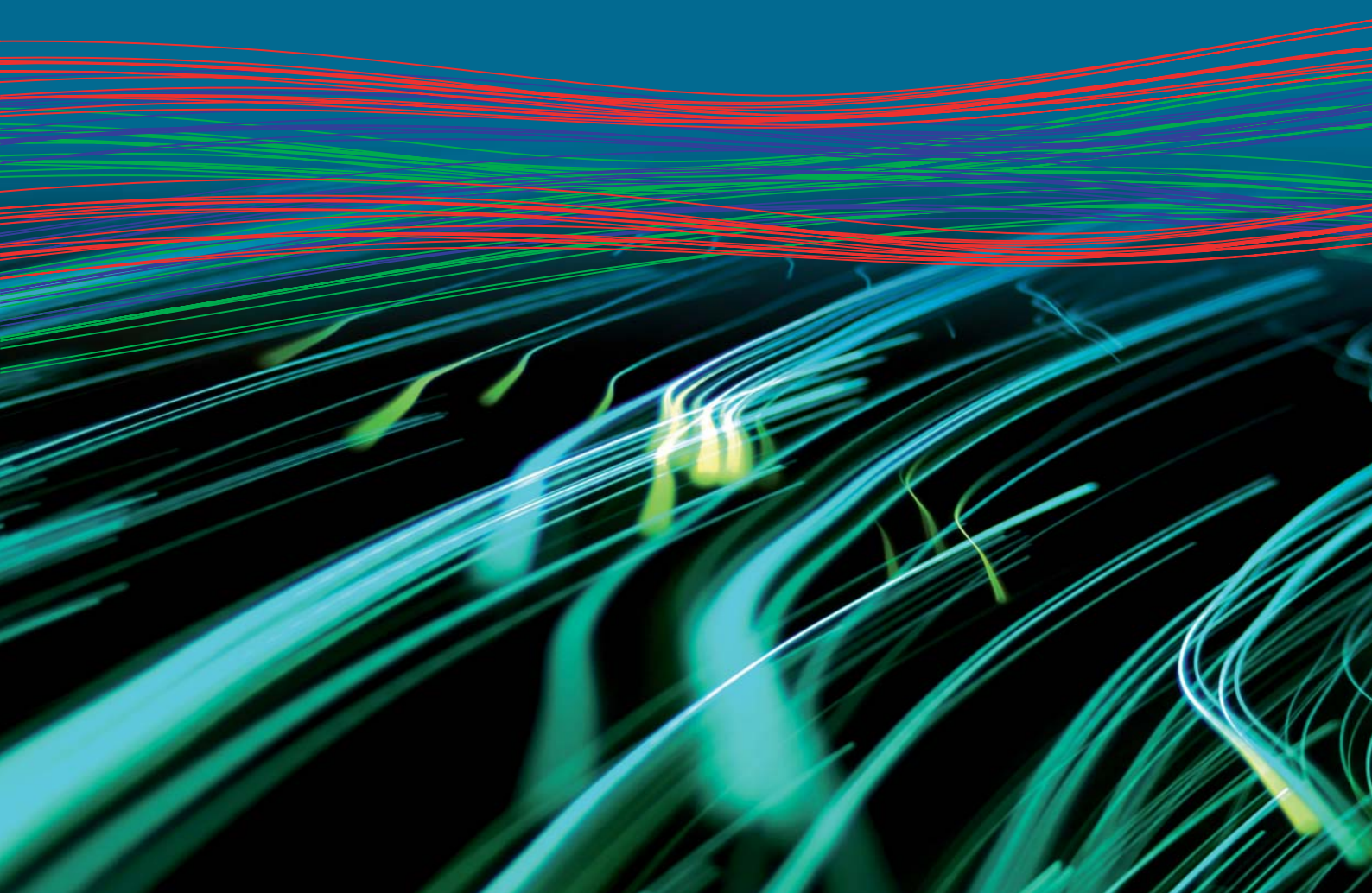


Payment systems

SIA-SSB Group for PSD
A new approach



Payment systems

SIA-SSB Group for PSD A new approach

The creation and implementation of SEPA and the introduction of the Payment Services Directive are revolutionizing the European payments industry with ongoing challenges:

- :: increased competition (e.g. the creation of new Payment Institutions)
- :: rising customer demand
- :: decline in average revenues per transaction and pressure on margins
- :: investments for SEPA compliance.

The market turmoil and the global financial crisis have also introduced new requirements for Banks:

- :: cost reduction and process optimization
- :: customer satisfaction and competitive services
- :: time to market.

The PSD provides a harmonised legal framework for all Payment Service Providers. In order to efficiently cope with PSD requirements and trials, banks are asked for investments and have to think how to re-engineer payment processes, execution times, information flows and business models. Payment instruments, potentially becoming commodities, push for an innovative services portfolio. As a result of the challenges banks have to face, their payment architectures must evolve.

Re-engineering payment processes means going from a silos architecture approach, characterized by high maintenance costs and non-STP processes, to a new, flexible

approach, that allows:

- :: low impact on back office applications
- :: investment control
- :: common approach for different topics
- :: rules and processes standardization
- :: low effort required for future testing and deployment
- :: solid and effective base for vertical pluggable applications.

Current banks architecture, characterized by a silos approach, makes activities for PSD compliance to be developed for every single application.

This implies for banks a huge investment, considering the impact that PSD has on their back office systems.

