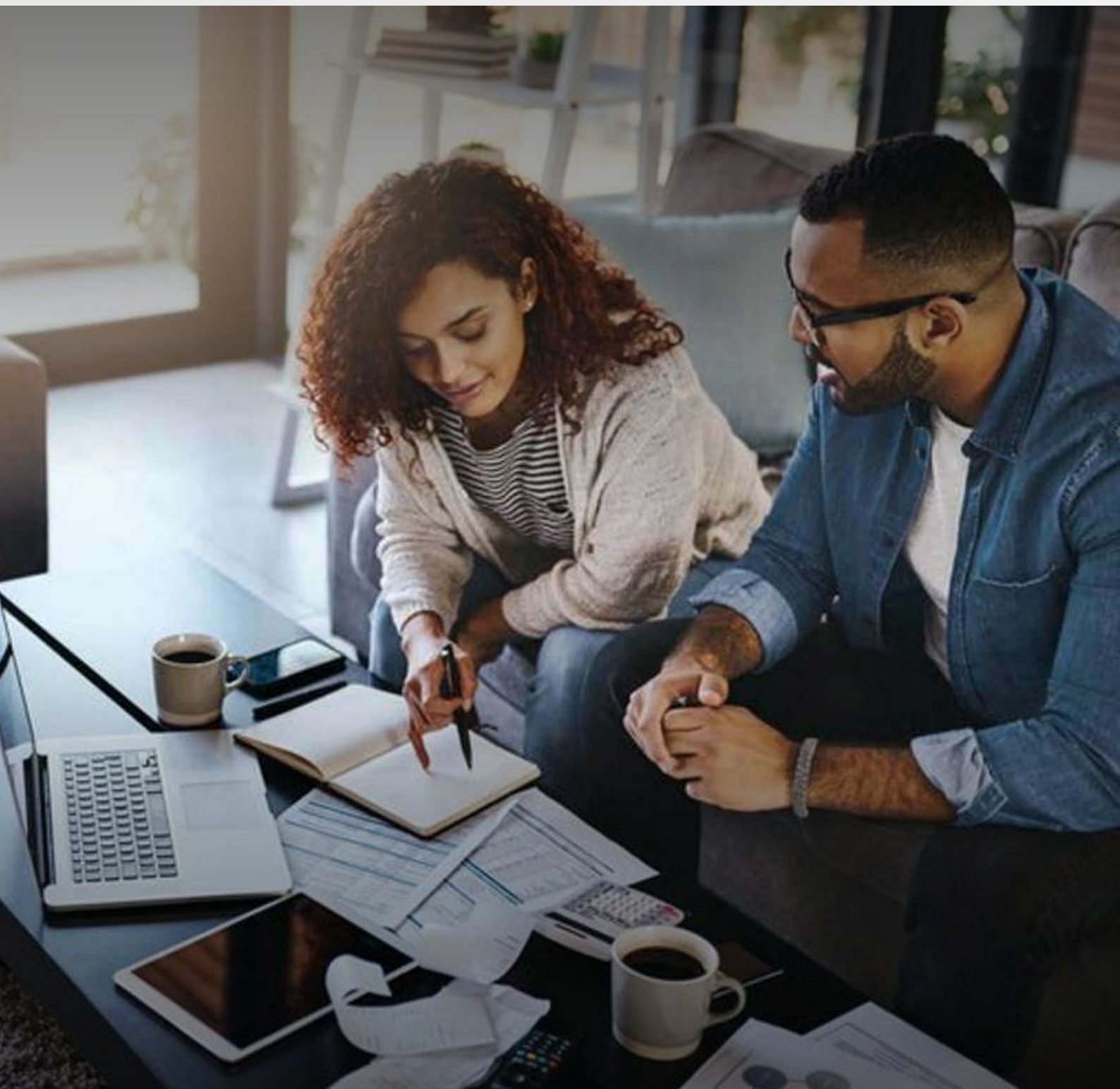


FSS AUTOMATES RECONCILIATION FOR WALLET AND REAL TIME PAYMENT TRANSACTIONS

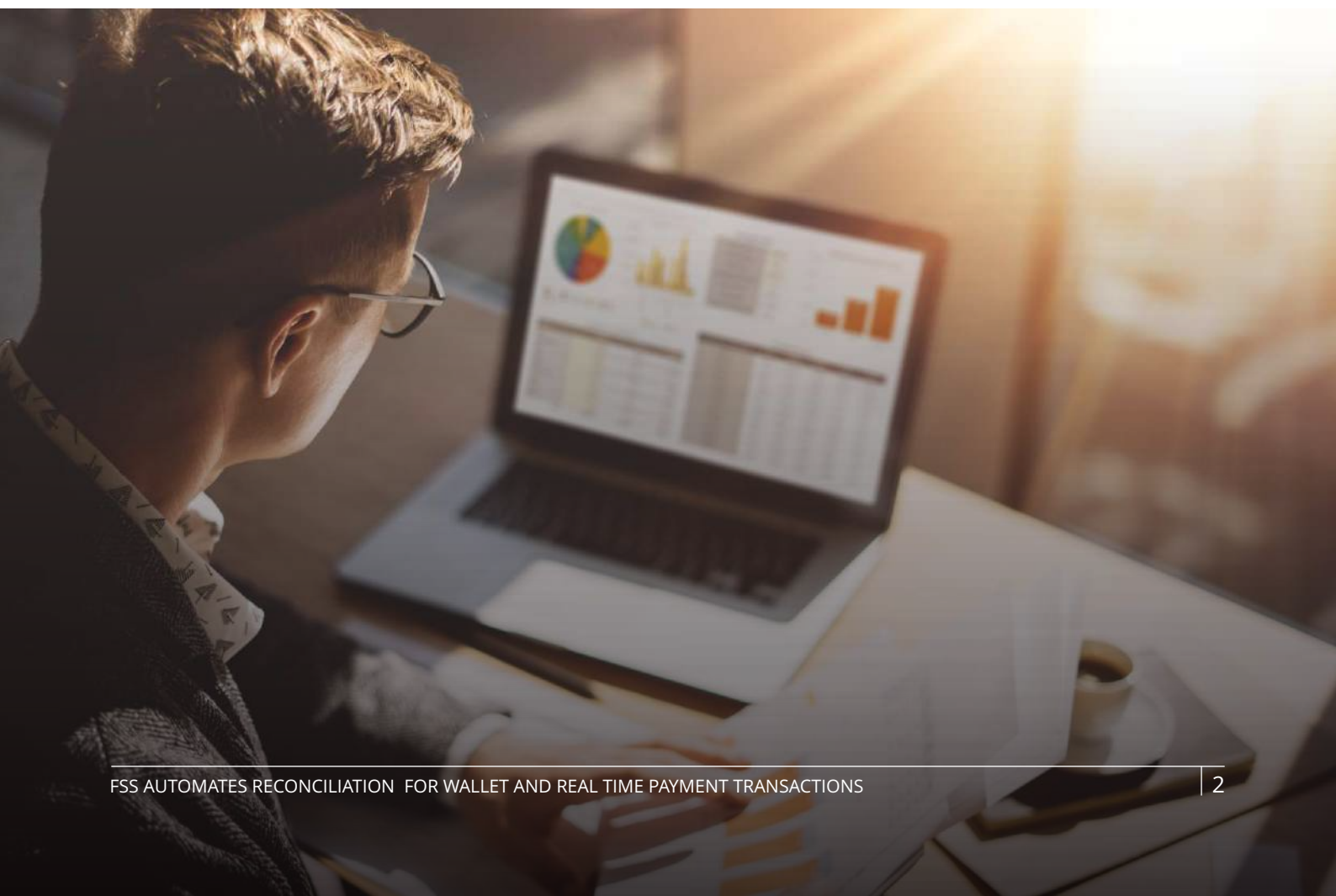


Customer Overview

Our customer, a new age payments bank, started operations in 2018 as a joint venture between its parent company and the largest public sector bank in India.

The parent company is a multinational organization with an established presence in various industry segments including telecom. The partner bank currently caters to a large base of 450 million customers. The two institutions have partnered with the vision to revolutionize digital payments in India.

As a growing digital payments bank, our customer is leveraging its vast telecom network to offer last mile connectivity to banks, especially in the country's unbanked rural areas. The company extends biometric-based assisted banking services leveraging Aadhaar (national id) to unbanked customer segments through one of the largest branchless networks in the country comprising 70,000 banking correspondents. Additionally, the bank tapped into its large digitally savvy telecom services user base to launch mobile wallet services that offers a range of payment services.



