



BANCO ORIGINAL CASE STUDY

The First Fully Digital Bank in Latin America, Powered by Cyberbank



Overview.

CHALLENGE

Banco Original had a vision to offer a brand new banking experience to its customers. With no other bank in Latin America offering a full, end-to-end digital experience at that time, Banco Original understood that digital was the key to differentiation. The challenge was finding a digital banking platform that could help the bank build a new challenger bank from scratch. A full-digital bank that could help future-proof Banco Original and adapt to changing consumer behavior as the adoption of digital banking services increased.

SOLUTION

Banco Original selected Galileo and the company's API-centric, digital banking platform - Cyberbank to power the new challenger bank. Cyberbank was selected as the only platform designed around the concept of Structural Flexibility and the one that could provide Original with the end-to-end solution they needed to adapt to the changing digital needs of their customers in order to become Latin America's first fully digital bank.

RESULTS

Cyberbank's digital engagement accelerator combined with the platform's next-gen core enabled Original to build a fully digital challenger bank which helped them rapidly adapt to changing consumer behaviors and differentiate themselves with innovative digital experiences and products that can be launched in record time. Banco Original was operational within one year of vendor selection and post launch, Cyberbank platform helped them reach over 100,000 customers in the first three months of operation.

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An industry transformed.

Driven by the evolution of technology and changing consumer behavior, the banking sector has transformed over the past few years. Customers have turned to the use of smartphones as their preferred way to interact with financial institutions, and they want access to products and services anywhere and anytime. They no longer see the value in the traditional banking model of a consolidated network of branches.

Today's digital consumer no longer compares one bank to another. Nowadays, their assessment is based on the experience and services offered by the financial institution as compared to those provided by their favourite on-demand services.

In parallel, the banking market is facing increased competition from new fintech players. These are agile, digital-first companies that don't rely on paperwork, signatures and physical locations. Rather their services are specifically tailored to the needs of the digital consumer, meeting demand in real-time and offering the best possible customer experience.

Because of this, banks face the challenge of transforming – and reinventing themselves – digitally and in record time. They need to offer products and services that customers can access and use on their smartphones. And they need to provide better user experiences with a 360 degree view to customers. The key to this transformation is finding and implementing a next-gen digital banking platform that can enable banks to adapt to changing consumer journeys and provide exceptional customer experiences.

BENEFITS OF A NEXT-GEN DIGITAL BANKING PLATFORM

Digital differentiation

Creating a superior user experience that differentiates the bank from the competition is fundamental to retaining and attracting new customers.

Revenue generation

One of the main benefits of a next-gen digital platform is the ability to offer value added services that enable the bank to meet the needs of their customers, which, in turn, generates more revenue.

Increased efficiency

Digital banking solutions generate increased efficiencies for banks and their customers. Digital operations help banks respond faster to the needs of customers, with fewer resources and less errors. This enables financial institutions to add value and provide a better experience for the customer while also reducing costs.

Market expansion

Digital platforms enable banks to reach segments and markets that physical branches can't.

Accelerated product launches

A digital platform speeds up the time to market for new financial products and services. It can provide flexibility by allowing banks to adapt and rapidly implement innovations which add value to customers and generate new revenue for the financial institution.

Galileo is laser focused on helping banking realize these benefits by using Cyberbank, Galileo's end-to-end, API-centric digital banking platform. Banco Original is one of the financial institutions that has realized the benefits of using Cyberbank, by using the platform to disrupt the banking industry in Latin America and become the first 100% fully digital bank in the region.



BANCO ORIGINAL

Building the bank of the future... today.

Banco Original is a private financial institution headquartered in Brazil, which operates in the Corporate, Agribusiness and Retail segments. In 2014, the bank began the development of a 100% digital bank with an innovative idea -- to become the first bank in Brazil that enabled customers to open a checking account on their smartphone.

Original has since launched a complete portfolio of digital banking services that enhance the digital Retail consumer banking experience. "We were born with an idea to be an innovative, simple and agile bank. A bank that wants to change the relationship it's customers have with their money," said Wanderley Baccalá, CIO of Banco Original. The project was conceived on five main pillars:

From the beginning, it was clear that in order to succeed, the project needed to break the traditional ways that financial institutions think and work. The approach to building the digital bank needed to be customer-centric, and to provide the bank with greater agility, the decision was made to act with the mindset of a technology company which offers financial services, not as a traditional bank.

