Transzine

Issue 19

IRIS wins Best Application Award at Asia Pacific ICT Awards 2008

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TPS

http://www.tpsonline.com

Soneri Bank
Soneri Bank implements end-to-end data protection and high availability

Today's competitive banking landscape and mature customers demand world class services while ferocious competition stresses the need for service differentiation. Soneri bank committed to service excellence and technological advancements, has a wide array of innovative services depending on advanced systems. To ensure continuity of its mission critical applications and services, Soneri Bank implements, for the first time in Pakistan, Disaster Recovery Solution making its entire core banking and Phoenix switch completely high available via Symantec's Veritas solutions. This implementation makes Soneri Bank the first bank in Pakistan to have its core banking and Phoenix switch work in a clustered environment.

The bank's country wide operations are controlled through two most critical systems namely the web based Online Centralized Core Banking application; and the Phoenix switch that controls the banks entire alternate delivery infrastructure. The bank has recently migrated to a new centralized core banking application which comprises of Retail Banking, Trade Finance, Corporate and Commercial Finance, Consumer Finance, Foreign Exchange & Treasury modules. Since even a few minutes of downtime of these mission critical applications is unaffordable and any data loss could be potentially catastrophic, ensuring end-to-end data protection and 24/7 availability of these systems now ensures smooth enterprise-wide remote banking operations.

With this contingency plan in place, Soneri Bank is now shielded from the catastrophe of system failures. Clustering at Soneri bank, through industry's leading cross- platform clustering solution, Symantec Veritas Storage Foundation, ensures high availability of mission critical applications and systems, particularly Phoenix switch and core banking host, with ideally zero data loss; thus ensuring business continuity, uninterrupted services to bank's customer, and measurably greater visibility, control and flexibility over Soneri's mission critical applications and storage environment. The robust and reliable solution provides data consistency and integrity at primary as well as disaster recovery site.

The biggest challenge encountered during the implementation process was to maintain continuity of the e-Banking services at the bank and existing alternate delivery channels. TPS sound technical resources ensured smooth flow of normal operations during the cutover through proactive management of the migration process.

Standard Chartered
Standard Chartered Bank successfully migrates to Phoenix

Standard Chartered Bank (Pakistan) Limited has seamlessly migrated to Phoenix switch from CR2 Sparrow. As the largest and fastest growing international bank in Pakistan with 162 branches spread across 41 cities, the bank now has Phoenix as a transaction platform that enables the alternate distribution channels.

SCB, after acquiring Union Bank in Pakistan, had decided to move to a switch that can help it maintain a competitive advantage in the market. The bank had three options: 1) to outsource the ATM switching functions to EuroNet where most of the countries in the group had been going. 2) If switch was to be in-house, upgrade Sparrow to its latest version. 3) To implement Phoenix.

After a lengthy evaluation phase and due diligence, the bank selected Phoenix as the switch for consolidating its remote banking operations. Prior to the merger with Union Bank, SCB was using an older version of CR2's Sparrow and Union was using Phoenix to drive its e-Banking services.

TPS continues to expand its frontiers internationally

Bank Melli Iran contracts TPS for its entire alternate distribution program in Oman

Bank Melli Iran (BMI), also called National Bank of Iran, has opted for Phoenix for its ATM and debit card program for its branches in Oman. Being the first national Iranian bank, BMI is now the largest commercial retail bank in Iran with over 3300 branches and 43,000 employees.

To keep up with the competition and to cope up with the rapidly changing market dynamics, Bank Melli Oman decided to migrate to Phoenix switch from its existing transaction platform. The previous already running switch architecture did not offer the flexibility of enhancing or incorporating feature rich services over the alternate delivery channels for its customers in Oman. Phoenix was selected among the world class solutions, because of its flexibility, time to market the solutions and the functionalities of Phoenix which range from the ATM switch to the integrated delivery channel manager.

Switch migration, being a complex and a multi-pronged activity will be divided into several stages to make the entire process seamless and to ensure that the banks customers face no interruption in the services.

