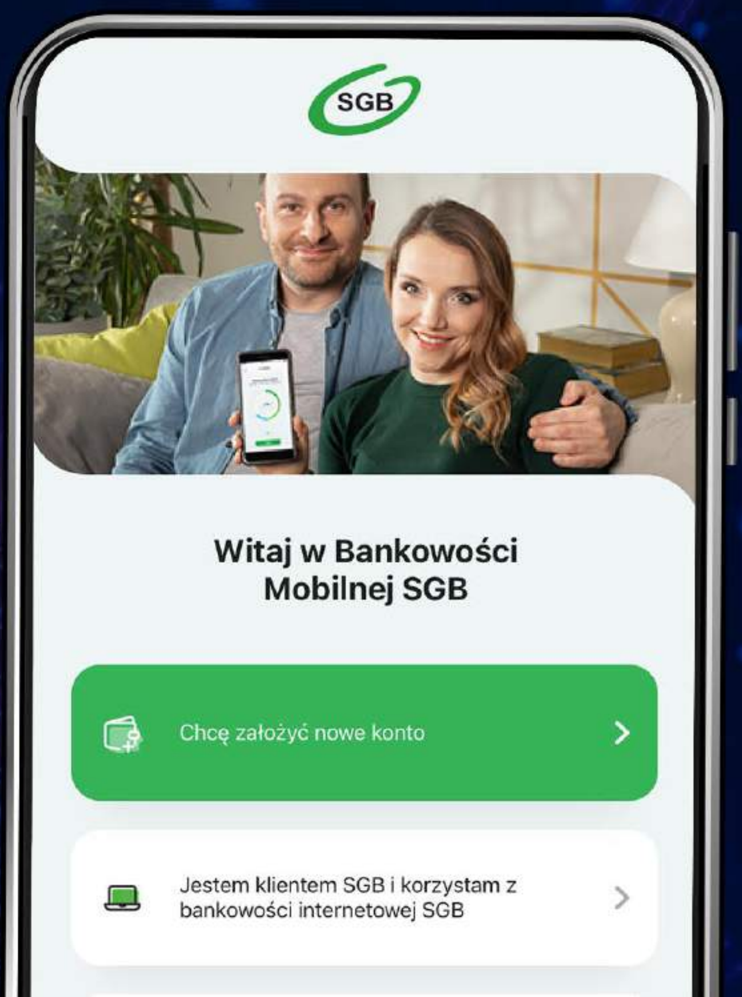
SGB Mobile Banking

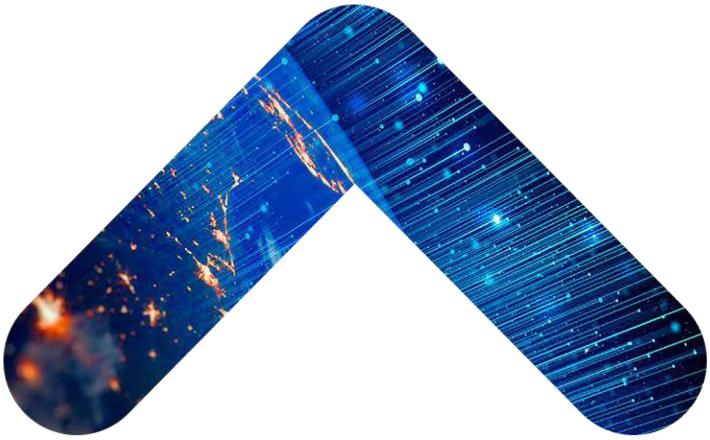
– how to maintain agility while being always on schedule?



General Overview

SGB Bank is a cooperative bank that was looking for a way to create and enhance its digital experiences with new technologies tailored to the needs of the customers. As the affiliating bank for almost 200 associated cooperative banks it was seeking efficient solutions that can be implemented in just a few months and available to all the entities of SGB Group. Digital transformation has accelerated by COVID-19 pandemic, a factor that occurred during the project.

