

FARO REPORT

BANKING TRANSFORMATIONS

ISSUE 04 · JUNE 2026



Digital transformation doesn't start in
the mobile app. It starts in the core.

How Santander is rebuilding its bank from the inside out.

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FARO REPORT · Published by LEGIA Estudio Jurídico · Issue 04 · June 2026

EXECUTIVE SUMMARY

The issue in one page

Santander's transformation is not merely a cloud migration. It is a strategic redesign of how a global bank operates.

KEY FINDINGS

01

One Transformation defines the operating model.

Santander is reorganizing around global businesses and shared platforms rather than country-by-country fragmentation.

02

Gravity enables the operating model.

It migrates the core from local mainframes to cloud infrastructure, allowing processes to be standardized at scale.

03

The business case is efficiency.

Santander's 2028 targets depend on lower cost-to-serve, higher productivity and a more unified technology base.

IMPLICATIONS

01

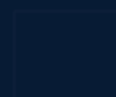
Core modernization is no longer an IT project.

It is a board-level strategic decision.

02

The mobile app is not the transformation.

It is only the visible layer.



03

The competitive advantage may become infrastructure.

Banks that modernize the core can compound advantages others cannot quickly replicate.

CONCLUSION

Every banking transformation eventually becomes a core transformation.

03 — NARRATIVE

Why does the core still define the pace of banking transformation?

Four market infrastructures converging into one global operating model.

FOUR CORES, ONE MODEL

For decades, large banks expanded across markets, products and channels. The customer saw one brand. Internally, however, many institutions operated through different core systems, processes and country-level architectures. That fragmentation increases cost, slows innovation and makes standardization difficult. A new app can improve the experience, but it cannot remove the structural complexity behind the transaction.

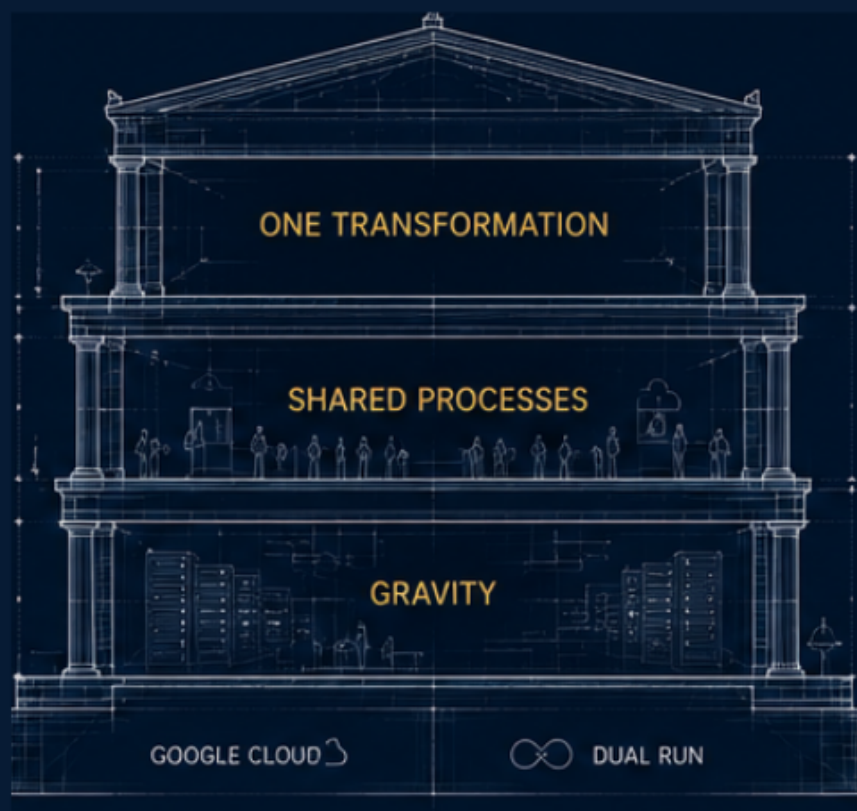
Santander's response was sequential: first One Transformation, the operating model — then Gravity, the foundation to execute it.



*The customer sees one bank.
Internally, there may be many.*

04 — DIAGRAM

How do One Transformation and Gravity connect?