Phoenix, as a unified ATM controller and a debit card switch, will initially work as an ATM controller and integrated delivery channel manager besides providing deposit functionality through the cash deposit machines while in the later phases it will also provide EMV acquiring. The uniqueness about the cash deposit functionality will be that it will offer card-less deposit automation which means that any customer walking in to use the cash deposit machine will be able to do so without the need for a card and also that the deposit functionality will be incorporated into the banks self service infrastructure, Phoenix. The scalable and modular design of Phoenix will enable the bank to add new services and delivery channels as and when required.

Bank Saderat Iran contracts TPS for its ATM and Debit card program in Oman

Bank Saderat Iran, one of the largest privately owned bank in the region operating 3248 branches, has selected Phoenix to manage its complete ATM and debit card program in Oman. TPS has been selected by BSI through its reseller, Al Madina, a leading provider of magstripe card personalization services to major banks in the country.

At BSI Oman, TPS will serve as a one window solution provider for its hardware, software, ATM, consultancy as well as project management needs. Phoenix was selected as the ATM switch and alternate distribution manager among the other world-class solutions in the market because of its flexibility, scalability, and reputation in the Omani market. Phoenix has already been successfully running in HBL Oman and its flexibility and success in Oman sets an example for many other banks.

Phoenix will work as a unified ATM controller and a debit card switch. The implementation of Phoenix will provide a robust and flexible platform enabling the bank to add various value-added services through ATMs and other alternate delivery channels, while maintaining a single interface to their back-end and core banking systems.

Azizi Bank Afghanistan, one of the most progressive banks acquires Phoenix for its e-Banking needs in Afghanistan

Azizi Bank, one of the largest banks in Afghanistan operating under the ownership of the Azizi Hotek group, has recently inked a deal with TPS for its ATM and debit card program. Azizi Hotek group has its daughter companies in 10 countries of the world with overall number of 5450 employees with 38 branches operating under the Azizi Bank.

Azizi Bank has a strong focus on being a technology driven bank and has recently embarked upon the process of setting up its own ATMs to allow its customers a wide variety of convenient e-Banking services round the clock. For this purpose, Azizi Bank has selected TPS Phoenix that will become the bank's e-Banking infrastructure, while also taking advantage of the complete remote banking monitoring solution, Insight.

ACCeSS, debit card issuance solution will be managing the bank's complete debit card personalization and management program. Moving forward, the bank also plans on issuing and acquiring EMV cards. With this implementation, the bank will enable its customers the facility to conveniently access their funds via a variety of alternate delivery channels. In addition, the bank will also provide Visa & Master-Card facilities and hence enable its customers to enjoy the benefits and convenience of Debit and ATM cards.
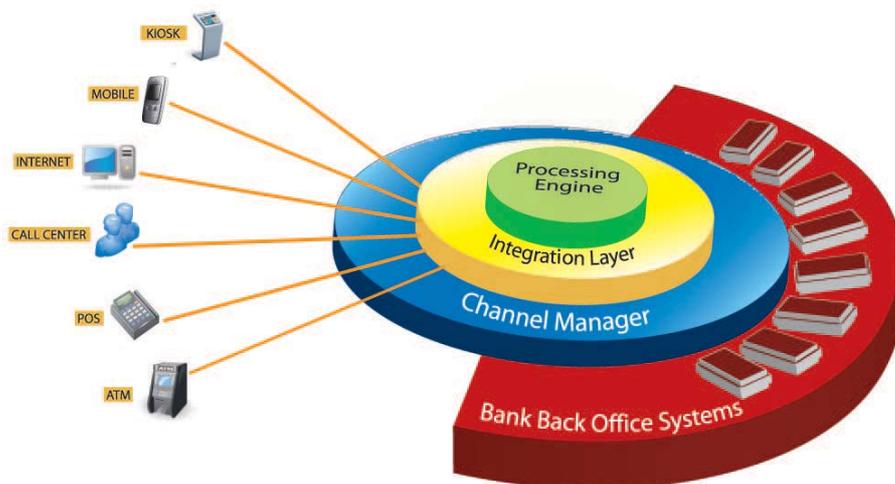
PHOENIX Transaction Switching Platform

Interview: Soneri Bank implements Disaster Recovery

In an Interview, Soneri Bank's EVP – Head of IT, Mr. Haider Devjianie, speaks about the successful implementation of Symantec High Availability-Disaster Recovery Solutions

What challenges was Soneri facing that led to the need for Symantec's High Availability solutions?