Business Need

Since inception, our customer has been on an accelerated growth path. The bank has introduced new products at a consistent pace and witnessed significant month on month increase in transaction volumes for certain payment products.

The growth in payment volumes, diversity of payment products – real time payments, wallet transactions, inter-bank transfers – and varying reconciliation frequency cycles for each transaction type compounds the complexity of the reconciliation process. For instance, the bank needed to operate multiple intraday reconciliation cycles for real time payment transactions to comply with regulatory mandates which necessitates a high degree of operational agility.

A key requirement was a centralized reconciliation system that reconciles all transaction types and can onboard new transaction reconciliation workflows without significant additions to staff and resources.






As part of its digitalization strategy, the bank envisioned a modern solution that could seamlessly automate its reconciliation process, making it far simpler to manage and control, reduce reliance on IT resources and improve overall process efficiency.

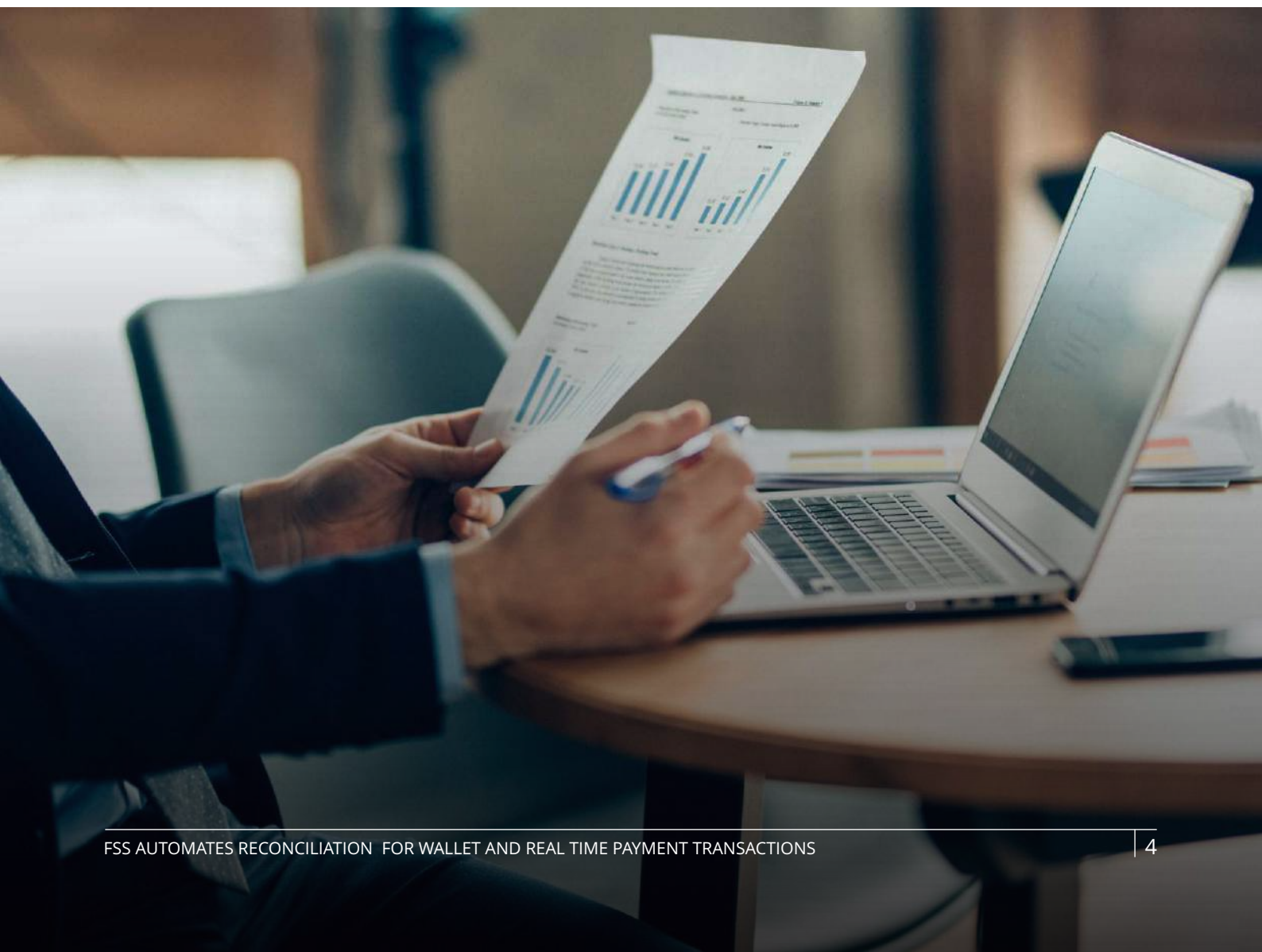
Business Need

- ♦ Unified Reconciliation Solution for Multiple Payment Types
- ♦ Manage Reconciliation for Real-Time and Non-Real-Time Payments
- ♦ End-to-End Automation of Reconciliation Workflows
- ♦ Operational Agility and Round-The-Clock Technical Support

FSS and Customer Collaboration

The bank considered several other reconciliation solution providers and conducted extensive research to identify the best fit for its needs. The bank selected FSS as its reconciliation technology partner, owing to a combination of factors:

