

The launch of a SaaS banking platform in Belgium

Four specialists in the world of IT and finance recently joined forces to support the implementation of a Belgian SaaS platform for the banking environment. The objective is to make it possible both to the foreign banks and the more modest Belgian actors to carry out their activities in a more economic, flexible and effective way in the domain of the back-office applications.



In the presence of Our Royal Highness Prince Philip during an economic mission to India last March, BTR Services, an ICT services company for the financial sector, KBC ICT, the IT division of the banking group KBC, VASCO Data Security, specialist in Internet Security and Oracle Financial Services, the largest software company specialized in products for the banks, signed a memorandum of understanding.

VASCO: Jan Valcke, President and COO of VASCO Data Security

KBC: Guy Hofmans, ICT program manager Group ICT, KBC Group

BTR: Luc Vandergoten, Managing Director of BTR Services

Oracle: Santosh Radhakrishnan, Sales Executive Oracle Financial Services

In the presence of our Royal Highness Prince Philip, during an economic mission to India last March, BTR Services, an ICT services company for the financial sector, KBC ICT, the IT division of the banking

group KBC, VASCO Data Security, specialist in Internet Security, and Oracle Financial Services, the largest software company specialized in products for the banks, signed a memorandum of understanding.

In answer to the increasing demand of the market, these four companies launched jointly a SaaS platform, Software as a Service, offering back-office services for the retail bank. "Initially the offering consists out of the current accounts, term accounts, saving accounts and national and international payments", specifies Luc Vandergoten, Managing Director of BTR Services.

Electronic banking, a Belgian specialty

"Belgium does not leave the batch solely in sectors like that of beer or chocolate," explains Jan Valcke President and COO of VASCO. Our country is also famous in the whole world for its electronic banking (note: it is even at the head of the world hit-parade together with the Netherlands, Sweden and Norway), an essential channel for a bank that offers its products to its customers. And this specialization is also as much applicable to marketing as to IT, security and flexibility. And thanks to the strong emphasis on this electronic channel, the customer can do much more: "he can make his own decisions, improve his knowledge on everything related to the banking world, whereas in other countries such a level is not reached yet." Remember that the SaaS model makes it possible to the companies to use solutions and software remotely as services making use of the Internet. Such a platform includes tools of personalization and an integration of existing or hosted programs. The companies that make use of it are not the owners of the software and just pay for the use of

this service. It is an alternative solution to the long-term investments on the IT infrastructure and the training on this platform. For the companies that have limited internal resources, this solution makes it possible to release these resources of the tasks of maintenance of the application to devote them to their core business. The software solution can be operational within a few weeks which accelerates the return on investment.

“Belgium does not leave the batch solely in sectors like that of beer or chocolate, our country is also famous in the whole world for its electronic banking.”

“A bank that chooses for this platform doesn’t need to develop an interface with the National bank or with payment systems or set up any infrastructure that conforms with the BASEL II requirements, etc. It should not be concerned with IT or release important budgets,” emphasizes Luc Vandergoten. “Some small banks already partly do their operations by the means of other bank back-office systems because they cannot pay such amounts. The SEPA payments are a good example. You do not need the necessary consultancy, personnel or budgets to adapt your systems. This concept offers to the banks lower production costs and a better use of the available resources to focus on their core business. Moreover, the SaaS platform conforms itself to the local regulations and ensures the payments according to the international standards like the SEPA.”

This solution offers you the possibility to outsource a part of the back-office by choosing a partner specialized on the matter, who, on top of it, has strong affinities

with the banking world. “Other SaaS actors originated from the Telecom sector or elsewhere, for example, don’t have the same affinities with the banking world and do not know the way in which a bank functions regarding to security of the data, for example,” continues Carl Tilkin-Franssens, Senior General Manager Group ICT, KBC Group. The IT infrastructure and operating conditions of a bank, a media company, a hospital, an industrial society or a service company shall never be similar.

Four specialized partners at the service of the banking environment

The data privacy security is a great fear of the institutions which decide to work with such a platform. But there’s no reason for worries. This Belgian SaaS platform – the result of two years of working together – brings together four specialized partners having each one a long term experience in their activity sphere. And the complementarity of these four partners works out perfectly.

BTR Services implements the platform and is given the responsibility to parameterize it. This IT company, which has offices in Boom, Brussels, Hedel (NL) and Warsaw (PL), is focused on the financial sector. BTR Services employs a hundred people and has a turnover of 9 million euro and offers its services to all the large Belgian banks. These services include project management, development, consultancy and infrastructure support. The company integrates third party products like Flexcube from Oracle, one of the four partners. It consists of a banking product suite for the retail, consumer finance, corporate banking, investments and Internet banking, asset management and the services for investment banking including their payments (SWIFFNet and SEPA). Since the launch in 1997, 400 financial institutions adopted it in 120 countries. No further comments necessary.