Since the global environment has changed and the increase in physical attacks are making systems more prone to risk, the fear of disaster has increased. Organizations should now really think over the implementation of dependable DR solution. In Pakistan, disaster could occur anywhere and anytime, with not only natural calamities but also terrorism. Few incidents in the recent past have now convinced everyone to prepare for contingency to avoid any serious consequences. Implementation of high availability solution becomes inevitable and vital for

> *"Disaster could occur anywhere, with not only natural calamities, but even fear of terrorism is always there. Implementation of high availability solution becomes inevitable and vital for Banks to serve customers 24 x 7 and to make the business continuity plan properly functional. "*

banks to serve their customers 24/7 and to make their businesses continuity functional.

The business critical applications are always trusted to continue the business, as well as it being the responsibility of business to trust the IT. To ensure continuity of our business, we needed to ensure that our applications would not suffer. It was a big challenge for us. We came across very few business enterprises in Pakistan who have practically

implemented the solution. Our core banking application, which was relatively new in Pakistan, needed confidence from the business side through the hierarchy. For this we evaluated different solutions and found Symantec Veritas to be the best.

What were the key reasons to choose Symantec's enterprise-wide High Availability solutions?

We started evaluating Symantec Solutions in 2003. The brand name of Veritas and the technology offerings to the customers is the best-in-class.

Symantec is continuously investing in their R&D area more than any other business concern. Moreover, they are offering an extended support to Pakistan.

Soneri Bank, being one of the important sites for TPS, silver partner of Symantec, receives great support from Symantec. This excellent support of Symantec solutions by TPS was a key factor in deciding in favour of the total solution package.

During my evaluation of Symantec's solutions, I interacted and met CIOs of banks operating in the Middle East / Gulf region and found Symantec to be a very popular and successful solution. Therefore, technology was the primary reason followed by the brand name, supplemented by successful case studies of banks and other mid and large scale business enterprises.

Why did Soneri Bank choose TPS to help fulfill this initiative?

When we discussed with TPS about possibilities of having a DR solution, we received a prompt response. POC came in quic kly and went very successful. TPS knows the criticality of the bank's operations as well as the need to be available 24/7. TPS already knew the technical environment of Soneri Bank's business critical applications. TPS efficient support, reliable products and long-term relationship made it the first choice for us.

Symantec is a global leader in infrastructure software, enabling businesses and consumers to have confidence in a connected world. The company helps customers protect their infrastructure, information, and interactions

by delivering software and services that address risks to security, availability, compliance, and performance. TPS, being the silver partner of Symantec, has the business and technical expertise needed to analyze, design, implement and support Symantec solutions.

How has the implementation of Symantec solutions benefited the Bank?

Prior to the implementation of clustering solutions, the operations' people had to manually backup and restore data. These procedures are now automated, reducing our operational costs and increasing our process efficiency. Human intervention is minimized.

Moreover, machine is always impacted by downtime and there were few incidents which were reported to us in which one part was down and Symantec actually took care of the remaining part. In fact, at one occasion we lost few transactions which were reported to TPS on the ATM side but with the implementation of Symantec we were successful in restoring it. If we had lost the transactions, we would have faced big losses in terms of heavy volume.

Not only will this implementation increase our ROI continually into the future but also facilitate complete off-site data backup, which is very essential to our business. We are planning to have our off-site location in Karachi and elsewhere by March and ultimately one in Lahore. Only then we will heave sigh of relief!

