

HDFC Bank launches pilot for Offline Digital Payments

First-of-its-kind digital payment solution piloted under RBI's Regulatory Sandbox Program.

Mumbai, February 13, 2023: HDFC Bank has launched a pilot in partnership with Crunchfish, to test offline digital payments for merchants and customers under the RBI's Regulatory Sandbox Program, known as '**OfflinePay**'.

HDFC Bank's 'OfflinePay' will enable customers and merchants to make and receive payments even when there is no mobile network. HDFC Bank is the first bank in the industry to launch a digital payment solution in a completely offline mode. This can boost adoption of digital payments in smaller towns and rural areas with poor network connectivity.

Even in urban centres, it can enable cashless payments during large public events, fairs & exhibitions despite network congestion; underground metro stations, parking lots, & retail stores with network blind spots; and even in airplanes, sea-ferries, and trains with no network.

HDFC Bank has been working with the regulator to pilot offline digital payments under the Payments cohort of RBI's Regulatory Sandbox program. In September 2022, RBI approved HDFC Bank's application, in partnership with Crunchfish, to access the Regulatory Sandbox. Crunchfish Digital Cash AB is a subsidiary of Crunchfish AB, a publicly listed company on Nasdaq First North Growth Market in Stockholm, Sweden. The pilot, if successful, will provide the basis for RBI's guidance and regulatory support in providing offline digital payments based on 'Crunchfish Digital Cash' platform to the payment ecosystem of India.

Digital Payment typically requires one party (either the customer or the merchant) to be online. This limits the usage of such payments to areas with good data connectivity. HDFC Bank's 'OfflinePay' brings in the unique capability where both customer and merchant can be fully offline and yet do the transaction. Merchants can receive an instant payment confirmation even in an offline mode. As soon as either the merchant or the customer goes online, the transaction gets settled.

"HDFC Bank is pleased to work under regulator's guidance and partner with Crunchfish Digital Cash to launch 'OfflinePay', an industry-first digital solution. This innovation will accelerate financial inclusion in remote areas by enabling adoption of digital payments as both merchants

and customers can do transactions without any network. HDFC Bank is committed to bring more digital innovations and payment solutions to its customers and merchants,” said **Parag Rao, Country Head for Payments Business, Consumer Finance, Digital Banking, and Marketing at HDFC Bank.**

As of now, HDFC Bank would roll-out this service as part of a limited pilot for 4 months in 16+ cities & towns across India. Bank would be enabling merchants and users of even other banks to experience ‘OfflinePay’ via an invitation link. During the pilot, the offline transaction amount would be limited to up to Rs. 200 per txn. To showcase off-us transactions with other bank’s customers and merchants, HDFC Bank has partnered with IDFC First Bank. For building customer & merchant apps for pilot, HDFC Bank had enrolled M2P Fintech Pvt Ltd.

About HDFC BANK

For more information, please click here: www.hdfcbank.com

For media queries please contact:**Madhu Chhibber**

Head, Corporate Communications

HDFC Bank Ltd

Mobile: +91 98337 75515

Email: madhu.chhibber@hdfcbank.com