts were opened on this platform, reaching a peak of over 27,000 accounts per day. On social media platforms, SBI has the highest number of followers on Facebook, YouTube, LinkedIn and Pinterest. The Bank tops the list of followers on Facebook and YouTube across all banks worldwide.

About Hitachi Payment Services Pvt. Ltd.

Hitachi Payment Services, a wholly owned subsidiary of Hitachi, Ltd., empowers financial institutions and merchant aggregators with a comprehensive array of technology-led payment solutions. Its cash and digital payment solutions enable high level of customer satisfaction and has redefined the way payments are fulfilled today. A pioneer in the Indian payments space, it has over 55,000 ATMs, 12,000 CRMs and 850,000 POS devices (including Mobile POS) under management till date.

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