> *"TPS efficient support, reliable products and long-term relationship made it the first choice for us. TPS, being the silver partner of Symantec, has the business and technical expertise needed to analyze, design, implement and support Symantec solutions."*

Interview: Soneri Bank implements Disaster Recovery

The implementation of Symantec DR solutions ensures business continuity, uninterrupted services to bank's customer, and measurably greater visibility, control and flexibility over Soneri's mission critical applications and storage environment. The robust and reliable solution provides data consistency and integrity at primary site, and in future disaster recovery site as well.

What is the general sentiment in Soneri Bank after being secured against disasters and inadvertent scenarios?

The core banking application is the mission critical application which we are running. We are the largest core banking site in Pakistan in a clustered environment with Symantec. Almost 1500 to 2000 users are being served from the Data Centre, in over 100 branches, 115 ATMs, over 300,000 customer base, over 150,000 cards.

We did the implementation of the core banking and simultaneously we made the application highly available so that has really secured us from any bad situation and any major downtime issue.

As you are aware that the banks are complying to BASEL II and for that the operational risks have to be covered. Once we implement the off-site location as hot backup then I would say that we will be covering the major part of operational risk. We are very much comfortable so far and we are having the privilege to be the first one implementing Symantec in Pakistan as far as the banking sector is concerned. It is the largest site of Veritas in Pakistan in a clustered envoirnment. Always pioneers feel pride.

How would you rate your overall experience with TPS during the course of implementation?

TPS are professionals in providing the services. We were very comfortable and are still very comfortable with TPS. We selected the right product, right organization and right project teams on both sides and completed the project. Synchronization between our technical team and your team was very well taken care of. The training and transfer of knowledge has also been very well done by TPS.

We are among the pioneers and we have a long relationship with TPS that goes back from the time when Phoenix was invented. The support from TPS is always appreciated and we hope in future, TPS is going to continue their support 24/7 for us.

"We selected the right product, right organization and right project teams on both sides ensuring successful completion of the project. Synchronization between our technical team and your team was very well taken care of. The training and transfer of knowledge has also been very well done by Symantec and TPS."

Standard Chartered Bank successfully migrates to Phoenix

Phoenix was selected over the options, each of which are world class solutions, because of the flexibility it offers, the cost-effectiveness inherent to the local company, time to market the solutions and its functionalities.

Besides serving as an ATM switch and an integrated delivery channel manager, the bank is benefiting from TPS' comprehensive monitoring solution, CMS and reconciliation system. Switch migration of a large and complex bank like SCB, being a multi-pronged activity, was divided into several stages.

The biggest challenge encountered during the migration was to maintain continuity of the e-banking services at the Bank and existing alternate delivery channels. Phoenix ensured that the Bank's customers do not face disruption in the services during the change from Sparrow to Phoenix. The smooth migration brought the alternate delivery channels of ex-Union and SCBPL together; creating one single real-time financial transaction processing system, and giving to the customers a single and unified view of the entire SCBPL's alternate delivery channels.

Phoenix, implemented as a unified ATM controller and a debit card switch, is acting as Debit CMS, Visa debit cards issuer, acquirer of Visa and MasterCard cards and ATM controller and the integrated channel manager. It's scalable, modular design enabled the bank to integrate the ATM channel onto a single platform - and add various new services and delivery channels as and when required - while managing the ever-increasing transaction volumes.

PHOENIX driving the Alternate Delivery Architecture at SCB (Pakistan)

IRIS wins Best Application Award at APICTA 2008

APICTA (Asia Pacific ICT Awards) is a high profile annual competition represented by the entire Asia Pacific region. Technology companies from countries like Australia, Singapore, Thailand, Hong Kong, Malaysia, Indonesia and Pakistan participate in this event and the best products are selected based on their innovation, market potential and market impact. The competition is based on the principle of "Best among the Best" as it is amid selected IT companies of the region whose products have won a national award in their respective countries.

