

DIGITIE

Solution for Digital Banking

This paper gives an overview of the innovative front-end software DigiTie, developed by Online Business Technologies.



Introduction

In recent years, a wide range of technologies (such as mobile devices, big data, Artificial Intelligence, APIs) have emerged and have been deployed, enabling new, innovative financial services to provide customers 24/7 location-free, simple, and automated services.

These changes have transformed consumer habits and enabled the technology providers (FinTech and BigTech companies) to appear in the financial sector. The entry of new players has brought along new business collaboration models: today, the cooperation between banks and FinTech companies has become a typical feature, whereby several service providers offer services coordinated at the IT systems level to customers (eg online shopping, crediting).

The trend is clear. In the next 5 to 10 years banks and other financial organizations should make all their services available to their customers and partners 24/7 automatically, via an electronic channel (eg Internet bank, mobile bank, APIs). This is the world of digital banking (open banking or digital banking).

Digital Banking requires the rethinking of the front- and back office operations of banks.

There must be solutions 24/7 serving clients & partners on different e-channels and there must be a powerful back-office solution that can support the sales & other activities real-time, day and night.

Here, DigiTie helps.

DigiTie enables the clients and partners of financial institutions to access 24/7 any desired financial service, like PSD2 services, instant payment or credit and debit management etc., through electronic channels. DigiTie is able to provide direct electronic customer channels such as a mobile bank or an internet bank, and it can also handle the standard interfaces (APIs) to enable the transmission of orders and queries from financial institution partners. DigiTie is an optimal choice for those financial institutes, which are looking for a long-term solution to give access to any of their services through electronic channels to their customers.

