MAMBU

Architects of financial change.

Time for banks to think big, start small and scale fast. By going cloud native, banks yet to digitise their services will cut risk and increase agility, flexibility and speed to market.

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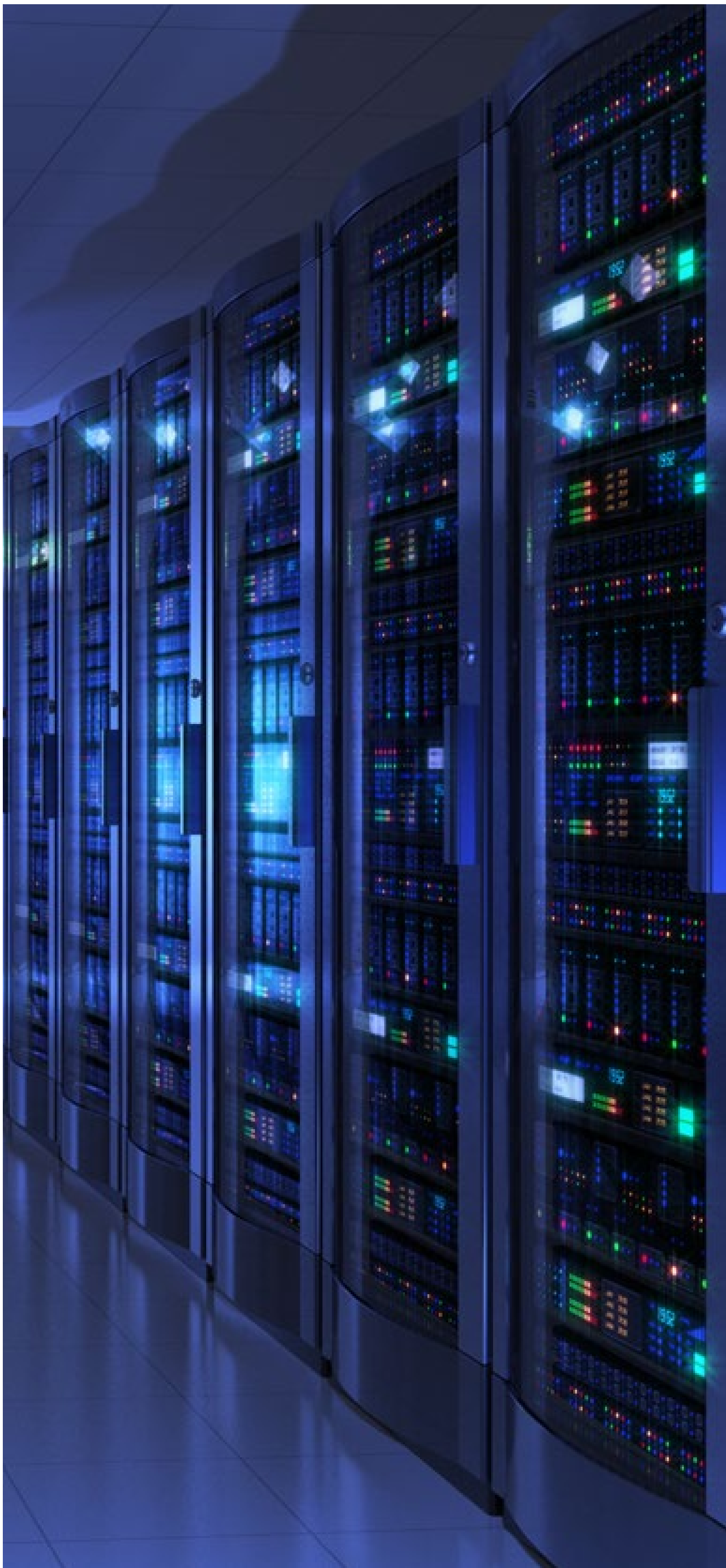
Think big, start small and scale fast.

Banks yet to digitise their services will cut risk and increase agility, flexibility and speed to market by going cloud native to deliver a small project that can be scaled quickly.

Not long ago you would have been hard pushed to find anyone who liked their bank – let alone appreciated what it did for them. Today, that's changing. Customers have a wide choice of financial service providers and they are flocking to institutions that help them make the most of their money or make it easier to run their businesses.

Banks that meet or surpass customer expectations are building loyalty and taking market share by offering value-added services specifically tailored to the needs of each market segment. None relies on just one software vendor to achieve this. Rather, they bring together their own ecosystem of high-performance technology providers that can be swapped in and out according to need. Their rise marks the end of the era of expensive, unadaptable legacy banking systems.