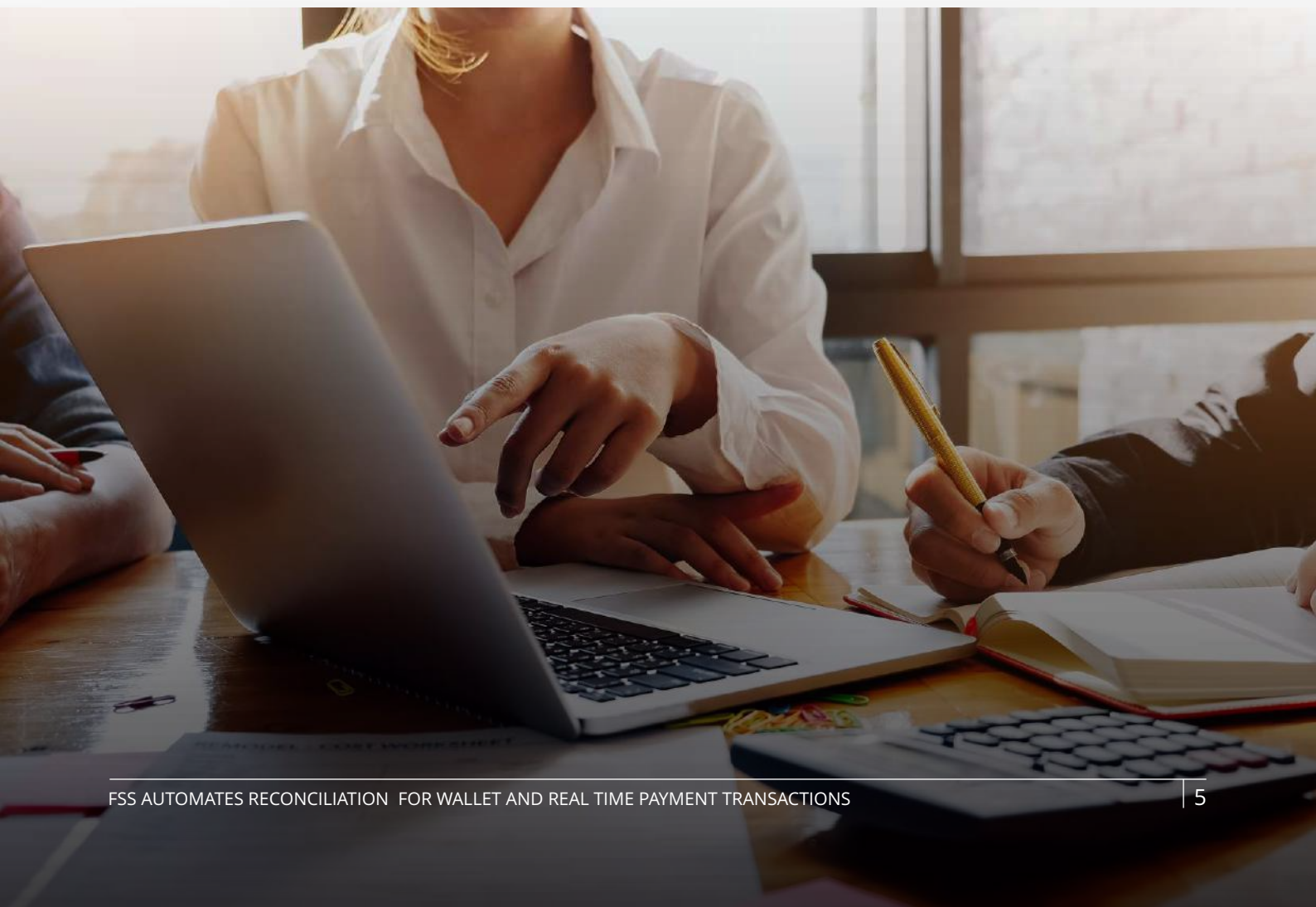
				
Deep domain expertise in payments spanning three decades and market leadership with 74% share of the market in India	Extensive implementation experience of automating reconciliation for established and neo-banks	Rich functionality – Zero touch reconciliation solution with an ability to manage all payment classes	Scalability – field-proven to reconcile 1 billion transaction records in an hour	Competitive pricing and reduced total cost of ownership



FSS Solution

FSS Smart Recon performs two-way and three-way reconciliation for Instant Messaging Payment Service, Unified Payment Interface, and Wallet, interbank transfer schemes (National Electronic Fund Transfer, Real Time Gross Settlement), transactions based on pre-defined business rules. The system detects and resolves variances, manages dispute and settlement, and generates reconciliation reports.

For most reconciliation solutions, data integrity is the most crucial aspect of the reconciliation cycle. Specifically for our customer, FSS Smart Recon interfaces with third party data replication systems to automatically replicate the data resident in the centralized data warehouse, speeding the data extraction and enrichment process. This helps to optimize reconciliation cycles for real time payments. Reconcilers within the bank have access to customized dashboards that provide visibility into the number of records replicated every hour, improving traceability in event any records are missed in the subsequent stage.



Impact

FSS implemented Smart Recon in a phased manner due to the sheer scale of operations. Post-deployment, the automation of the reconciliation process has significantly helped the customer improve the speed and efficiency of its reconciliation operations.

• **Reconciles 1 Million Records in a Day**

FSS Smart Recon enables our customer to successfully reconcile more than 1 million transaction records per day. FSS Smart Recon runs 10 intraday cycles to reconcile real-time payment transactions and ensures high match rates. Efficient reconciliation cycles also help in timely exception management and dispute settlement.

• **Minimizes Dispute Occurrences**