To solve its most pressing problems, SGB Bank begun a cooperation with Ailleron, aiming to improve performance and adjust to a dynamically changing market.



Environment

In Poland mobile banking is a crucial channel for the banking customers. In 2019, when SGB Group decided to launch the project, there were already 9.5 million active mobile banking users. Those cooperative banks that did not offer this channel were losing clients to commercial competition. SGB Group (ca. 200 cooperative banks) launched “Mobile Banking Acceleration” strategy to close the gap to digitally advanced commercial banks. PSD2 implementation was a foundation for a single multitenant mobile application available to all associated banks.

After careful evaluation of various vendors, SGB Bank selected Ailleron, a software house experienced in providing digital projects for the banking sector. Our company was responsible for the delivery of mobile banking platform based on SGB strategy roadmap.

Ailleron delivered End-2-End services including – UX/UI design, business and technical analysis, development services, tests, and application roll-out to end-users.

The results of the project were:

Native Mobile Banking

applications for iOS and Android

Authorization Server

responsible for authentication of users and authorization of operations

Back Office module

for bank employees supporting management of the application

The Customer

SGB Group is one of the two cooperative banks associations in Poland. It consists of:

~200
cooperative banks

~1500
banking outlets

~4000
ATMs

~12000
employees.

SGB Bank provides its services to both individual and corporate customers, as well as companies from agricultural industry.

Currently, SGB Bank focuses on the development of its digital banking, including mobile application, mobile payments (BLIK, Google Pay, Apple Pay and others) and online banking. According to the bank, the aim of this strategy is to put customers' needs first and provide him with safe and reliable solutions of the future.

IT Systems in SGB Bank

The cooperative banks associated in SGB Group had various core banking systems provided by 3 independent vendors. Additionally, they were also using a few independent digital banking solutions delivered by different software houses.

In 2019 PSD2 implementation provided an opportunity to introduce a unified interface access to all the banks, members of the SGB Group. Therefore, it was then decided to extend the scope of services designed by SGB HUB. The development was to be used for digital transformation while developing various central projects, including SGB Mobile Banking.

Challenges

Ambitious and tightened timetable
The biggest challenge for SGB Bank & Ailleron common team was to deliver the mobile application in just half a year. The schedule was very tight and resulted from the Bank's strategy of rapid mobile acceleration.

Project was launched at the beginning of November 2019 and Go-Live date for the test version for bank employees was set for May 2020. The full version was supposed to appear in App Store and Google Play in July 2020. Therefore, finishing the project on schedule was a major challenge for the project.

The complexity of the project
The project consists of continuous application design by Ailleron's UX/UI experts; it also involves business analysis, integration, delivery, development and tests. To manage all of those factors, the implementation was fully run in Agile-based methodology. All the functionalities were worked out in close cooperation with SGB Bank Team. Bank representative was a Product Owner empowered to make all necessary decisions and he participated in all Scrum ceremonies.

Thanks to Agile approach, the bank had ongoing control over the scope and priorities of performed tasks and on the other hand it ensured no downtime in the development team's work. SGB Bank & Ailleron common team has continued to work like that also after the launch of Mobile banking, delivering multiple functionalities up to the present day.

COVID-19 Pandemic
In the middle of the project, at the beginning of March 2020, COVID-19 virus begun spreading in Poland. By mid-March lockdown restrictions were in place, closing schools and universities, strongly limiting non-family gatherings, and forbidding non-essential travel.

Fortunately, Ailleron had a broad experience in executing projects with dispersed teams using remote communication tools (e.g. MS Teams, Skype, Webex), remote Kanban boards and proven methodology of task performance control. Thanks to Ailleron's already proven in practice approach, the whole team had been able to seamlessly switch to home office without getting off the track. Therefore, no negative impact of the pandemic on the timetable was noted.

