

Case study

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A bright future for Bmg

Sensedia provides a solid platform for growth.

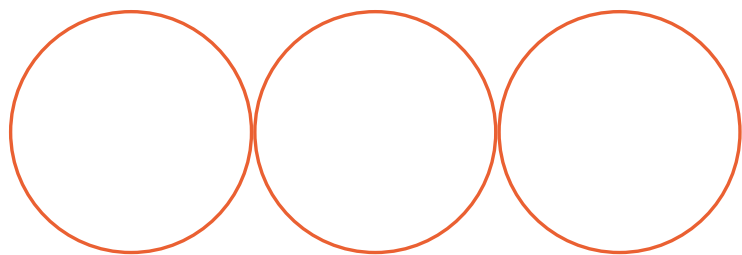


Recognised as being at the forefront of digital innovation, Bmg is excited about the opportunities **Open Banking (OB)** creates.

One of Brazil's largest banks, Bmg describes itself as a business 'creating simplified and innovation solutions that generate value for customers and stakeholders'.

With a customer-centric focus and an appetite for profitability and growth, it's no surprise Bmg won three 2021 Modern Consumer Awards in the digital banks, financial services and CEO of the year categories.

Launched in the 1930s, Bmg provides accounts, loans, insurance and investment products for personal, corporate and wholesale clients, plus retail management support (primary sectors are agribusiness, industry and commerce). It was one of the first banks to offer payroll deductible loans and today offers physical and digital solutions in tandem.





- Bmg runs the **largest network of banking correspondents** (2000) in Brazil;
- *Has help!* credit store franchises serving 18,000 customers (one of the 20 largest in the country);
- Supports **600** regional payment machine representatives (via its Granito partnership);
- And offers work and collaborative space for entrepreneurs.



In 2016, Bmg partnered with insurer Generali, creating **Bmg Seguros**, one of the largest insurers in Brazil, offering credit and life insurance.

Two years later, Bmg launched a fully digital operation, offering a range of accounts, **mobile phone contracts** (free for digital account customers) and a customer referral reward scheme.

Bmg's digital accounts

In June 2020, Bmg developed a digital platform for local neighbourhood retailer, PR Retail, and a month later, updated its product marketplace, offering discounts at partner stores and cashback for users with a Bmg card.

November also saw a partnership with WIZ

The financial services/insurance provider has a 40% stake in Bmg's brokerage and a goal to extend the portfolio and client base. By Q2 2021, customer numbers reached 3.5million, 34% higher than 12 months earlier.

Also available on WhatsApp, are supported by voice recognition, AI and Interactive Voice Response technology; automating all processes, anticipating needs and creating new business opportunities. The bank currently has 1.9 million users.

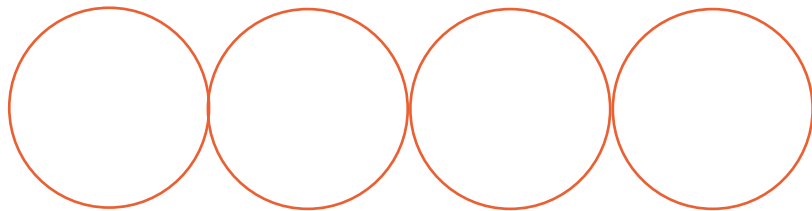
A tech-touch model using biometric security, reducing fraud, and Bmg is considering new franchise formats, products and services, focusing on a greater use of intelligence and data analysis.

Even before OB became the norm, Bmg was developing technology to enhance the customer experience, increase customer engagement, source new customers, cross-sell more products and services and migrate non-digital customers onto online platforms.

Challenges

A key concern was the impact OB regulation would have on its Application Programming Interfaces (APIs) and whether the infrastructure would be able to store all the consented data for customer behaviour analysis.

Another challenge was ease of communication between banks, reading customers' data and security issues. LGPD (national data security rules) meant banks were keen to protect themselves against data leaks, particularly as a high number of cases made customers wary of the banking system and unlikely to consent to their data being shared with third-parties.



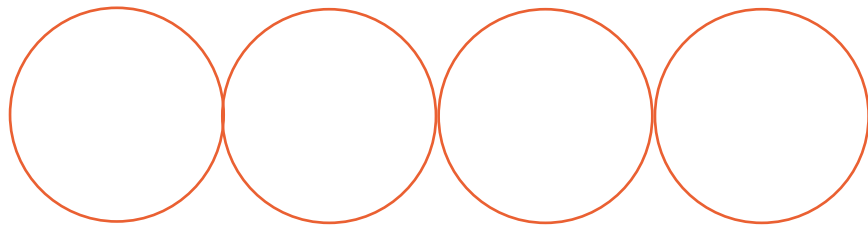
Connectivity and integration expert, Sensedia, gave Bmg peace of mind. Rigorous testing of its API management platform ensured an easy integration into the existing infrastructure, meeting OB's security requirements.



OB phases

Bmg passed OB's phase one (open data) in February 2021, confirming participants' communication channels, products and services met security requirements.

Phase two, in August, focused on API platforms protecting customer data, in line with national LGPD, and now in phase three (service), participants are encouraged to develop new solutions and environments for payments and credit proposals.



Phase four, in December, focuses on the provision of additional services, creating a broader Open Finance environment.



New beginnings

Sensedia is helping Bmg open up its APIs to third-parties, creating more partnership opportunities and a firm foundation for Open Finance. In June 2021, Bmg reported a 28.2% growth in 12 months and a 240.5% increase in active digital account holders to 4.6 million.

With 7.8 million total customers and rising, plus increased investment in digitalisation and marketing, Bmg can only go from strength to strength in this OB world.



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