NATIONAL URBAN COOPERATIVE FINANCE AND DEVELOPMENT CORPORATION LTD.

NUCFDC

Umbrella Organisation for Urban Cooperative Banks in India

Boosting modernisation and strengthening institutional capabilities

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About Us

The National Urban Cooperative Finance Development Corporation Ltd. (NUCFDC) is an Umbrella Organisation for all Urban Cooperative Banks (UCBs) in India. It has been established to strengthen the urban cooperative banking ecosystem and to boost their contribution for inclusive and sustainable economic development of the country.

Operating under the guidance of the Reserve Bank of India and the Ministry of Cooperation, NUCFDC provides range of fund-based and non-fund-based functions to modernise, unify, and fortify the UCB sector. Its core functions include capital augmentation, term lending refinance and liquidity support, as well as advisory services and structured capacity-building initiatives. These interventions are aimed at solidifying governance standards, improving risk management practices, and enhancing the overall operational resilience of the sector.

In addition, NUCFDC is responsible for the development and enablement of a shared, centralised technology infrastructure for the sector. This initiative is intended to improve operational efficiency, reduce costs, reinforce regulatory compliance, and enhance the digital capabilities of UCBs, thereby enabling them to compete effectively in an increasingly technology-driven financial system.

Vision

To empower the UCB sector through a robust foundation of Compliance, Financial Enablement, Governance, Technology, and Upskilling that fosters sustainable growth.