Milestones

6

October 2021

Clients of 145 banks received access to the mobile platform. Constant implementation of new features.

5

August 2020

application became available to more than 100 banks and it is still expanding its range.

4

July 2020

Official launch of the SGB Mobile Banking app for 76 banks in the App Store and Google Play.

3

May 2020

Go-Live! The first version of the app was launched for Friends & Family project phase that involved 2000 employees.

2

December 2019

first demo of the app with limited functionality was delivered to the Bank with working activation process.

1

November 2019

start of the SGB Mobile Banking project; the development of mobile banking and its backend.

Implementation: 6 months from the start to MMP Go-Live!

The main idea behind designing the application functionalities was to fulfil basic transactional needs of banking clients and allow day-to-day banking operations. The remaining features were scheduled to be released in the following months according to SGB's business strategy milestones.

It took 6 months to develop & deliver Minimum Marketable Product that was tested by 2000 bank employees during Friends and Family phase and then in July offered to real customers.

The application delivered in May 2020 has provided SGB Group clients with access to personal accounts, saving accounts, FX Accounts, debit and credit cards. The design of the application has been a result of a close co-operation of the UX/UI Ailleron experts with SGB Bank representatives. It was organized using the Design Sprint methodology and has been proven effective with tests of prototypes performed with end users.

Mobile application users could use the system to:

Access their current, FX and saving accounts

View transactions history with filtering functionality (type of operation, date range, amount),

Perform internal and domestic interbank transfers (including instantaneous interbank transfers),

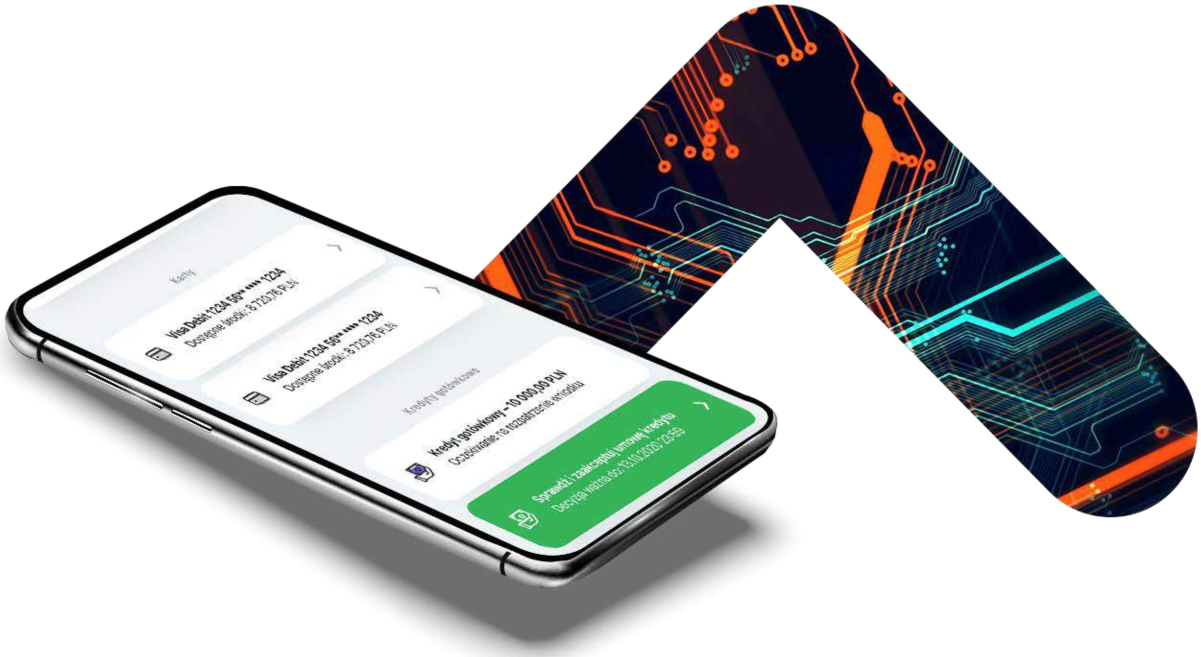
Activate and use BLIK (Polish Mobile Payments standard),

Add payment card to Google Pay/Apple Pay wallets directly from the application (in-app provisioning).