One of the fundamental factors for success in the creation of Original's digital bank was the formation of a multidisciplinary and high-level team. For the area of IT, the bank recruited some of the best-known banking executives in the Brazilian market and challenged them to change their mindset to that of running and managing a 100% digital operation.



INNOVATIVE



CLOSE



SIMPLE



RELIABLE



TRANSPARENT

For months, the team analyzed digital banking projects and benchmarks worldwide, studying what worked and what didn't, as well as looking for best-in-class examples of how disruptive technologies had been used to transform traditional banking models. Through this research, six main strategic challenges were identified to guide the project:

CUSTOMER-CENTRIC

Information by customer/360° view

FLEXIBILITY

Solving business requirements in reduced development and testing time

AGILITY

Responding quickly to the offer of new products and legal requirements

AUTONOMY IN PRODUCT AREAS

Setting of parameters for products with a low dependency on IT

OPERATIVE

High level of process automation/minimum backoffice

EFFICIENCY

Architecture for demand growth/low impact of changes on systems

The technological challenges.

Similar to how the team had to think about the creation of Original, they also needed to think about the technology they would use to power the digital bank with the same disruptive mindset. The architecture had to guarantee that Original adhered to its pillars – innovative, close, simple, reliable and transparent – and that it followed all the strategic goals set.

To offer a customer-centric service that could respond to customer needs, it was necessary to understand the behaviors driving the digital habits of consumers. It was clear that smartphones were fast becoming the channel of choice for customers interacting with products and services of any type, and so the bank needed to be "mobile-only." That meant designing a bank around the mobile platform, with state-of-the-art technology that was comparable to that of the world's largest tech startups.

The selection of a digital banking partner was a thorough process that included an in-depth assessment of technical capacities. It was critical to ensure that the digital platform selected would align with the pillars and strategic goals identified in the business plan. Critically, the digital platform needed to provide strong core banking capabilities that could help Original differentiate. The bank needed a modern, flexible and scalable solution that would allow for the development and rapid deployment of customer-oriented products and services.



Why Galileo was chosen.

To find the best core banking platform, Banco Original's team analyzed solutions from the largest technology companies in the world. "The decision-making process was complex, including many studies and comparisons of the potential of each platform. We challenged ourselves to think differently to a traditional bank in order to make the best choice," commented Baccalá. After extensive proof of concepts (POCs) with the final candidates, the bank selected Cyberbank Core. The decision was based on the following:

- Traditional core banking systems did not offer the flexibility Original needed. By using the Cyberbank platform, it would be possible to speed up time-to-market for new products and services, with a focus on the customer.
- Cyberbank Core was born digital, and that matched the mindset that Original wanted for their digital bank. "We really had a match between the way in which the solution was conceived and what we were designing as a digital platform model for the bank," said Baccalá.
- The bank needed a platform that would enable the launch of Original to the market in record time. "The Galileo platform was an accelerator for us," said Baccalá.
- Cyberbank provided a service-orientated architecture, and offered an omnichannel view, making it possible to service customers in 360 degrees.
- Cyberbank Core provided the scalability the bank demanded with the projections the bank had for exponential growth. "The distributed processing capacity of Cyberbank helps a lot when it is necessary to escalate. It is as simple as placing more pieces on the infrastructure," said Baccalá.
- The innovative characteristics of the platform as well as its integration capacity were highlighted by Original as a reason for selection: "The core banking solution presented by Galileo proved to be really innovative and different from what is out there in the market. It was built on a framework with a capacity for development and evolution; it was not a plastered platform," said Baccalá.

In addition to selecting Cyberbank Core, the bank also selected Cyberbank Digital, Galileo's digital engagement accelerator, which enabled Original to provide differentiated digital experiences for their customers, no matter what digital channel they use - mobile, tablet, desktop, laptop.

Galileo was selected as the core banking supplier for Banco Original's digital banking project following an extensive RFP process. The Cyberbank platform was selected due to its ability to provide the bank with a digital-first, flexible and scalable solution that could enable the bank to rapidly respond to customer needs and launch products in record time.

Launching the digital bank.

Once Galileo was chosen, the company started working on the customization of the Cyberbank platform for Original. An internal team was put together, made up of professionals with extensive experience and a deep rooted passion for financial services. The team included Project managers, PMOs and specialists in core, digital banking and UX.

The Cyberbank modules used in the set up of digital bank included:



As a platform designed around the concept of Structural Flexibility, Cyberbank helped ensure that all the pillars and strategic objectives set by Banco Original were met. Importantly, this included ensuring best practices around risk management and compliance were adhered to, especially considering the rigid banking regulations adopted by Brazil.

