

Integrated Billing & Settlement System

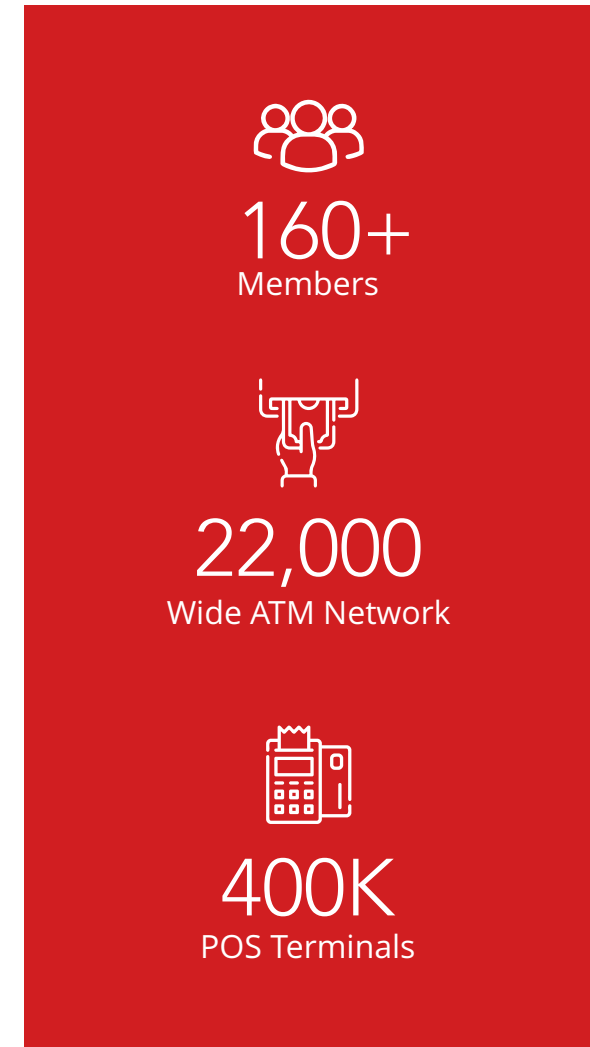
For Philippines' National
ATM/EFT Consortium

Customer Overview

Our customer is a national ATM/ EFT consortium in the Philippines consisting of 160+ member banks and 400+ billers, merchants, cooperatives, electronic money issuers, affiliate switch networks, and independent ATM deployers in the Philippines.

With a successful track record of more than 32 years, they are also the first multi-bank, multi-channel electronic payments network in the country - with a network that spans more than 22,000 ATMs and 400,000 POS terminals. Through their EFT consortium, they enable their members to transact on multiple channels – ATM, point-of-sale (POS), internet, and mobile banking. They are also the national clearing switch operator for InstaPay, a real-time retail payments system in the Philippines.

BancNet interconnects with international networks (such as Visa, MasterCard, Diners Club, Discover Card, JCB, KFTC, and China Union Pay) enabling their customers to access multiple delivery channels nationwide.



Business Need

If a reconciliation system falters it affects only the respective participants, but if a settlement system falters, it affects the whole banking ecosystem. As the national electronic payments network connecting the entire nation's EFT ecosystem, our customer performs critical functions involving billing, settlement, fee management, tax computation, and dispute handling for all the members and participants within the network. As the volumes grew, it started facing multiple complexities.

Our client needed a completely new business support system that would integrate and fully automate the network's settlement, billing, and fee income distribution facilities.

Additionally, they needed a browser-based centralized hub of operations that would help the network, as well as the partners to interact with each other via an open portal-based interface and provide improved visibility into the operations.