The application also included a set of features allowing clients to have a better control over their payment cards. Those include:

- activating payment card
- setting online transaction limits
- requesting instantaneous cards restriction
- temporary blocking/unblocking.

Users could also monitor the e-wallets containing their card details and manage them effectively.



Unique Features for Competitive Advantage

For SGB Mobile Banking application the Subscription Manager was one of the most unique features differentiating it from the banking competition. Subscription Manager allows clients to manage card payments in subscription services (Netflix, Spotify...), e-commerce & services providers (Uber, Google Play...) and mobile wallets (Garmin Pay, Apple Pay, Google Pay, FitBit Pay, Xiaomi Pay). This was a pioneering feature on the Polish market and it was one of the greatest competitive advantages for SGB Bank, welcomed very warmly by journalists and bloggers.

Top 3 Subscription Providers among the active users of subscription module:

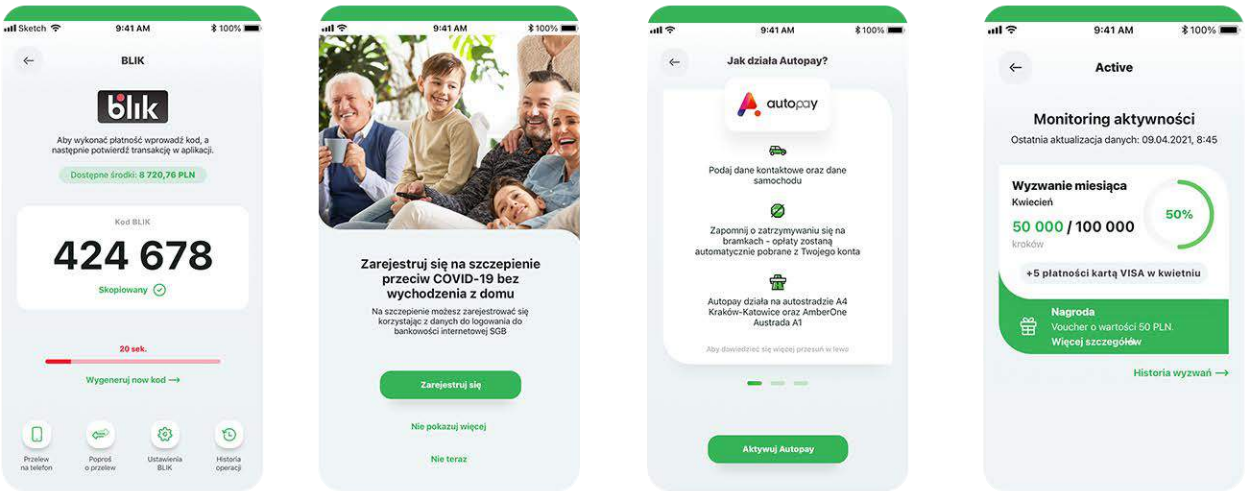
Netflix	TVN player	Spotify
40%	**19%**	**14%**

Implementation: rapid evolution after the launch

Between July 2020 and September 2021, SGB Bank & Ailleron common team entered the next project stage. The mobile application has been further upgraded with a number of functionalities.

Those include among others:

- online debit card issuing
- 3D Secure authorizations
- COVID-19 module
- eKYC process for opening a Mobile Account,
- Mobile Authorization for Internet Banking in the banks with Novum core banking system (majority of the banks in the group),
- Active Challenges module (Garmin Connect integration),
- Autopay (automatic payments for highways and parking lots),
- BLIK - instantaneous transfers to mobile phone numbers.