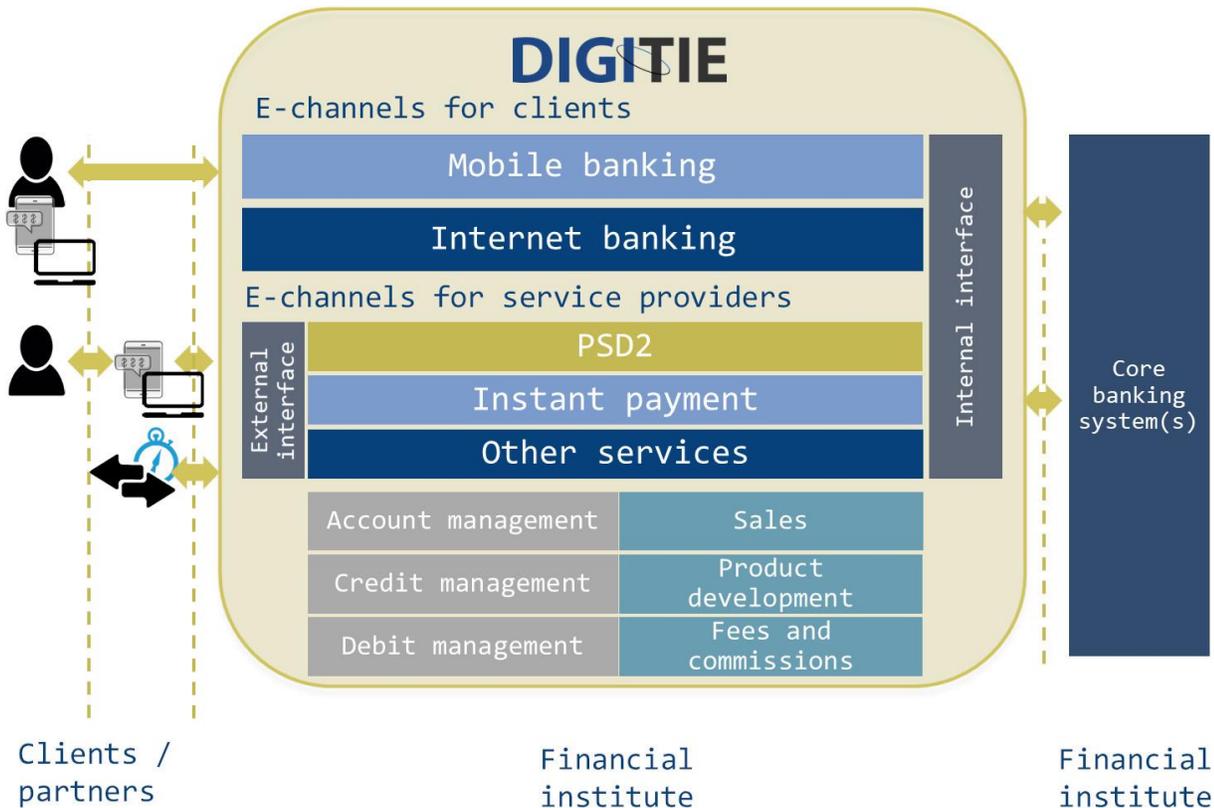
DigiTie

DigiTie is a 24/7 software that handles a wide range of electronic channels (eg mobile banking, APIs) and is able to provide the complex services provided by the basic banking system (eg account management and transaction management, lending, deposit management) even if basic banking systems are not available.

Self-contained, complex service is one of DigiTie's biggest benefits.

The majority of the software serving electronic channels is more likely to mediate between the clients/partners' software (eg mobile banking, webshop) and basic banking software, but has very limited potential for independent servicing in case of unavailability of the basic banking software (eg typically they provide only balance and account information). DigiTie is completely different. DigiTie can provide complex services 24/7, such as handling overdrafts and instant payments (HCTInst/SCTInst). DigiTie can independently perform even a complete credit sales process. We can enable DigiTie to provide virtually any core banking service and to later synchronize with banking core systems to maintain consistency of background systems.

The DigiTie service concept is presented in the following figure.



DigiTie is able to provide direct electronic customer channels such as a mobile bank or an internet bank, but it can handle the standard interfaces (API) to provide orders and queries from financial institution partners.

DigiTie-supported services, like the MoonSol system, can be customized on demand: if, for example, a particular financial institution already has a well-established and customized Internet banking solution, DigiTie can be tailored to handle indirect electronic channels only.

Due to DigiTie's customization, it is possible to gradually open services to the outside world, so it's a viable option for a credit institution to provide, in a first round, only the services made obligatory by the PSD2 directive No. 2366/2015 (availability of funds, payment initiation, account information), which can be followed by a number of services, such as instant payment (HCTInst / SCTInst), or online lending.

Another advantage of flexible customization is that DigiTie can be unique or uniform on demand. Many of our partners prefer that the DigiTie solution they use be "off the shelf", that is a software solution used by other customers and therefore cheaper, while others are insisting on more expensive, but competitive customized product. DigiTie, like MoonSol, can combine these "common" and customized elements in a unique way.

DigiTie can be operated cost-effectively. According to the requirements of a financial institution, DigiTie can be installed locally, in the IT infrastructure of the particular financial institution (on premise), or DigiTie can be made available in centrally managed operation, as Software as a Service. In this latter case, the financial institution will have a separate DigiTie copy, but the operation will be managed by our company.