Key Challenges



No Integrated System

Independent systems performing separate functions



Lack of Scalability

Longer processing cycles due to manual work flows



Lack of Web Integration

Desktop-based systems leading to slow interfacing among multiple systems

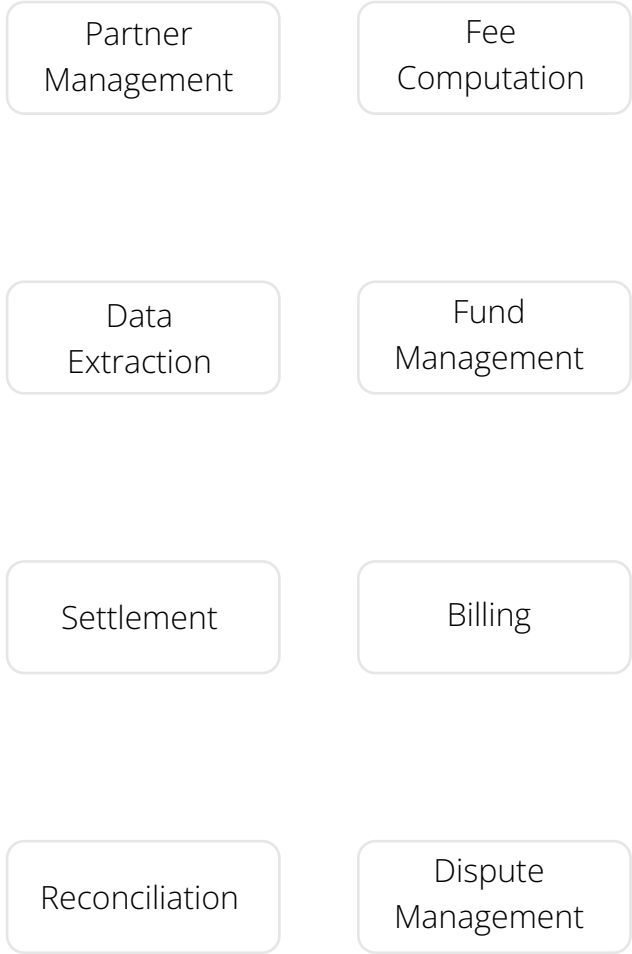
Scope of the Engagement

After winning the RFP bid and based on FSS' long-standing experience in handling the FSSNet settlement system, FSS was tasked to deliver a comprehensive solution that can consolidate all business-critical operations pertaining to the EFT consortium. This included partner management, extraction, settlement, reconciliation, fees computation, funds movement, billing and dispute management.

Additionally the system should:

- **Work for all member categories:** Banks, ASN, switch, merchant, billers, service providers
- **Process transactions from all delivery channels:** Mobile, Internet, OTC
- **Supports settlement, billing, and dispute management of all transaction types:** Cash withdrawal, purchase, e-shopping, IBFT, e-load and bill payment products

One Integrated Solution for all functions



Our Solution - Key Highlights

Dispute Management Portal and Dashboard

For the participants to raise disputes and track status directly without the network's intervention till the arbitration stage and improve the dispute management timelines.

Multiple Settlement Cycles

The system currently operates 2 settlement cycles per day (Intraday and EOD) and provides the configurability to set and operate multiple settlement cycles within the system to ensure faster processing and settlement among participants.

Risk Mitigation and Compliance

Maintaining PA-DSS and OWASP compliances for the customer to ensure optimum risk mitigation and business continuity.



Integrated Billing & Settlement System

A modern, browser-based, centralized billing and settlement solution for all domestic as well as international participants of the network.

Configurable Fee Management System

For dynamic fee computation and configurable fee payment cycles within the network. Currently the network performs computations on a monthly basis.

Easy Settlement Based on Multiple Switch Files

For international participants like KFTC, CUP, etc. which provide their own switch files, FSS' solution was capable of integrating multiple switch files, extracting the data and completing settlement and billing, all within the same system.

Business Impact

2M

Transactions Per Day

Benchmarked to process 1B transactions per hour, FSS' solution successfully processes 2M financial and non-financial transactions per day and approximately 4M transactions per day during the peak season.

3X

Reduction in Processing Time

With a browser-based interface and smart process automation, FSS was able to bring down the processing time to less than 3 hours per day and monthly settlements time to less than 45 minutes.

Customer Success

"The efficiency from automating billing and settlement processes, including dispute management among the participants, helps us gain member trust, attracts more participants and more transactions on our network, advancing our efforts to build inclusive digital payment ecosystems at scale,"

- Arnel Lim, Chief Operations and Technology Officer - **BancNet**

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.

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