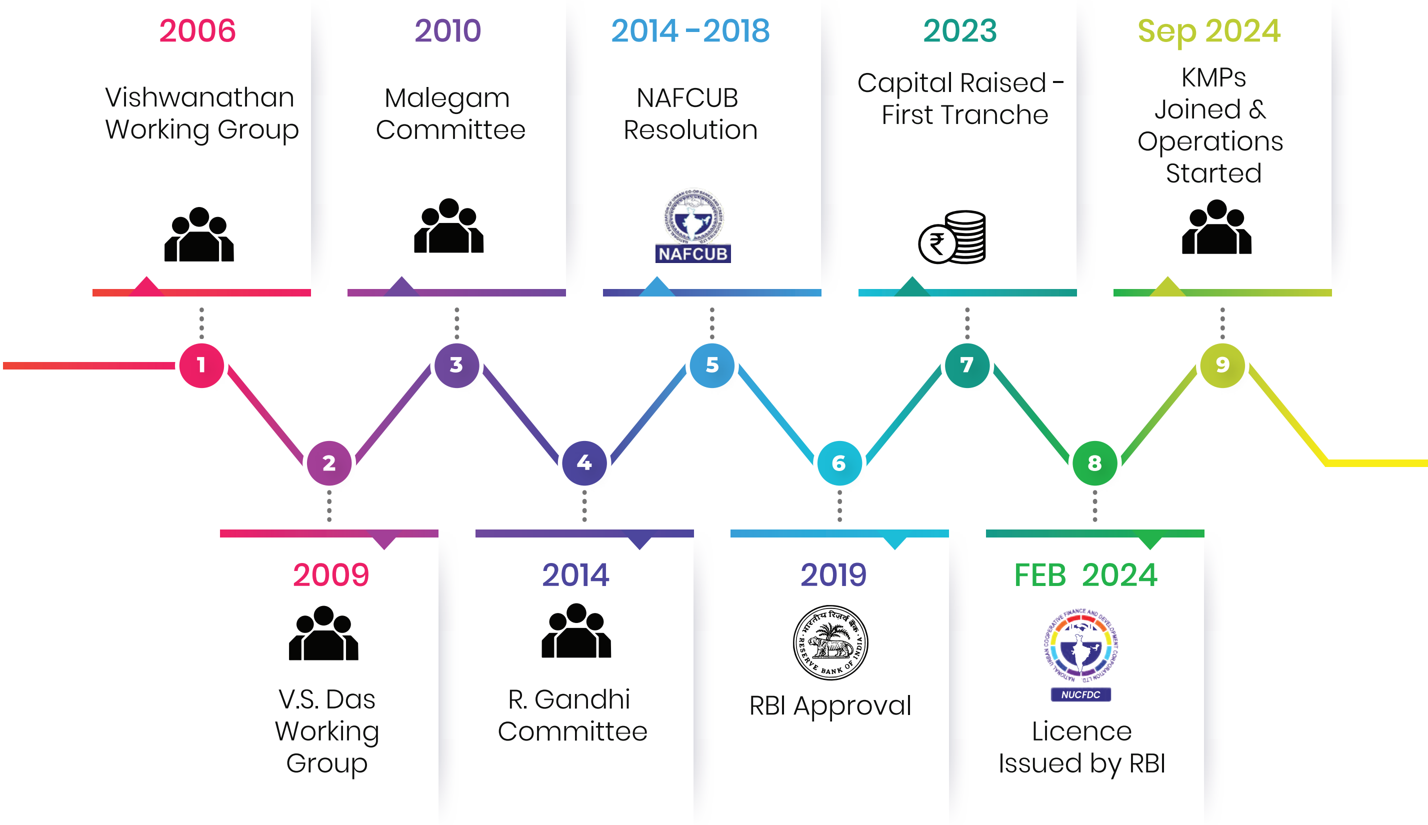
Mission

To strengthen India's UCB sector through robust support, Capacity building, Consultancy, Advisory, Strong Governance and Enhanced IT as well as Digital capabilities to face competition and contribute to the nation's economic and social growth.

Journey of NUCFDC

The formation of NUCFDC is anchored in recommendations of various committees and working groups constituted by the Reserve Bank of India to review and strengthen the urban cooperative banking sector. Drawing on international best practices, these committees highlighted the need for a national-level Umbrella Organisation to address structural challenges, enhance governance, strengthen institutional resilience, and improve operational efficiencies among Urban Cooperative Banks.

In pursuance of these recommendations, and at the instance of the RBI, the National Federation of Urban Cooperative Banks and Credit Societies Ltd. (NAFCUB) constituted a Steering Committee to examine the framework of such organisation. Subsequently, through coordinated efforts of the RBI, the Ministry of Cooperation, and NAFCUB, NUCFDC was established.



NUCFDC Organisation Structure

Shri Jyotindra M. Mehta
Chairman, Director (Promoter)

Shri Hanumantgouda Krishnagouda Patil
Director (Promoter)

Shri Pankaj Kumar Bansal
Director (Non-Executive)

Shri Sunil Saudagar
Director (Non-Executive)