IRIS, the transaction platform from TPS, having won the national P@SHA ICT Award 2008 was nominated as one of the contestants in APICTA 2008. This event, held in Jakarta –Indonesia during 11th-16th November, had 134 nominations from 11 countries in the region for 16 categories. IRIS was nominated in the Tools & Infrastructure category as it provides a complete financial transaction processing infrastructure. Out of the 11 global competitors within its own category, IRIS was selected as the winner of the category for its feature, functionality and support to business growth.

TPS is proud of its achievement and for bringing recognition to Pakistan IT sector as producer of world class products and services.

IRIS wins Best Financial Application Award at P@SHA ICT Awards 2008

IRIS – The Next Generation Transaction Middleware and complete enterprise e-banking suite from TPS wins Pasha ICT Awards 2008 for the "Best Financial Application" category.

The 4th National Annual ICT Awards by P@SHA was held on October 31, 2008 at the Marriott Hotel in Karachi to distinguish and commemorate innovation in the Pakistan ICT Industry. Businesses from all the major cities of Pakistan actively chipped in by nominating their products for the highest honours. A highly competent jury comprising the most revered personalities of the sector screened through the nominations and picked the best as winners and runners-up in each category.

The success of IRIS in such a competitive battlefield is a testimony to the TPS in-depth domain expertise and pioneering technologies. The complete alternate distribution channel manager, IRIS, provides unique value to customers by packaging and integrating product sets that match their individual needs and payment preferences and then delivering them through any channel they prefer free from time and geographical boundaries.

Key players from the IT and the corporate sector were present at the ceremony to acknowledge and applaud the creativity and ingenuity of the winners – including top executives from banks, multinationals, nationals and start-ups. Shahzad Shahid, heading the dynamic business growth of TPS worldwide, received the award on behalf of TPS.

TPS sponsors GIKI's ACM Softcom Event, 2008

GIKI's ACM Softcom '08 - an All Pakistan Software, Multimedia, Quiz and Speed Programming Competition, organized by the students of GIKI, was indeed a jewel in the crown of university events held in this year. TPS was the main sponsor of the event.

ACM, the world's largest educational and scientific computing society, delivers resources that advance computing as a science and a profession. ACM - GIKI Chapter, a sub domain of ACM International, organizes various technology oriented events throughout the academic year.

Softcom '08 proved to be a great opportunity for all the participants from all over Pakistan and abroad. This provided a great platform for the contestants to compete on the basis of pure merit and brilliance. The contesting teams and individuals were awarded cash prizes summing up to Rs. 500,000. 101 teams comprising of 282 participants from around 50 universities participated in this event through 6 competitions. The total audience summed up above 1200. TPS also exclusively sponsored Speed Programming Competition.

Softcom '08 was not just a series of hectic competitions. ACM GIKI chapter organized an Entertainment Night for its event's participants, featuring Irtaash, Cover Bands and in-house performances. The E-Night helped the participants ease out their tensions and enjoy their stay at the GIKI campus.

Get Protected against Frauds

Today, financial institutions are facing a dynamic enemy in their fight against fraud. Fraudsters are becoming more experienced and ever increasing number of fraudulent techniques are being developed every day. The explosion of electronic commerce, combined with a growing concern about customer relationship and satisfaction, has forced institutions to reorganize the way they monitor potentially fraudulent transactions. Unfortunately it is not enough to be quick in response, today's situation calls for more proactive rather than reactive measures. As criminals specifically target unprotected organizations, it has become imperative for financial institutions to have a responsive and "future-proof" fraud monitoring and management solution.

Infras is the next generation integrated, intelligent fraud detection and risk monitoring solution for issuers and acquirers of debit, credit and other types of payment cards which can operate in real time.