SIA-SSB Group approach

The approach developed by SIA-SSB Group aims at:

- :: rationalizing the bank's current architecture.
- :: reducing medium term implementations efforts on the bank's current procedures.

SIA-SSB Group approach consists in offering a solution that, in compliance with the PSD requirements, supports banks in **minimizing costs and accelerating timing of re-engineering their payment architecture**, helping them develop new value for customers.

SIA-SSB Group PSD solution: main features

Developed by RA Computer, SIA-SSB Group solution is made of a **horizontal suite** designed with a **modular approach**:

- payments lifecycle tracking and monitoring** – the module tracks and stores events coming from payments, treasury, direct debit, etc., and provides monitoring of suspended processes that have to be re-started
- staging area** – it allows to record information related to payment instruments like credit transfer and direct debit, keeping data stored for 13 months; the module enables to find out a counterparty's single operations or groups of them and to produce statements or reports for customers and to manage refunds. Reconciliation between staging and tracking is granted
- SLA management** – fed by data from tracking and staging area, it

gives evidence of SLAs to define the service levels offered to customers. The same module can be also fed by other kinds of data, to manage different SLAs

- customers contracts and forms management** – it allows to manage the process of creation and issuing of contracts and forms
- dematerialization & e-archiving** - it allows document dematerialization, with functionalities like inquiry and re-print, to support this process and delivered as a packaged product or “as a service”.

SIA-SSB Group solution is based on common packages for bank's back office applications.

This allows banks to reduce developments for compliance, that are made for all common applications at the same time and subsequently for the legacy part of their information systems, avoiding useless and expensive duplications. Benefits for banks consist in the rationalization

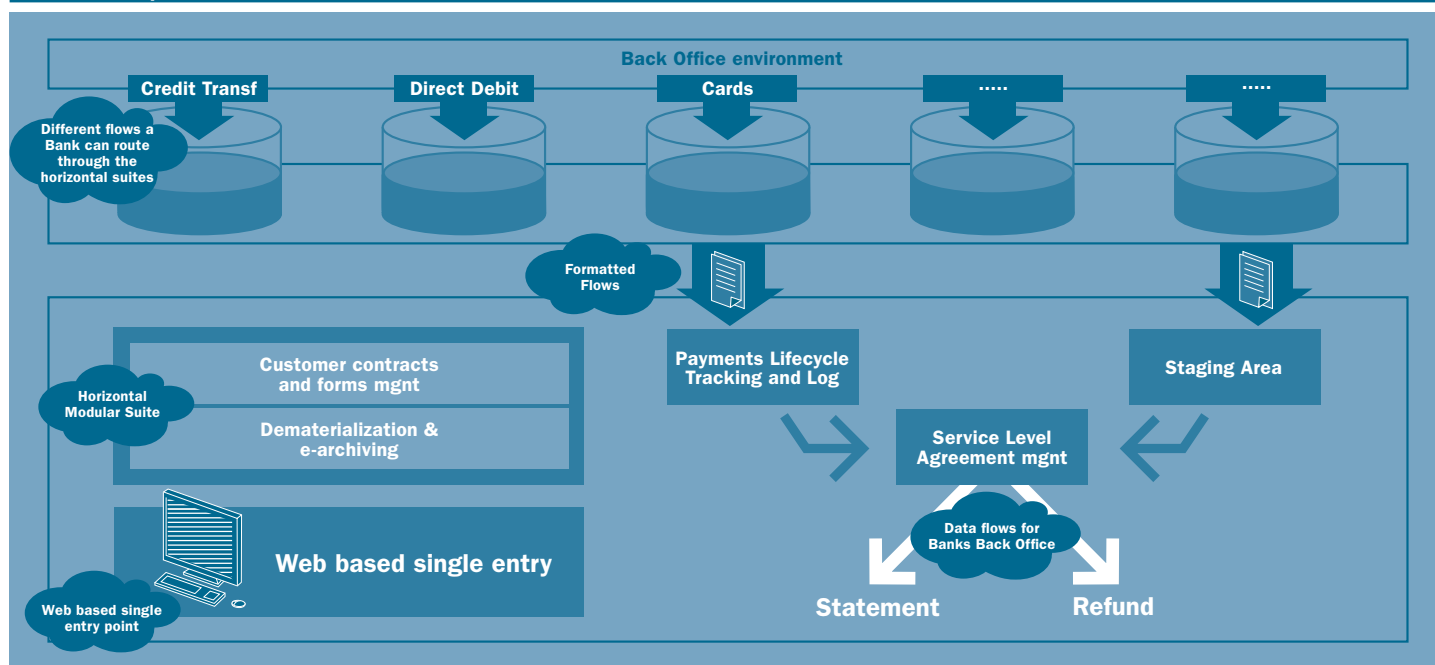
of their architectures; these common modules are independent but they can work together.

Common modules make an application suite that is cross to the bank information system, whose components can, upon request, be delivered as a service.

Benefits

- Reduced impact on back office applications
- Medium term reduced investment and low effort required for testing and deployment
- Common approach for different topics
- Standardization of some rules and processes
- Easy access to information for evidence management, data mining, advanced reporting, etc.
- Simplify refund management.

SIA-SSB Group PSD solution - overview



SIA-SSB Group

Via T. Taramelli, 26
20124 Milan, Italy
info@siassb.eu

