

# OPEN BANKING AND PSD2

An accelerator for new business models in digital banking

The financial services industry is not immune to the various disruptions occurring in the digital era. One such digital disruption is the proposed institution of PSD2 regulation – second Payment Services Directive – that impacts banks in Europe.

PSD2 brings a set of very clear norms that banks need to comply with, and with a tight deadline of October 2018.

As part of the regulation, European banks will be required to open their banking platforms to external parties such as:

- Regulators
- Payment Initiation Service Providers (PISPs), who will be able to execute instant payments through the banks' platform
- Account Information Service Providers (AISPs), who will be able to gain access to the banks' customers' information, and derive insights on account information and transaction history

Simply put, the regulation requires banks to open their platforms to allow external parties to transact with it.

## ABOUT AXXIOME DIGITAL:

Axxiome Digital is a platform designed to purposefully transform financial institutions into customer-centric and future-ready digital enterprises. The platform supplements the existing technology landscape with ready-to-use omni-channel solutions and UIs, out-of-the-box banking processes, and digital widgets that ensure seamless operations and superior experiences in every customer interaction across devices and channels.

## Axxiome Digital architecture for Open API and PSD2



While PSD2 is mandatory for banks in Europe, there is definite merit for banks, globally, to leverage open API banking that enables them to unlock new business opportunities.

Axxiome Digital provides seamless integration capabilities to any core banking solution enabling:

- ✓ Central management of all business processes and rules
- ✓ APIs providing access to all customer and account information
- ✓ APIs to securely trigger payment transactions, consult balances, turnovers, etc
- ✓ Secured external access to all processes allowing selected third parties to operate directly in the bank's platform



**Axxiome Digital Open APIs enable new business models across banks' ecosystem**

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## Solution Overview



## AXXIOME DIGITAL ARCHITECTURE FOR OPEN API AND PSD2

Axxiome Digital's omni-channel capabilities provide a unique opportunity for banks to implement all their business processes and functions centrally. These capabilities give banks easier ways to leverage the technology necessary to become PSD2 compliant, develop new business models to compete with emerging competitors, and retain and expand their revenue.

### AXXIOME DIGITAL PROVIDES MANY USE CASES IN ONE PLATFORM:



#### REGULATORY COMPLIANCE FOR THE PSD2



#### ACCOUNT INFORMATION SERVICE PROVIDERS (AISPS)

- Axxiome Digital's APIs allow banks to provide access to the customer and account details
- Axxiome Digital provides APIs that allow access to customer information, account & product information, turnover history and current conditions such as interest rates or limits.
- Axxiome Digital obtains this information from the core banking system seamlessly through its adapter component and enables it through its API layer to all channels and any authorised external entity
- Two factor authentication requirements from PSD2 are fulfilled



#### PAYMENT INITIATION SERVICE PROVIDERS (PISPS)

- With Axxiome Digital new or existing payment providers will be able to execute transactions straight in the banks' platforms. This will allow banks to play a bigger role in the payments market as it reduces the dependency and influence of the credit/debit cards providers that are currently in total control of this market (any payment done online today is referred to and managed by a card processor)
- New business models and more competition will become the norm, giving banks and their customers more options to operate.



## AXXIOME DIGITAL ENABLES OPEN BANKING TO UNLOCK NEW BUSINESS MODELS

The platform allows banks or their partners to re-sell financial products by connecting to Axxiome Digital and securely triggering, end-to-end business processes directly in the banks' systems.

Axxiome Digital provides seamless and secure integration with any core banking solution, 3rd party systems and external provider (for instance for credit scoring purposes), as well as access to its 500+ readily available processes.

### THIS ENABLES MULTIPLE SCENARIOS:



#### RETAILERS CAN OFFER LOANS TO THEIR OWN CUSTOMERS RIGHT AT THE POINT OF SALE:

Retailers' systems will integrate to the banks' through the secured API layer and they will then be able to consume the Loan Origination process right from the banks' platform



#### EXTERNAL SALES AGENTS WILL BE ABLE TO SELL PRODUCTS EVERYWHERE THEY ARE:

They can have their own sales apps or systems connected to the banks' platform, through Axxiome Digital in order to trigger the origination of different products



#### ADDING INNOVATIVE SOLUTIONS IS MUCH SIMPLER WITH AXXIOME DIGITAL:

Fintech Solutions are seamlessly and securely integrated into the core banking platforms by consuming the services provided through Axxiome Digital's APIs

### Enabling a successful partner ecosystem