The product is scrupulously designed to address the issue of fraud detection, prevention and to ensure proactive risk management. The most powerful feature of Infras is its flexible Rule Generation User Interface. An Infras user can monitor scenarios like: number of incorrectly entered PINs, cash withdrawal limits per given time period, cumulative, consecutive and single transaction amount limits, limits on a total amount spent in a given time period, number of transactions in a given time period, number of transactions at a single terminal, various time limits for completing certain actions/transactions, transaction limit, transactions done in a risky country or a risky merchant category, transactions from a specific card number etc.

Infras offers many features, some of which are:

- Monitor fraud as it happens
- Highly configurable rule based fraud detection
- Monitor the live status of fraud, with an intuitive and user friendly fraud monitoring interface
- Automatically assign suspicious cases to relevant analysts
- View all the system activities at a glance
- Receive SMS/email alerts of suspicious activities
- Achieve reports and rule history

General Body Meeting 2008

Another Annual General Body Meeting was arranged on November 29, 2008 at the Khursheed Mahal Hall, Avari Towers. The full day event continued until 9.00 p.m. as planned and was represented by 150 members of the TPS family.

The event started with a Qirat and brief agenda and went straight into the presentations by all the teams. Each of the presentations provided a well-rounded review of their team's performance, strengths, initia-tives and achievements over the past year while sharing their plans for the year ahead. The team leads took the opportunity to appreciate the performance of the star achievers for the year. Two tea breaks in between sessions provided the employees of TPS to socialize and enjoy some snacks. The annual general body meeting brings an opportunity for all the employees to share, learn and provide input on the past and future initiatives as well as to coherently hear the employee's views and any suggestions or interests to streamline and make the processes better for the year ahead.

The session ended with a well rounded and lively closing note by the CEO, Mohammad Sohail and the director, Mubashir Rahim. The CEO's speech started by highlighting the overall success of TPS during the past year and went on to enlighten and flash in a few words the phases TPS has encountered since 1996. He highlighted the growth from a 2 man company to an organization comprising over 150 members where success was achieved simply because *"TPS, as a united family, dared to dream and followed its dreams with passion and single minded devotion".*

The highly energized closing note was an encouraging and appreciative one, commending TPS family for its meritorious achievements during the year despite all the economic odds and global turmoil. He highlighted the company's forward looking approach to embrace the New Year with rejuvenated hope, vigor and enthusiasm. He also said that the strength of TPS emanates from its core values of unity, comradery, ingenuity and optimism. The closing speech was followed by a dinner where everybody had a great time.

E-Banking transactions in Pakistan grow 32 percent to Rs. 13.9 trillion in FY 2008

E-Banking made its debut in UK and USA during 1960s and became prominently popular through electronic funds transfers and credit cards. The ATM is more than 40 years old now, with the first transaction being made at a branch of Barclays Bank in Enfield, London, on June 27, 1967. Since that time, ATMs have gone from being an exciting new technology to a tried-and-trusted part of banking infrastructure. From 1967, when the very first ATM was installed in London, it took 33 years for the industry to reach the 1 million mark. To reach 1.5 million, it has taken the industry only six years- that sure puts the phenomenal growth of the ATM industry into perspective.

Improved services, greater penetration

Expansion of alternate delivery channels to distant cities and villages has enabled banks to penetrate deeper into Pakistan's socio economic system by offering various standard and novel e-banking services from tier 1 to tier III cities. With the launch of biometric ATMs and inter bank funds transfer via POS terminals, banks have been able to reach out to the un-banked population of grass-roots in Pakistan.

The several advantages of e-banking to the financial institutions include lower transaction costs, 24 hour services availability, expanded business territory and dramatically increased operational efficiency in day to day business. The obvious advantages to the consumer are convenience and flexibility on top of powerful and user-friendly financial management tools.

Strengthening channels, emergent trends

E-banking is flourishing in Pakistan as reflected by a 32% growth witnessed in it last year, said a report prepared by the State Bank.