These forward-thinking banks run modern, digital architectures born in the cloud. Bringing in different elements that plug and play together enables them to innovate quickly, at minimal cost, to meet changing customer needs and demands. For example, they can quickly add technology that keeps up-to-date with cross-border tax regulations or a solution that speeds up account opening. In the 21st century, the ability to innovate rapidly is the single most important factor to growth. It is the ability to innovate that enables such banks to out-manoeuvre, out-deliver and out-perform the sector – just look at ABM Amro's SME spin-off, New10.



Raise your sights.

For those operating on legacy systems, it is time to move to the cloud. This need not be as daunting as it sounds. When it comes to transformation, today's technology allows far more flexibility and choice than even a few years ago. The key is to think big, start small and scale fast.

Identify an opportunity – such as business lending to small and medium-sized companies, which have long been underserved. Design your end-to-end proposition precisely to seize that opportunity and make sure that it can grow quickly to give a satisfying return on investment. A small project, once proven, is easier to validate and replicate across other areas of the business.

Choose the right technology – only a born-in-the-cloud platform is truly cloud-native and capable of offering the flexibility required for the future. Because it is plug-and-play, results come fast – most projects can test launch products within three months and go live within six to nine months. And by starting small, the project limits risk.

Furthermore, by adopting composable infrastructure that is not tied to a particular technology or location, tailoring products, services and processes becomes a matter of configuration rather than having to write expensive new code. The result is an agile and iterative development model. This allows the bank to both launch on its new stack fast and also maintain a rapid pace of change – at low cost – as it expands the new model across the business. Mambu customers find that the costs of integration and change can be between two and five times lower than with legacy systems.

This ***brave, new, legacy-free world*** also avoids vendor lock-in. An open ecosystem, with functionality delivered via application programming interfaces (APIs) allows the bank to work with whichever fintech delivers the best solution – always. New partners can be easily swapped in for old.

It takes more than the right technology.

But a word of warning: it takes more than the right technology to successfully transform a bank. To start small and scale fast requires a start-up mindset and a lean team with a laser-sharp focus on customer experience. Strong leadership from the top is a must – as is buy-in from shareholders, managers and staff.

Banks need to approach transformation knowing that not every project will come easy. They must embrace failure or succeed fast if they are to maximise returns and minimise risk. A project focused on one customer segment helps banks learn lessons that can be subsequently applied when building out the online offer to other parts of the business.

As an initial project expands, having internal champions who can transfer knowledge and help train colleagues helps spread enthusiasm. Equally, a shift to judging progress by giving the customer what they want and need rather than the timing of delivery ensures quality output.

Finally, in the future, banking will not be like it is today. To succeed, banks will need original and diverse thinking. Hire outside the industry, find people who have done things differently in fast-moving consumer goods or in utilities. Differentiation is going to be the bedrock of success.

Product principles and why they matter.

Composability, collaborative ecosystems, software as a service, a born-in-the-cloud platform and artificial intelligence are banking technology essentials, allowing a bank to minimise costs and maximise flexibility in the face of rapid change.

A bank's core is its platform, the bedrock of its operations. Whatever market, customer segment or jurisdiction it chooses to serve, its platform must be able to deliver. The speed of change a bank faces today – from evolving customer needs, regulation and market conditions – demands a flexible core to meet that change fast. Ideally, banks need to anticipate and prepare for change.

Five technology attributes and a new culture of collaboration can help a bank stay ahead of the curve.

1. **Composable banking.**
This describes an approach to the design and delivery of banking services that prioritises the rapid and flexible assembly of independent, best-of-breed technology. When successful, it means the bank can always be working with the best solutions to provide the best service.

2. **Building an ecosystem of super-easy-to-integrate solutions.**
These work together via application programming interfaces (APIs). This keeps down costs and maximises speed to market. How fast? Some 95 per cent of Mambu customers go live within two months of targeted go live date.

3. **Using software as a service or SaaS.**
It's a way of consuming software that is scalable, secure and robust. Again, SaaS helps the bank keep costs down as it pays for only what it uses; Accenture research shows it can cut operating costs per user by 70 per cent or more. Customers also enjoy better resilience, with Mambu customers, for example, recording 99.99% uptime.

4. **Ensuring your chosen technology platform is born in the cloud.**
Being designed for and built in the cloud right from the start opens up a whole new reimagining of banking from top to bottom. There is no legacy to bog it down and it allows fast scaling according to need, reducing costs and eliminating the hassle of managing on-premise infrastructure. The fact that banks are today the largest cloud spenders – accounting for 43% of total cloud spend – illustrates just how important cloud has already become to financial service providers.

5. **Artificial intelligence (AI) will allow the bank to crunch its data to maximum effect.**
AI helps to tightly tailor products and services, cut risk and reduce costs. Collective AI – where banks share data where permitted – will increase these benefits further.