Our customer initially faced challenges with the wallet transfers, leading to transaction failures and refunds. FSS Reconciliation introduced a “reliability reconciliation” process to lower dispute volume. For example, a wallet load transaction fails but the source account gets debited. In this scenario, FSS Smart Recon initiates a credit reversal to the customer account on identifying the exception. The reliability reconciliation process introduces an additional verification check. FSS Smart Recon interfaces with the profile management system to verify if the fund has been credited to the customer account, significantly reducing the volume of dispute claims.

• **Rationalizes Operating Costs**

FSS Smart Recon allows our customer to perform reconciliations at scale while keeping the manpower requirements to the minimum. This in turn contributes to overall margin improvement and helps our customer improve its profitability.

• **Improved Auditability and Traceability**

FSS Smart Recon delivers continuous monitoring and actionable insights through dashboards and reports, to assist analysts in monitoring the complete reconciliation cycle, and delivering real-time intuitive dashboards to assist CXOs in improving relevant KPIs.

Way Forward

Our customer continues to evolve its payment products to cater to evolving needs of its customer base. Changes in regulatory mandates, also impact the reconciliation process. Critical business processes such as reconciliation need to evolve accordingly. FSS Smart Recon is designed to enable Jio onboard new payments reconciliation and keep pace with growth.



About FSS

FSS (Financial Software and Systems) is a leader in payments technology and transaction processing. FSS offers an integrated portfolio of software products, hosted payment services and software solutions built over 30+ years of experience. FSS, end-to-end payments products suite, powers retail delivery channels including ATM, POS, Internet and Mobile as well as critical back-end functions including cards management, reconciliation, settlement, merchant management and device monitoring.

Headquartered in India, FSS services leading global banks, financial institutions, processors, central regulators and governments across North America, UK/Europe, Middle East, Africa and APAC.

For more information, write to products@fsstech.com