Smt. Rachana Parikh
Independent Director

Shri Seshabhadrasrinivasa Mallikarjunarao Chamarty
Independent Director

Dr. Rajeev Uberoi
Independent Director

COL. Vinod Shah
Independent Director

Management

Shri. Prabhat Chaturvedi
Chief Executive Officer

Shri. Padmabhushan Bahadure
Chief Technology Officer

Shri. Sumit Hans
Chief Relationship Officer

Shri. Pranav Desai
Chief Financial Officer

Shri. Vikas Tarekar
Company Secretary

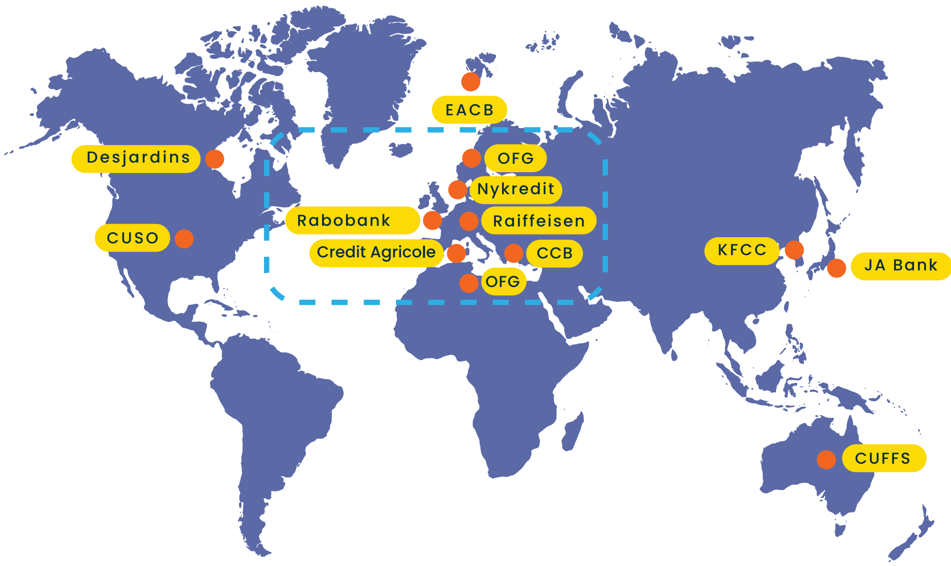
Advisors

Shri. V. S. Das
Former Executive Director, RBI

Shri. P. K. Arora
Former Chief General Manager, RBI

Shri. D. Krishna
Former Chief Executive Officer, NAFCUB

Successful Global Umbrella Organisations



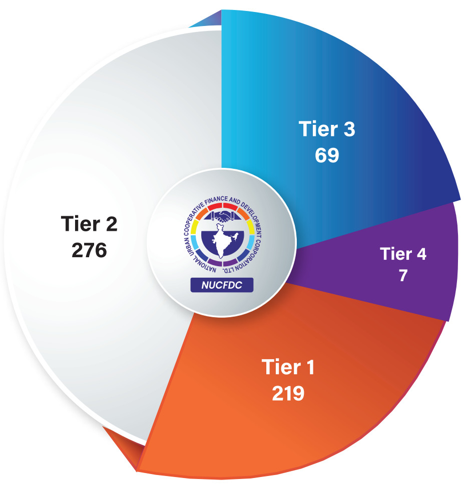
Global Umbrella Organisations have demonstrated a strong record of systemic stability and effective depositor protection over several decades. Their oversight frameworks have consistently sustained stability and continuity of affiliated credit unions and cooperative banks.

NUCFDC Shareholders

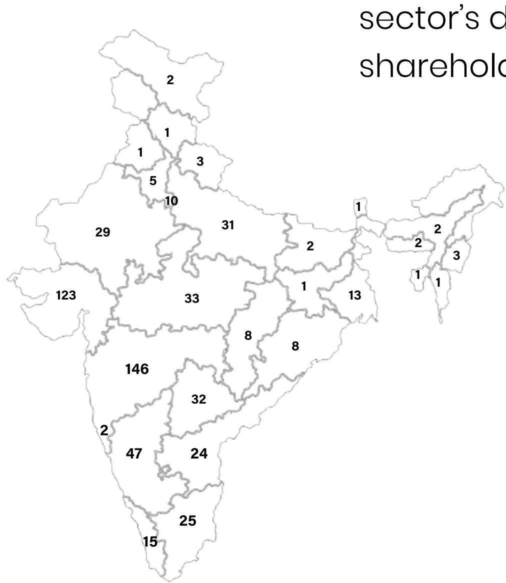
571 Shareholder UCBs

43% UCBs, accounting for **74%** of sector's deposits are already the shareholders of NUCFDC

Tierwise



Statewise



NUCFDC's Charter of Functions

Non Fund-Based Services

01 Setting up State-of-the-Art IT Infrastructure
Establishing cutting-edge IT systems to enhance operational efficiency and digital transformation.

02 Advisory and Consultancy Services
Offering expert advice and guidance on regulatory, operational, and strategic challenges.

03 Capacity Building and Training
Providing comprehensive training programs to enhance the skills and expertise of UCB staff.

04 Treasury and Fund Management Support
Assisting UCBs in managing funds effectively to optimise financial performance and minimise risks.