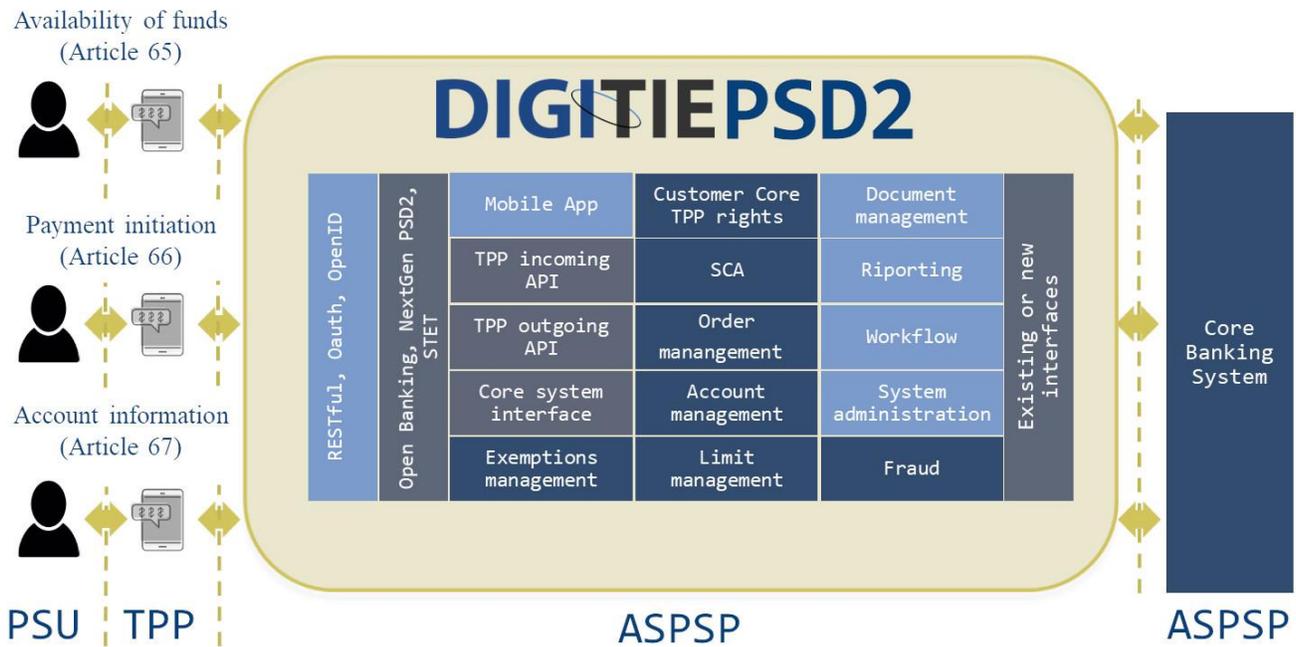
WHY CHOOSE DIGITIE?

Because...

- DigiTie is able to provide, in a stand-alone way, complex, 24/7 services. Contrary to most solutions available on the market, DigiTie can provide a complex service, such as lending or deposit management, independently, without the support of the banking system. This allows the financial institution to offer any service to its partners, guaranteeing the financial institutions a competitive advantage, and also increased revenues.
- The range of services supported by DigiTie can be gradually expanded. If you choose DigiTie, you do not need to implement all the services at once; if, for example, a financial institution, for the time being, only plans to open services mandatory by PSD2, they can be implemented on a stand-alone basis. As a result, DigiTie can be implemented at reasonable costs and can be expanded later on, taking into account business opportunities.
- DigiTie is a good investment in the long run. Many financial institutions plan to integrate APIs serving PSD2 queries into existing Internet banking applications. However, these applications are largely incapable of e.g. to provide instant payments, so you will need to acquire, integrate, and coordinate new systems. By investing in DigiTie, the financial institution will acquire software scalable in the long-term.
- The operation of DigiTie can be outsourced, thus reducing the cost of the financial institution's IT/support team.

DigiTie PSD2

DigiTie PSD2 enables banks to be compliant with PSD2.



DigiTie for PSD2 serves as a front-layer for banks to manage the requests of TPPs (Third Party Providers) from PSUs (Payment Service Users) 24/7/365 and to transfer the requests to core banking systems of ASPSPs (Account Servicing Payment Service Providers). It is developed to be compliant with any PSD2 standard (OpenBankingUK, NextGenPSD2, STET). The solution uses state-of-the-art technologies like RESTful interfaces, TLS 1.2 for secure connections, OAuth 2.0 and OpenID Connect 1.0 for authentication and authorization, X.509 for certificates. The PSD2 solution provides different options for SCA, such as the classic combination of static passwords and dynamic passwords sent in SMS, or highly advanced methods like the combination of using fingerprints and mobile app-based certification. The mobile app for SCA is available on iOS and Android platforms. It is also possible to rely on the existing SCA methods of banks.