Within the local banking sector, Allied bank has the largest ATM network with over 465 ATMs. Its nearest competitors are UBL and HBL, having ATMs of over 330 ATMs. 1LINK, the largest shared ATM network in Pakistan, is a consortium of 27 major banks, catering to a network of around 2771 ATMs in Pakistan.
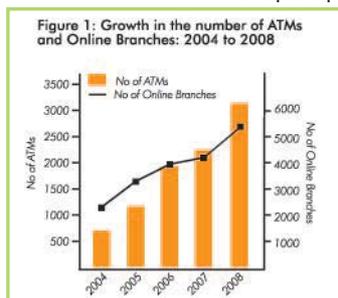
According to a report titled 'Retail Payment Systems of Pakistan paper-based and e-banking of the State Bank of Pakistan, a total of Rs124.6 million e-banking transactions were recorded valuing Rs13.9 trillion during the last fiscal year (2008), showing a growth of 25.4% in numbers and 32.3% in amount when compared with the fiscal year 2007.

During FY08, the volume and value of e-Banking channels (POS, Internet & call centre/IVR, and mobile) transactions in the country reached 20.0 million and Rs120.1 billion, depicting an increase of 15.6% in numbers and 31.9% in value as compared to 46.0% in numbers and 63.8% in value in the previous fiscal year.


Figure 2: Transactions through ATMs, 2004 to 2008

According to the report, the quantity of active in-use debit / credit cards during FY08 reached 6.7 million, which shows an aggregate growth of 15.8%, compared with a 53.7% increase in the previous fiscal year.

Figure 3: Number of ATM/debit /credit cards (000's) in issue: 2004 to 2008

The quantity of credit cards has in fact decreased by 8.9% as compared to 74% increase in the previous fiscal year, reaching 1.5 million.

In contrast, the debit cards registered a growth of 24.7 per cent as compared to 45.3% increase in previous fiscal year and stood at 5.0 million. Out of a total of 6.73 million cards, 0.391 million cards are chip based which is 5.81% of the total cards. Currently there are only a few banks which are issuing smart cards.

The report pointed out that the total number of ATMs during FY08 stood at 3,121, registering a growth of 21.0% as compared to 17.0% increase in the previous fiscal year.

Figure 1: Growth in the number of ATMs and Online Branches: 2004 to 2008

The volume of Real Time Online Branches (RTOB) during FY08 stood at 5,282 and recorded a growth of 26.4% as compared to 5.0% decline in the previous fiscal year.
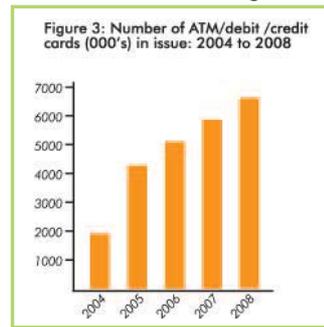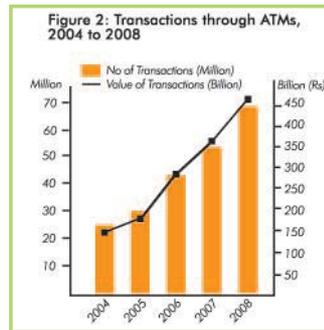
The volume of Point of Sales (POS) stood at 55,853, showing a growth of 21.0% in number as compared to 4.0% increase in the previous fiscal year.

According to the report, during FY 08 the volume and value of ATM transactions in the country reached 67.9 million and Rs453.0 billion, showing an increase of 31.8% in numbers and 43.2% in value as compared to 47.1% increase in numbers and 49.9% in value in the previous fiscal year.

ATMs are commonly used for small value cash withdrawal. ATMs usage for Intra-bank and inter bank funds transfer is increasing compared to the previous quarters with the value of such transfers reaching Rs. 13.125 billion, depicting an increase of 25.6. The inter-bank fund transfer is only offered by 11 banks on 1Link switch.

There are few banks which offer transactions through mobile. These transactions include payment through mobile (excluding utility bills payment), account to account funds transfer and 3rd party funds transfer.