The set of planned features is in the pipeline in various development stages.

Ailleron also delivered a product called Campaign & Notification Manager. It enables authorized employee to manage mobile push campaigns and mobile push & SMS notifications templates. The feature was expanded with the option of managing in-app splash screens and banners. Therefore, it provides a comprehensive communication channel for marketing content.

Meeting the Deadline – How It Is Done

All the deadlines were met thanks to quick project ramp-up and maximum engagement of all team members – both external and internal. Ailleron showed their flexibility by quickly scaling up the development team from 5 FTEs on Kick Off day to 17 FTEs 10 weeks later.

To meet the deadline of the projects, the operations included:

- Product Owner on the bank's side empowered to make immediate decisions, business justifications and all necessary approvals.
- Agile methodology
- business and technical analysis, development services, tests and application roll-out to end-users
- parametrization of major functionalities per cooperative bank

> *It is a great distinction and commitment to work with SGB Bank, so we will make every effort to maintain the pace of development, the highest level of support and provide new, unique functionalities for clients of SGB cooperative banks - emphasizes*
> ***Maciej Kasprzak,***
> ***General Manager of Challenger Bank Division at Ailleron.***

> *Cooperation with Ailleron is a great opportunity not only to develop the SGB Mobile application but also to gain experience by both teams involved. Our goal is to implement new solutions and functionalities, optimizing processes and providing our customers with the best product*
> **– Artur Józefowski,**
> **Director of Mobile and Internet Banking Bureau at SGB Bank S.A.**

KPIs

The new SGB Bank Banking application proven to be an enormous success.

In just a year after its release, it resulted in:

Over

130 000

of activated customers

ca.

25 logons

per month per customer

More than

200 000

transfers per month

More than

300 000

BLIK transactions per month

Over

50 thousand

other operations

More than

25%

of debit cards being ordered through mobile app

Awards

In the beginning of 2021 SGB Mobile was nominated for Mobile Trends Award in the category of Finance and Banking as one of 5 best applications in Poland.

In June 2021 SGB Mobile application was honored in the Banking category in the 19th prestigious technology competition “Leader of the Year 2020” organized by Gazeta Bankowa (Banking Magazine).

On 7th October 2021 during the Congress of Electronic Economy SGB-Bank S.A. was awarded the title of Partner of the Year for cooperation with VISA in the implementation of a solution facilitating the management of recurring payments in SGB Mobile (Subscription Manager).

On 12th of October 2021 organizers of Fintech Summit Poland 2021 announced that SGB Bank S.A. was nominated for Fintech Awards in BankTech category for developing mobile banking application for cooperative banks.

List of SGB Mobile application major functionalities provided by Ailleron throughout the project with SGB Bank

- mobile banking applications for iOS and Android
  - access to current, FX and saving accounts (transactions history, internal and domestic transfers),
  - activate and use BLIK (Polish Mobile Payments standard),
  - payment cards management (transactions history, activation, limits management, cards restriction/temporary blocking/unblocking).
  - E2E digital and self service activation using PSD2 extended interface
  - eKYC and online mobile account opening
  - mobile authorisation - for operations performed in Internet Banking in ca 100 cooperative banks
  - 3D Secure authorization
  - Online Debit Card issuing
  - Google Pay / Apple Pay in app provisioning
  - Active Challenges module - integrated with Garmin Connect supporting physical activities in post pandemic times.
  - Autopay - automatic payments for highways, car washes and parking lots.
  - BLIK payments and P2P instantaneous transfers to mobile phone number
  - Authorization Server
  - Subscription Manager
- back office module for bank employees
- parametrization of major functionalities per cooperative bank
- Campaign & Notification Manager

List of the services provided by Ailleron throughout the project with SGB Bank

- UX/UI design services
- business and technical analysis,
- development services,
- tests
- application roll-out to end-users

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