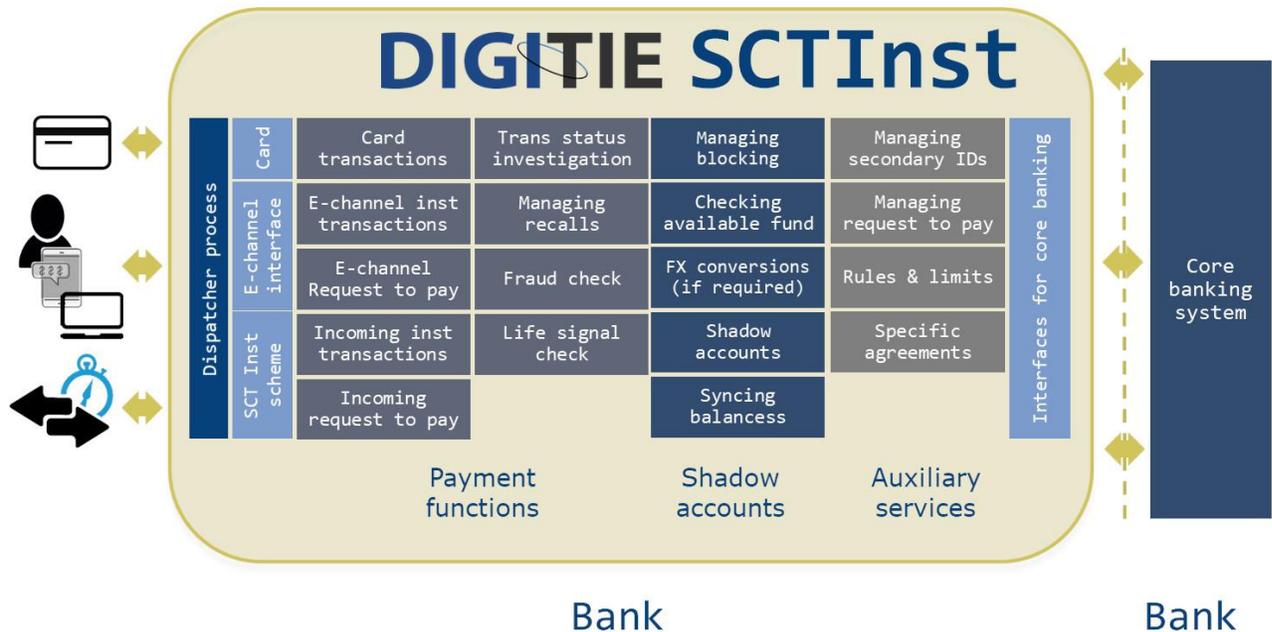
Upon request, we can connect DigiTie for PSD2 to core banking systems using either existing bank e-channel (e.g. Internet Banking) interfaces or a new, customized interface. In the case of existing interfaces only minor development is required from the bank. The solution is able to handle exemptions from SCA, like low-value transactions, contactless payments etc. In order to ensure secure operation, it also includes limit handling, and as part of the Fraud component offline confirmation etc.

DigiTie for PSD2 helps you to be compliant with PSD2 regulations and gives you the opportunity to extend the solution with further services later (see on the next page).

DigiTie Instant Payment

DigiTie helps banks to join the SEPA Instant Credit Transfer (SCTInst) scheme. Under SCTInst payment transactions are accomplished within seconds, making this payment method competitive with card payments.

And here DigiTie Instant Payment helps.



DigiTie Instant Payment enables banks to join SCTInst scheme. DigiTie Instant Payment can 24/7 connect to central payment networks even if the DigiTie Instant Payment software is being upgraded. The solution can initiate instant payments recorded in e-channels (eg. in the mobile bank) and can manage incoming instant payments. In addition to instant payments, DigiTie Instant Payment can manage requests to pay.

