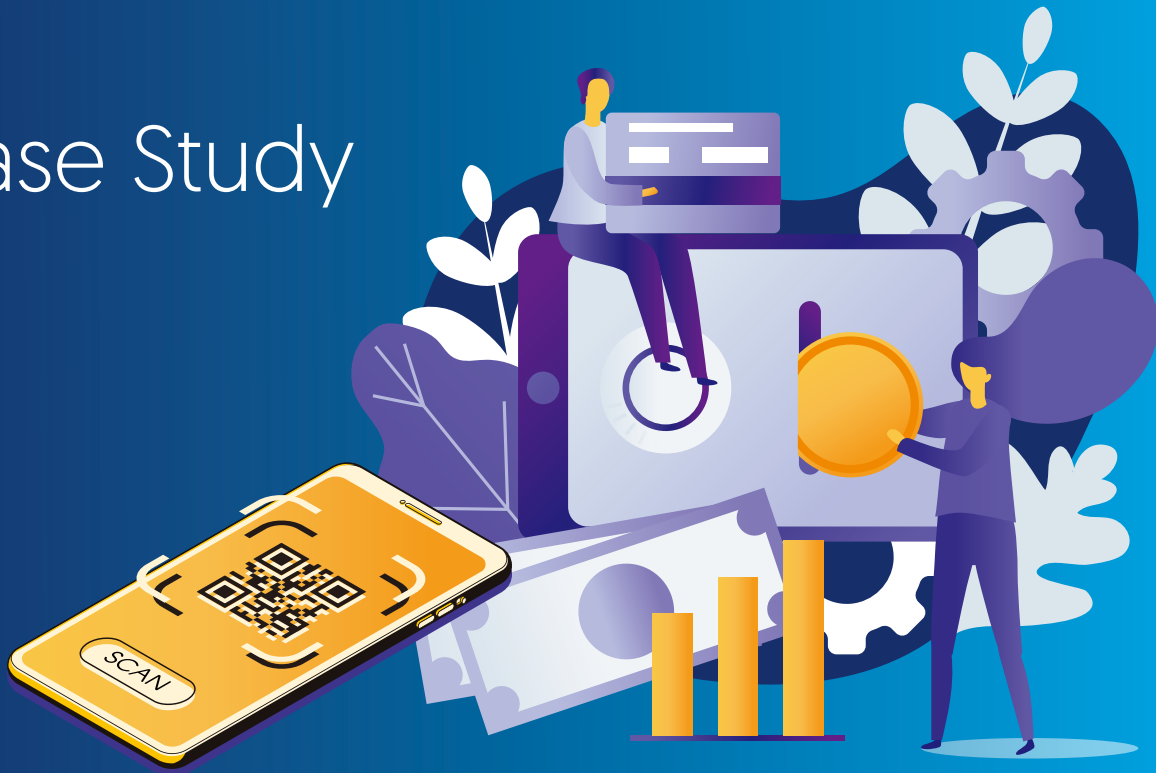


Case Study



БАНКА
ПОШТАНСКА
ШТЕДИОНИЦА

Instant Payment System for Ultimate Customer Convenience & Regulatory Compliance

Asseco SEE's Success Story with Banka Poštanska Štedionica

The banking industry has transformed immensely over the past decade impacted by a wave of changes in technological, market and regulatory landscapes. Within the transformation, enhancement of customer experience and banks' offering have been among top priorities on the agenda.

Since 2018, the banks in Serbia have been gradually implementing the instant payment system requirements following the regulation of the National Bank of Serbia (NBS). The regulation aimed to modernize the payment system in the country in a way similar to the activities taken by most advanced

countries worldwide. The system which makes it significantly easier for customers to do their banking transactions enables real-time execution of payments up to a defined limit 24 hours a day, 7 days a week, including state holidays.

Responding to the challenges and reshaping of the banking system, which asks for 24/7 availability and immediate realization of transactions, **Banka Poštanska Štedionica partnered with Asseco SEE** on a large-scale and demanding project of implementing and making the instant payment system fully operational within a short time frame.

Banka Poštanska Štedionica is one of the largest banks in Serbia and it was founded almost 100 years ago. The bank has a particularly strong position in the retail segment thanks to its customer-centric business strategy with strict risk control, quick development of new products, along with efficiency and convenience in cooperation with customers.