Fund-Based Services

01 Loans and Advances
Providing flexible loan options and financial support to meet operational and growth needs.

02 Refinance
Offering refinancing solutions to improve financial conditions and support sustainable growth.

03 Liquidity Support
Ensuring timely liquidity to address cash flow challenges and maintain stability.

04 Capital Augmentation / Support
Strengthening UCBs with additional capital to enhance financial stability and growth.

NUCFDC's Digital Transformation Strategy

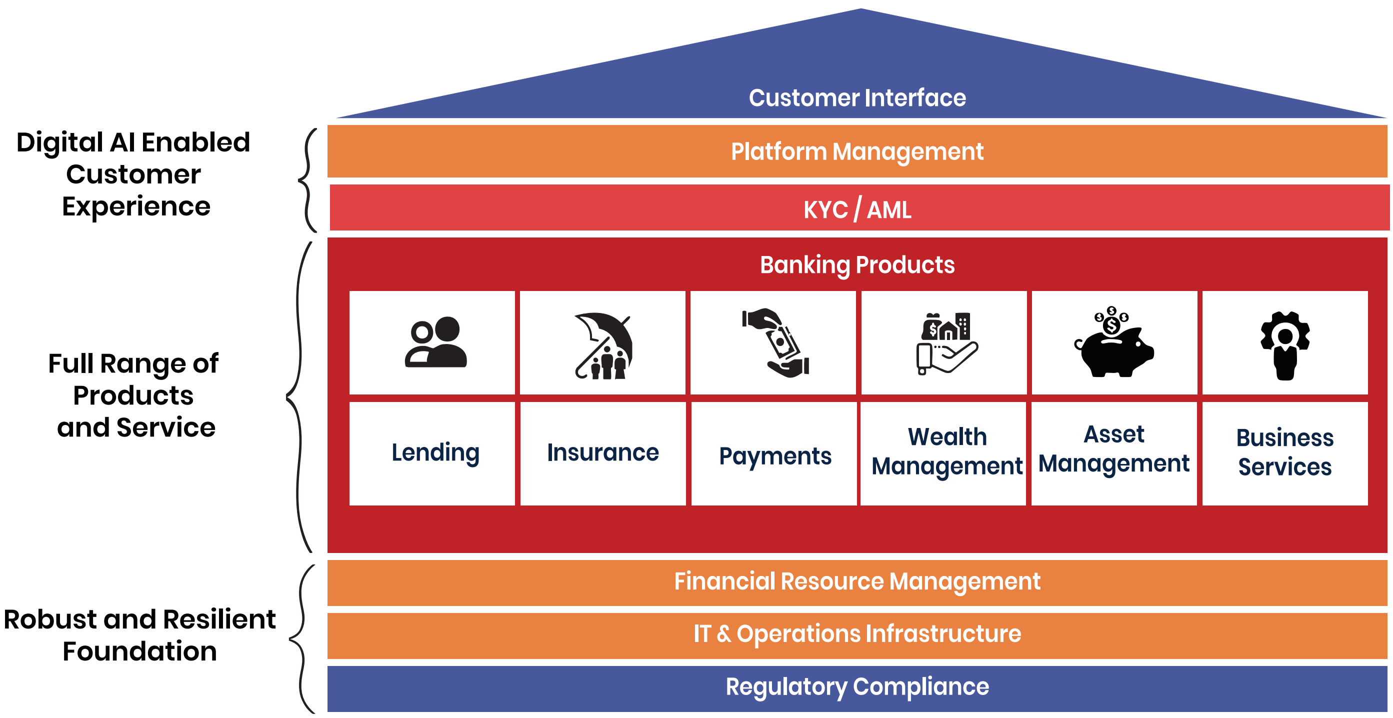
NUCFDC is developing a centralised digital platform to accelerate the modernisation of urban cooperative banks, enhance their operational resilience, and drive inclusive growth for millions of their shareholders.

01 Digital Sahakar Umbrella Framework (DSUF)

02 Transform UCBs into modern, competitive, cyber-resilient, and future-ready banks

03 Build a shared, scalable, compliant, and AI-enabled digital platform

The Digital Sahakar Umbrella Framework (DSUF) aims to create a future-ready, digitally equipped, and resilient network of urban cooperative banks, integrated through a centralised IT and shared services infrastructure.



Components of DSUF

Sahakar Cloud Infrastructure
To host CBS, DR & other applications

Cyber-Security & Compliance
Sector-wide centralised SOC & compliance automation

AI & Analytics Platforms
Real-time fraud detection, credit scoring, risk management

Business Process Automation
Straight through processing, robotic process automation

Customer Centric Digital Banking
Net Banking, Digital Payment Systems, Mobile Banking, CRM, Loyalty platform and KYC solutions