By complying with local regulations and being able to adapt to changes, Galileo helped Original to implement innovative processes for the clients, including digital onboarding. Banco Original wanted to make sure its core system could get integrated with external frameworks and also keep their customers' data protected.

In just one year of working with Galileo, Banco Original had the first pilots operating with real customers. Since then, new digital products and services have been added. "The Cyberbank platform played a fundamental role in the quick launch of the digital bank.

It provided an architecture with a set of services previously developed and ease to build new products. The platforms' digital engagement layer combined with the next-gen core really worked as an accelerator for us," said Baccalá.

In just 12 months, the Cyberbank platform was operational and enabling Original to service customers.

During the project, Galileo provided Banco Original with:

- A complete core banking system
- A front end, digital banking platform customized to the Brazilian market
- A service platform to display the APIs

Using the service-oriented Cyberbank Core platform allowed Banco Original to speed up the development and launch of new products in days, rather than months. The platform didn't just meet the needs of the bank during the launch of Original, but it also ensured the bank would be able to scale and adapt now and in the future. Baccalá comments: "The implementation speed, multichannel view and integration capacity between the solutions within the coreplatform of Galileo and third-party solutions are some of its great benefits."

Being API-centric, the platform opened up a series of new innovative digital services for the bank through third-party integrations such as the use of Facebook Messenger to deliver statements and balance inquiries to the customer.



“Cyberbank has a strong foundation, with well-defined services and technical components. It is easy to develop business solutions on that framework, with minimal demands on experience when it comes to the technical components. It allows us to provide solutions much faster than the rest of the market is able to and brings us competitive advantages.”

Wanderley Baccalá
CIO of Banco Original

A digital experience with global excellence.

In the development of a new digital bank laser focused on the needs of its customers, a lot of thought was given to the attributes that define a great user experience. It was important to guarantee that all the services, products and banking functionalities were accessible to the customer on any device, at any time. That meant creating a technology architecture that provided fully integrated access, regardless of the channel or device the customer wanted to use.

Having built a customer-centric and service-oriented base, Banco Original is able to provide customers a seamless experience as they switch from one channel to another during a transaction.

That allowed the bank to attract the digital consumer more easily -- new customers who wanted to conduct financial transactions using the latest technologies, and it enabled the bank to increase its revenue by leveraging a 360-degree view of those customers.

Some of the innovative digital offerings Banco Original has been able to provide by using the Cyberbank platform include:

- Full online account opening, via smartphone, without the need to go to a branch or the physical presence of a bank manager
- Voice command for transactions
- Unblocking of cards and passwords through the application
- Personal Financial Manager which categorizes expenses automatically
- No branches. Conceptual space; an environment to promote experiences
- Open Banking: platform of APIs

These functionalities are the reasons Banco Original has grown faster than the bank's traditional competitors, reaching over 3.5 million customers.

"We are showing the market that we are a much faster bank than our competition. And that has a lot to do with the base of our architecture and its conception. Cyberbank is an important factor of that speed," states Baccalá.

Banco Original's use of Cyberbank to power its innovations in digital banking, like the online account opening and integrations with Facebook Messenger, haven't just set a precedent for Brazil, but for financial institutions throughout Latin America.

BENEFITS OF USING CYBERBANK

- Implementation of a new digital model to offer banking services
- Integrated customer experience
- Robust and safe solution
- Easy and agile platform to implement changes quickly
- Low operating and maintenance cost
- Unlimited capacity to integrate new technologies fast and efficiently
- Increased cross and up sell opportunities
- Increased revenue by leveraging a 360-degree view of consumers

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About Banco Original.

Banco Original was born 100% digital with the ability to open a current account completely online, guaranteeing customer security through state-of-the-art technology including facial recognition.

In 2013, Banco Original started a project to become the first 100% digital Brazilian bank, with no branches and all services offered online. In 2015, a new website with the bank's new identity was launched as the first initiative.

In March 2016, Original launched its 100% digital retail operation, from investments of R \$600 million that started about three years earlier. The launch advertising campaign used world record holder for athletics, Usain Bolt as its poster boy. Based on the concept of originality, the campaign created by the Fischer agency was signed with the slogan: "You are original." This bank is yours. Bolt also launched the bank's Mastercard Gold 9.58 card, making reference to the athlete's 100-meter world record.

The project was led by the bank's founder, Henrique Meirelles, former president of the Central Bank and former Minister of Finance of the Temer government.