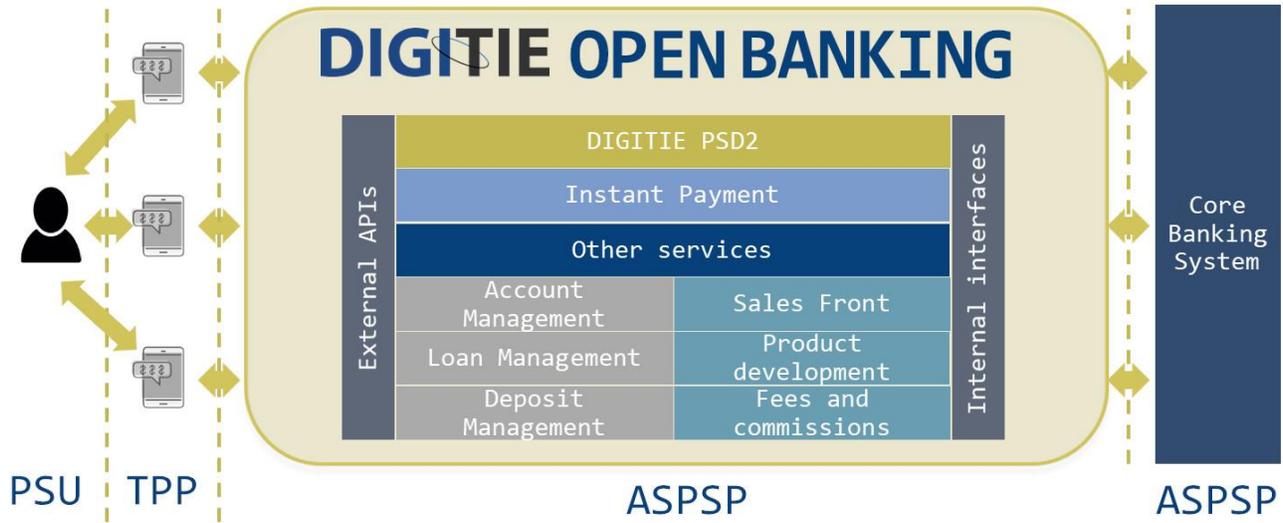
DigiTie gives a full-scale support for these transactions: DigiTie manages messaging with central schemes, recalls payments on client request, investigates the status of payments if no message has been received on the execution, does fraud checking etc.

DigiTie can also manage secondary identifiers of clients, so it can initiate a transfer to a mobile number associated with a bank account.

DigiTie Instant Payment is working closely with core banking systems and can manage instant services even if core banking systems are down. It is possible because the solution is capable to manage a 'copy' of the current accounts of the clients, which are synchronized regularly with the core banking system.

DigiTie Open Banking

While DigiTie PSD2 opens services necessary to be compliant with PSD2, DigiTie for Open Banking can open up additional services to join FinTech ecosystems. The options are endless in this area, which might include 24/7 loan disbursement based on applications submitted by FinTechs, or creating deposit accounts based on the request of PFM (Personal Finance Management) solutions. DigiTie for Open Banking includes all the functions of DigiTie for PSD2 and provides additional features to help the cooperation with FinTechs.



These features include custom-tailored Open APIs for FinTechs under RESTFUL or other technologies (e.g. SOA web service). While DigiTie for PSD2 opens only a few payment services free of charge, DigiTie for Open Banking makes other banking services (e.g. loans, deposits) available under agreed business terms.

In order to support these services 24/7, DigiTie for Open Banking provides core banking functionality for time periods when the main systems are down, serving as a shadow core system. These new services will be available for agreed fees that can be managed by the Fees and commissions module. New channels might require the selling of new products. This is the point where the Sales front and the Product Development modules can help.

About Online Business Technologies

We are an innovative IT development company specialized in banking technology since 1989.

We provide a wide spectrum of highly flexible solutions necessary for banks to go digital, including modules to join FinTech ecosystems (e.g. PSD2, open APIs, instant payments), e-channel solutions, and state-of-the-art core banking modules to support front- and back-office operations (including account management, credits, deposit, GL etc.)

Our modules can be combined freely, we are able to deliver a standalone solution for a specific task (e.g. PSD2), or a series of modules covering the complete value chain (e.g. credit processes).

Our operations in numbers:

- Nearly 2500 years of banking, financial software development experience
- Our solutions are used by more than 8000 users
- Our solutions are used in more than 1000 branches by our customers
- Our partners serve more than 3 million customers with our solutions

OUR VALUES

UNIQUE COMPETENCE Our experience and professional knowledge in the field of credit institutions and finance is unique among IT providers.

CUSTOMIZED SYSTEMS With the help of our unique development and version management technology, our modules can be customized and implemented rapidly. We also have extensive experience in realizing unique functionality.

HIGH QUALITY Owing to the quality control system covering all of our activities and to the controlled development processes, our systems are of high quality and reliability.

QUICK RETURN Fast launching of developments that save customer resources, increased efficiency in management, flexible response to market trends – these all result in our customers gaining advantage in the rapidly changing financial market.

For more information check out our website: www.online.hu and [contact us!](#)

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