Instant Payment Requirements in a Nutshell

October 2018 marked the beginning of the implementation of the Instant Payment System (IPS) on the Serbian financial market. The National Bank of Serbia presented Instant Payment System as a new way to exchange money and purchase services in seconds, allowing money transfer from a payer bank account to a payee bank account almost immediately,

instead of taking a few hours or even few days. Instant Payment can be realized between P2P, B2B, C2B, and the system is available 24/7. In the second phase, the regulation included other requirements as well, such as instant payment at a point of sale through QR code payments.

IPS Phase 1 covers the process of direct funds transfer via 3 channels:

- Electronic banking
- Mobile Banking
- Branch

IPS Phase 2 includes merchant's point of sale which refers to:

- Physical point of sale such as EFT POS terminal, PC cash register, Android application for merchants
- Virtual point of sale such as webshop (desktop and mobile as access point)

Tech Enablement for Smooth IPS Operation

To meet regulatory requirements and enable instant payments, Asseco SEE implemented **Payment Gateway**, which provides centralized management of payment systems and full integration with the existing modules for payment operations/payment channels. It enables alignment of calculations and efficient reconciliation between the bank's internal systems and diverse payment channels. The solution's flexible business architecture enables the bank's competitiveness in new customer acquisition and reduction of costs of payment transactions. In addition,

The project also included enhancements in the **mobile banking application** to enable instant payment by scanning a QR code on a bill or payment slip.

Modifications and upgrades were also required in the bank's system for communication with merchants' systems and POS terminals to provide possibilities for instant payments using a **QR code**, which is a graphic presentation of a payment order that already contains filled-in data. On one hand, QR code payment

provides new payment possibilities for banks' end-customers. Using a mobile banking application, end-customers can scan a QR code generated at the POS terminal and initiate payment through the existing mobile banking application. On the other hand, it also introduces the opportunity for merchants to use their smart devices or existing scanners connected to a PC cash register in order to scan the QR code generated within the end-customers' mobile banking application and to trigger the payment.

Supported by synergetic activities of Asseco SEE and **Payten, member of Asseco specialized in payment industry solutions**, the bank successfully implemented the regulatory requirements related to QR code payments also enabling IPS at the point of sale. The solution which makes instant payments possible at merchants is IPS POS backend, delivered by Payten. IPS POS backend is the central component that connects point of sale and buyer with the rest of instant payment system and represents a payment server for transaction initiation from different channels (EFT POS, Android POS, POS Cash register etc.) and forwarding of the payment request to the instant payment system.

Banka Poštanska Štedionica is the first bank in Serbia that enabled instant payments with a QR code at a merchant's point of sale together with Mercator, a large retail chain, supported by Asseco SEE and Payten solutions.

Accelerating Payments to Provide Superb Customer Convenience

Instant payments represent a true revolution not only in the payment ecosystem but also in the life of citizens and businesses. By facilitating money transfers in a few seconds, no matter if it is weekend or a business day, the bank has made it possible for customers to have immediate access to their funds, for example, to withdraw earnings from ATMs whenever they want instead of waiting for the next business day. Apart from easy payment for goods and services from a customer's point of view, there are important benefits for merchants as well, since, with IPS in place, they can receive payments in a matter of seconds and have the funds available immediately, at all times, every day in a year [24x7].

Furthermore, as instructed by the National Bank of Serbia, large billers standardized QR codes on their bills so that IPS R2P (request to pay) applications can scan QR codes enabling users to pay their bills for utilities, TV, mobile phone usage, etc. fast and easy. In other words, the IPS project ultimately provides both QR code scanning and paying bills in a few minutes, which was not possible before the regulation was implemented and technology made it possible in practice.

Banka Poštanska Štedionica: "Always keeping up with Innovations"

The banking and payment systems in Serbia have been going through modernization, overcoming challenges and leveraging technology to drive innovation and competitiveness.

"One of the most important advantages of the Instant Payment System is that it enables quick, simple and secure service. Working together with Asseco SEE & Payten on such an extensive project of national significance has resulted once again in achieving results that have a great impact on the service and experience we provide to our customers, but also on an even more important goal of us all – creating a successful and modern ecosystem for our country and our citizens through continuous innovation."

Jelena Sekulović, Payment Cards and Digital Banking Department Manager of Banka Poštanska Štedionica.

Instant Payment System in Numbers

> **30.000** Bank customers who use m-banking and e-banking with IPS enabled

> **60 %** Increase in use of digital banking channels for payments after IPS implementation