Continuous innovations & future prospects

With a large unbanked population of 62 % in Pakistan, biometrics, branch POS and mCommerce is expected to emerge in future. Making e-Banking and e-Payments more affordable to banks and their clients in unbanked areas is still a major challenge, which has started to be addressed very recently with the launch of Biometric ATMs, mCommerce and funds transfer facilities via POS to the unbanked population of Pakistan. With the right checks and balances in place, a lot more people will be able to move smaller quantities of payments a lot quicker through various delivery channels such as the telecom infrastructure.

The use of credit cards has decreased by 8.9 % in FY 2008, whereas debit cards grew by 24.7 %. The use of prepaid cards will increase as compared to the credit cards due to the shrinkage in paying power of people. The prepaid card market is one of the fastest growing payment card segments.

Prepaid Debit Cards: Convenient and secure alternatives to cash or cheques

The prepaid market is one of the fastest growing payment card segments. According to predictions by Mercator Advisory Group, in the United States alone, the open-loop, branded prepaid market will experience an average annual market spend of US$28 billion, and the closed-loop, private label prepaid market US$171 billion between 2006 and 2009. This equates to 33 and 6% annual growth respectively. In addition, research by MasterCard estimates that spending on prepaid cards in Europe may reach US $120 billion by 2010.

Prepaid cards contain pre-loaded funds that cardholders can spend anywhere in the world where the card is accepted example a Visa or Master card will be accepted anywhere in the world where these cards are accepted. In recent years, prepaid and gift-card products like the Visa Prepaid card have increased significantly in popularity. From 2003 to 2005, the number of large merchants offering gift cards increased from 53% to 82% and spending on prepaid payment cards globally is expected to total more than US $720 billion by 2010.

An opportunity to target the untapped debit card market

Prepaid cards provide banks an excellent opportunity to attract and retain clients, be it the untapped debit card market such as children or the clients who wish to have an additional card to enjoy convenience with security. Prepaid card products are most attractive to consumers who are:

- Too young to have a debit or credit card
- Do not have a bank account
- Unable or unwilling to use traditional banking channels such as retail branches
- Do not wish to use their existing debit or credit cards for online shopping
- Have a specific need (often time-limited) to buy products or services

Prepaid Cards also cater for many commercial applications that meet specific needs of corporate organizations. Some of these applications are payroll, commission payments, Incentives disbursements & travel & expense management.

Protection, convenience and more

Around the globe, prepaid programs support a wide range of products and services, typically targeting specific market segments with focused services. The focused nature of prepaid means issuers require highly flexible, end-to-end solutions that can quickly adapt to new market requirements and trends. From protection against unauthorized purchases, to being welcomed around the world, every Pre paid cardholder enjoys a suite of standard benefits designed for maximum peace of mind and convenience. Prepaid cards make it easy to give and receive money and can help increase sales: many consumers spend more than the original face value of their gift cards, often nearly twice as much. They can also help protect against fraud and theft: prepaid cards are more difficult to counterfeit than paper gift certificates.

Customers can enjoy the benefits of a card being:

- Powerful tool to encourage financial responsibility
- Convenient and flexible way to pay
- Safer than cash
- Parental control and peace of mind
- Wide acceptance—everywhere Visa or Master debit cards are welcome

TPS Prepaid card solution

As institutions prepare for the implementation of prepaid card programs, they must consider the full prepaid life cycle. TPS's solution supports the full life cycle for open-loop and closed-loop product types, including Program management (establishment of business rules, processes and pricing), Customer card, account creation and management , Card inventory management, and funding (value loading) procedures etc.

TPS prepaid solution's flexibility allows issuers to select only those components needed to support their particular requirements.

TPS offers a flexible, end-to-end prepaid solution based on more than 12 years of global experience in both consumer and corporate electronic payments. With TPS's software and services, issuers have a viable alternative that offers flexibility and the ability to offer unique services and programs based on market needs. UBL, with the launch of UBL Wiz prepaid Debit cards, is already enjoying a whole new customer base, by issuing the prepaid cards for its account holders and non-account holders alike.

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By Omar Ahmed
Product Manager, IRIS