KBC ICT Services is a department of KBC Global Services, the legal entity of KBC Group. KBC ICT Services ensures the

hosting and support. Today, KBC ICT provides services to companies within the Group but also to other companies. KBC ICT employs 2.000 people in Belgium from which 800 work for the infrastructure ICT and for the services of data centers. In 2009, their turnover was of approximately 400 million euro. The specialties of this company are the services of infrastructure management, databases and application integration. It has a history of many years of experience inside and outside KBC Group. KBC ICT manages one of the largest data centers of the Benelux with a mainframe with a capacity of 25.000 MIPS and 3.000 servers for 40.000 users in more than 2.500 places. This proves more than enough their capacity in this area.

“This Belgian SaaS platform – the result of two years of working together – brings together four specialized partners having each one a long term experience in their activity sphere. And the complementarity of these four partners works out perfectly.”

As for the security part, this is completely covered by VASCO, world leader in E-signature solutions and authentication, in secure applications, services and secure Internet transactions. VASCO Data Security implements security, giving access to the platform by using the more than proven Digipass technology. Today, VASCO serves over 9.500 companies in more than 100 countries including 1.450 international

financial institutions, showing more than an excellence in the security domain.

Concretely

If a Chinese bank, for example, wants to start its activities in Belgium, normally it has to build a data center, buy the software, localize it to the Belgian legislation, implement it and develop all the interfaces... That will take the bank several months before opening the first bank account. While choosing the SaaS platform that we propose, it can immediately go live after some initial customization. This makes a big difference. So the Chinese bank will only pay by transaction or/and by account instead of having to devote an important budget and only having a return on investment after a long period.

“One of the main aspects of SaaS is that it should not be too complicated,” adds Carl Tilkin-Franssens. “What is needed, is a standard solution turning everywhere with many references so that a foreign customer will easily find himself at home in our solution. Such a platform is independent of the localization. It was necessary to analyze the available packages on the market and to analyze those that correspond to the architecture of the SaaS model, in addition based on a Service Oriented Architecture. The Flexcube solution from Oracle fits perfectly in these requirements.”

The initial target will be the Belgian market. By this offer that both wants to be flexible and interesting on the plan of pricing, the platform aims at foreign banks Tier 1 and Tier 2 opening a branch in Belgium, small Belgian banks Tier 3 and Tier 4 and Green Field banks, who wish to start their activities in Belgium. “Initially, we will not propose complex credits: we will start with current accounts, saving accounts and simple transactions to be able to carry out international payments, to be able to buy a visa card...” indicates Luc Vandergoten. Nevertheless we are in the possibility to implement almost everything. On request of the customer, we can also modulate the offer, stage by

stage or add more functionalities to the back-office. The bank can then focus on its core business, on the front-end -with, for example, its own website, a personal manner to carry out the payments, etc - which enables the bank to differ from its competitors.

“The initial objective will be the Belgian market. By this offer that wants to be flexible and interesting on the plan of pricing, the platform aims at foreign banks Tier 1 and Tier 2, opening a branch in Belgium, small Belgian banks Tier 3 and Tier 4 and Green Fields banks, who wish to start their activities in Belgium.”

In fact, it is all about the commercial offer of a company providing a complete package to carry out the technical services that are indispensable for the good functioning of the bank.

For Carl Tilkin-Franssens, Belgium is the ideal market for launching this kind of initiative. We are not too big, have of lot of short networks and dispose of all the required competences. We are flexible and can react quickly. And through the Memorandum of understanding which we signed, each party provides the necessary specialists to build this platform and to work out a well founded and optimized offer. ●



The electronic identity card (eID), which has a steadily growing range of use, is now also gradually entering the world of banking.

Various large banking companies are considering expanding its usage beyond the sheer customer identity verification use.

The Electronic Signer application offers all the necessary features to sign documents.

The Portable Document Format (PDF) was chosen as the document format to use with the electronic signer.

Both the “classical” manual handwritten signature and a digital signature can be used to sign documents. It is also possible to add other manual entry fields in a document to enter a date, or a text like “read and approved”.

Signing can be done with standard PKI using Vasco Digipass, Keynectics and eID technology.

Read our business case on www.LetterGen.com/electronic_signer.html

Lettergen N.V.
Groene Hofstraat 31
2850 Boom

www.LetterGen.com