Sahakar PaathShaala
Transformative capacity building & training platform

Sahakar Marketplace
Centralised platform for affordable procurement

Change Management Programs
Handhold UCBs in this transformative journey

Strategic Impact on UCBs

NUCFDC

01 Unified Branding
Stronger public confidence and customer acquisition

02 Data-Driven Governance
Predictive analytics for operational excellence

03 Expanded Financial Inclusion
Deepened reach into semi-urban/rural India

04 Cyber Resilience
Timely detection, prevention & mitigation of cyber threats

05 Regulatory Compliance
Improved compliance posture reflected in better ratings & lower or no penalties

06 Cost Efficiency
40-60% reduction in IT cost

07 Modernisation & Future Readiness
Increased competitiveness with other Banks and FIs

Other Solutions

Cyber Insurance

Loans & Advances

Consultancy

Re-Finance

Treasury Management

Loan Protection Insurance

Forex & Money Market

IT Governance

Risk Management

Research & Development

Product Diversification

Sahakar CBS

Sahakar SahaYogi

Empowering UCBs to grow with trust, scale with technology, and thrive with resilience in India’s Digital Future

Self Regulatory Organisation (SRO)

The Certificate of Registration issued by RBI states that the Umbrella Organisation (UO) shall also function as a Self-Regulatory Organisation (SRO) for UCBs. In line with this, upon achieving the prescribed paid-up capital, the UO approached RBI seeking approval to undertake SRO activities. The matter is presently under consideration.

Strategic Impact of NUCFDC as SRO

- Act as a regulatory extension for safeguarding depositor confidence. Provides comfort to RBI, the Government, and the Depositors through responsible industry governance.
- SRO-issued standards will be complementary to existing laws to enhance compliance and operational soundness.
- Serves as a supervisory mechanism to deter fraud, malpractice, and governance lapses within the UCB sector.

How to Become Equity Shareholder of NUCFDC

All UCBs are eligible to become equity shareholders of NUCFDC

Process at UCBs

Step 1

Board Resolution

Secure approval from your board by passing a resolution to join us

Step 2

Open a Demat Account*

Open Demat account to facilitate share issuance

Step 3

Submit a Letter of Intent

Send a Letter of Intent to initiate the Shareholding process

**- Preferable open the Demat Account with Large UCBs or State/District Cooperative Banks*

NUCFDC's Private Placement process

01 Conveying board and shareholder meetings to approve the issuance

02 Extraordinary General Meeting (EGM) of shareholders

03 Completing ROC formalities and conduct board meeting for issuance of offer

04 Circulate private placement offer and open the issuance to receive funding

05 Board meeting for Allotment of shares

06 Credit securities to investor's demat a/c

Enablers from RBI for Investment in Umbrella Organisation

Non-SLR:

Investments made by UCBs to subscribe the capital of UO will be exempt from the limits prescribed by RBI on non-SLR investments (max 10% of total deposits, and max 10% of on-SLR investments in unlisted securities)

ref: RBI circular RBI/2021-22/177 dated March 3, 2022.

Dividend :

As per RBI Master Direction (Classification, Valuation and Operation of Investment Portfolio of Primary (Urban) Co-operative Banks - 2023) – Clause 11.3(g), contributions by UCBs to the capital of UO are exempt from standard valuation norms for unquoted non-SLR securities.

Hence, even if NUCFDC does not declare dividend for few years, this investment by UCBs shall not become NPA.

Benefits of Becoming Equity Shareholder

Affordable, Centralised IT Infrastructure

- End-to-end IT manegment (hardware, software, support, maintenance, procurement)
- Shared platforms to lower individual UCB's costs and boost efficiency

Reduced Compliance & Governance Burden

- Full IT lifecycle management - procurement to disposal
- Built-in RBI compliance and cyber-resilience from day one

Integrated Digital Banking Services

- Seamless integration with ATMs, CDMs, Kiosks, payment gateways, and more

Capacity Building through "Sahakar PaathShaala"

- Partnerships with colleges and training academies
- Hybrid training (online + in-person), regional languages, gamified LMS

Simplified Vendor Management

- Standardized IT systems and governance
- Fewer vendors and lower operational complexity

Skilled Manpower at Fractional Cost

- Access to trained professionals without recruitment or HR overhead

Financial Support through Fund-Based Services

- Timely liquidity assistance to prevent cash flow disruptions
- Credit lines, working capital, stabilisation funding (as per UO model)

Unified Branding for UCBs

- Common national-level identity and PR strategy
- Designed to attract younger, digitally engaged customers

Dividend & Share Premium

- Strategic returns and equity growth aligned with SRO/UO framework

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