Global operating model

- Retail & Commercial Banking
- Openbank
- Corporate & Investment Banking
- Wealth Management & Insurance
- Payments

The connective layer

- Common customer journeys
- Shared platforms
- Productivity and cost-to-serve

Technology foundation

- Core banking migration
- Mainframe to cloud
- Dual Run
- Google Cloud

Fig. 04 — One Transformation defines the model. Gravity provides the infrastructure.

Strategy sets the destination. Infrastructure makes it executable.

05 — TIMELINE

What is the sequence of transformation?



The transformation is not a single event. It is a staged migration of the bank's operating backbone.

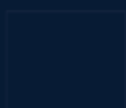
Milestones based on publicly disclosed information.

06 — METRICS

The figures that carry the story

70%

reduction in infrastructure energy consumption



90%+

OF TECHNOLOGY INFRASTRUCTURE MIGRATED TO
THE CLOUD

210M+

GROUP CUSTOMERS TARGETED BY 2028

Source: Santander public communications and investor materials; figures rounded for editorial use.

07 — COMPARISON

Legacy estate vs. Gravity-enabled platform

LEGACY ESTATE

Country-level cores

Local mainframes

Fragmented processes

Higher cost-to-serve

Slower product rollout

Complex change management

GRAVITY-ENABLED PLATFORM

Cloud-based core migration

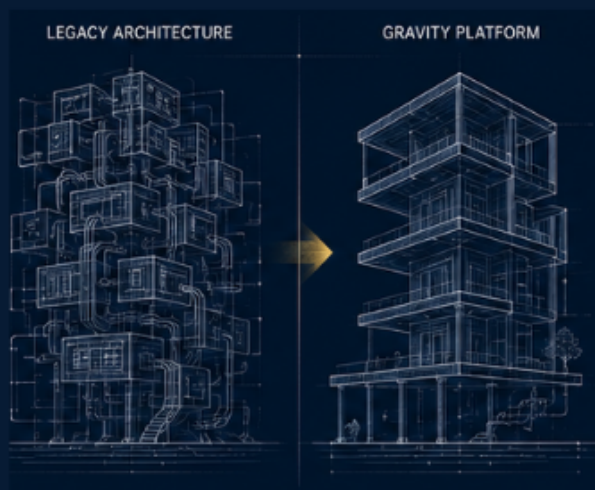
Common infrastructure

Standardized processes

70% lower energy use

Faster scalability

Global operating leverage



The strategic shift is not from branch to app. It is from fragmented infrastructure to a single, unified operating backbone across 210M+ customers.

08 — QUOTE

“

Modernizing the core is not a technology programme. It is the precondition for every strategic option a bank still has.

FARO Editorial

Editorial interpretation based on Santander's One Transformation and Gravity strategy.

09 — MY TAKE

My Take

For years, digital transformation in banking has been associated with mobile apps, AI and customer experience. Those investments matter. But they rarely solve the structural problem.

A fragmented core limits everything built on top of it. Speed, cost, compliance, resilience — all of it is constrained by infrastructure that was never designed for the world we now operate in.

Santander chose a different path. Instead of modernizing the visible layer first, it rebuilt the foundation. That decision is expensive, complex and largely invisible to customers. One Transformation is not a rebranding exercise. Gravity is not a product launch. They are architectural commitments — the kind that take a decade to execute and another decade to fully appreciate.

But it may become one of the most important competitive advantages in global banking over the next decade. When the platform is unified, the cost of every subsequent innovation drops. When the core is standardized, scale becomes a multiplier rather than a liability.

The banks that win the next era will not be those that built the best app. They will be those that built the best foundation.

Infrastructure is invisible. Competitive advantage is not.

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FARO REPORT · Banking Transformations



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BANKING TRANSFORMATIONS

*A standing intelligence series on the structural transformation of banking —
written for those who decide.*

THIS ISSUE

ISSUE 04 · SANTANDER: ONE TRANSFORMATION & GRAVITY

NEXT ISSUE

ISSUE 05 · THE REGULATED PLATFORM

PUBLISHED BY

LEGIA ESTUDIO JURÍDICO

Ramón Rodríguez-Borja · Issue 04 · June 2026 · www.legia.ec