Also in 2016, a digital tool called Bot Original was launched that allows instant interaction with the public through Facebook Messenger. Bot was developed by the bank's innovation area and functions as a robotic SAC providing programmed responses on payments, registration changes, ATM, exchange, cards and checks, checking account, funds, investments, policy and institutional profile, points program, security and tariffs.

On July 3, 2019, Banco Original announced the launch of the Original Empresas platform, a product aimed at individual microentrepreneurs (MEI), Individual Entrepreneurs (EI) and Individual Limited Liability Companies (EIRELI), which unites individual and corporate accounts. legal entity in a single application and offers Cielo payment machines for free.



About Galileo.

Galileo is one of the leading global providers of next-generation digital banking platforms, helping traditional banks transform to digital, and challenger neo banks and fintech companies jump-start.

The company has a presence in 16 countries, works with more than 750+ consultants worldwide, and has over 50 customers including Rellevate and Tab Bank in the US, Brightside ATB in Canada and the award winning Banco Original in Brazil.

The company has grown dramatically in recent years, receiving a \$50 million round of funding in 2019 from Riverwood Capital, a Silicon Valley VC, demonstrating support for the globalization of a disruptive and winning technology.

Galileo has been recognized as a leading digital banking platform provider by multiple analyst groups including Gartner, Forrester and Celent.

Galileo's experience in the creation and implementation of digital banking solutions in the Brazilian market coupled with its best-in-class next-gen digital banking platform made the company the partner of choice for Banco Original when it came to helping the bank achieve its ambitious digital vision.

- Galileo provides a digitally-native solution, specifically designed for an increasingly digital banking customer
- Digital services delivered in any channel, at any time for a seamless customer experience
- Implementation in record time
- API-centric to create and launch new products fast
- A core and digital platform for the next 20 years, prepared both for the current needs as well as for the future needs of Banco Original's customers.
- Better cost-benefit and time to market
- Solution fully aligned with Brazilian laws and regulations, one of the most complex banking systems in the world.
- Specialized project team and 100% focused on digital banking services



About Cyberbank.

The current IT systems and infrastructure of many of today's banks are simply not designed to keep up with the pace of the rapid and dramatic transformation of the sector. Legacy systems struggle to meet the demands of the new digital services and functionalities that today's banks need to provide their customers. The result can be inefficiencies, dissatisfied customers, operational risk and technology costs constantly increasing.

Cyberbank is Galileo's API-centric, microservices based digital banking platform. Our digital engagement accelerator combined with our next-gen core are designed to help banks and FIs rapidly adapt to changing consumer behaviors and win with digital experiences that help them differentiate. Cyberbank provides exceptional digital experiences for over 100 million banking customers in 16 countries. The platform can be deployed in 3-9 months depending on the scope of the project.

CYBERBANK PROVIDES:

- A system of record and core banking capabilities.
- A microservices-oriented orchestration architecture that enables customer journey modeling and ecosystem creation through dynamic use cases and a rich set of out-of-the-box services.
- An engagement layer that provides multiple customer touch-points, including mobile applications, full responsive web experiences, social network integration, conversational banking and digital assistant voice interactions.

Cyberbank is designed around the concept of structural flexibility – a key differentiator . The structural flexibility of the platform enables financial institutions to create their own products and customer journeys with no boundaries or restrictions.



OUT-OF-THE-BOX FUNCTIONALITY

Cyberbank comes with a rich starter kit, a set of pre-parameterized features that allow banks to reach market readiness quickly without hindering innovation. Cyberbank's starter kit includes both retail and commercial banking features with products including: savings and checking accounts; loans; credit cards; mortgages; cash management; foreign exchange and foreign trade; product origination; and customer onboarding.

CREATE A DIGITAL ECOSYSTEM

Cyberbank is 100% API-based. All of its components expose REST-based APIs, and the platform includes state-of-the-art security capabilities (OAUTH2 provider, token management, secure encrypted communications and more) embedded in its API technology. The framework provides extensive flexibility to define internal (closed) and external (open) API endpoints that allow the bank to share (or not) with authorized parties the required information.



BANK ACCESS TO CUSTOMER DATA

Cyberbank can be deployed as an instanced, cloud-native solution (Azure and AWS) or to an on-premises or hybrid environment. The instance can be managed by the bank or provided as a managed solution. In either case, the bank owns the instance and therefore governs all data and access to it. Galileo doesn't impose any restrictions on the platform directly or through APIs. Data can be imported and exported in a number of formats (the preferred method is through Cyberbank's REST API.)



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