Together, these innovations cover the heavy lifting a bank needs to do just to be a bank – the compliance, reporting, balance sheet, payments, security etc. – and give it maximum flexibility to control, build out and deliver the customer experience that will differentiate it from its peers. When delivered by the right technology partners, a bank can face the future with confidence in its ability to respond quickly and efficiently to change.

Embrace your tech providers as partners

But there is more to success than just these trends and finding the right technology providers. A bank must also embrace its tech providers as partners so that together they can develop and pursue a joint strategic vision, including a swift time to market. This involves new collaboration models that help organisations navigate the different opportunities, threats and enabling technologies of the digital economy.

Proving the success.

Whether they're a traditional bank, neo challenger, state-owned or new standalone banking unit, banks that choose Mambu have seen record times to market and enjoy the full benefits that born-in-the-cloud technology brings.

More than 41 million people already rely on a Mambu core banking platform. Their financial services providers range from specialists to retail and even corporate. ABN Amro, OakNorth, Galicia and Itaú are just some of the world's leading groups that have chosen Mambu to deliver their vision of digital banking.

What they have in common is a clear understanding that banking is changing, and that change is going to be constant and radical over the next decade. This means that when it comes to technology, they are looking for maximum flexibility – be that plug-and-play add-ons, configuration over coding or frictionless scalability. For Bryan Carroll, chief executive office and co-founder of TNEX, a new digital bank launched in November 2020 by Vietnam's Maritime Bank (MSB), these attributes are vital.

More than
41 million people
already rely on Mambu's banking and financial services platform.

Constant change requires flexible technology

"There's no denying that the future of banking is digital… We've selected Mambu's composable platform to build Vietnam's first digital-only bank as it is fully scalable, allowing us to grow quickly and respond with agility to customer needs as they arise. The platform is also completely configurable, meaning we can design it to meet our specific requirements."

TNEX is a perfect example of a Mambu client thinking big, starting small and scaling fast. Indeed, fast growth is core to the bank's business plan, with its target of three million customers by 2023.

Certainly, the launch was fast – implementation took just five months using data science, artificial intelligence, customer-first design principles and Mambu's born-in-the-cloud technology.

But it's not just new banks that work with us. Time and again, when speed to market has been top of the agenda, well-established financial services providers have turned to Mambu. In 2020, as Covid-19 struck, one South American state bank had to deliver the government's social benefits programme fast. It wanted a digital-first, contactless system capable of dealing with very high transaction volumes. Within just a few months of working with Mambu, it had its proof of concept and quickly migrated its 13 million customers.

Time to market in weeks or months, not years

On the other side of the world, Globe Mynt, the lending arm of leading Filipino group Globe Telecom, working with lending company Fuse, realised its old platform was built neither for scale nor purpose, suffering from cumbersome reporting, siloed customer data and a lack of configurability. Change was slow and costly.

After a speedy three-month implementation project, today it is powered by Mambu's core banking platform and Mynt provides financial access via mobile phones for more than a million customers. Mambu's composable model means it can easily customise products to specific markets without having to modify the platform, while APIs allow it to easily and quickly integrate new partners into its existing ecosystem.

> "Mambu understood our vision and is enabling us to rapidly create, launch and service tailored products that address the local market needs,"

Anthony Thomas, president and CEO at Fuse.

Ferratum in the UK is another example of a bank moving from an inferior core platform to Mambu. Operating in more than 20 countries, with more than two million customers, it wanted a modern platform to help it launch in new markets and quickly customise its products. Its old, home-grown platform was not up to the job.

The partnership initially focused on business loans but was soon expanded to include consumer loans. Since working with Mambu, international expansion has also flourished – during the first three months of working together, Ferratum opened in seven new countries and a further three over the following year.

Its success has been so impressive that chief operating officer Ari Tiukkanen wants to further deepen the relationship with Mambu. "There's quite a big number of countries to be transferred to Mambu," he says. "It's been the right solution because we can expand pretty rapidly together. It's scalable, flexible, no hard coding needed and well-fitting API connection to other technology partners. It's the optimum solution because we can simply configure Mambu as an engine and plug-and-play."

Although Tyme Bank is a new challenger – the first in South Africa to receive a full banking licence for almost two decades – it decided to ditch its original platform and move to Mambu just a year after its launch. Another example of a bank thinking big, starting small and wanting to scale fast, it found its original platform unable to keep up.

In February 2019, it signed to Mambu, attracted by the cloud-native nature. Within six months, it was up and running on Mambu and has been signing up customers at a rate of 100,000 a month, taking it from 50,000 in 2018 to 2.5 million customers by the end of 2020. Scaling fast has been integral to its success, as has providing a secure, resilient service. Today Tyme is rated the second-best bank in the country and by Forbes, among the best in the world. Tyme Bank is now expanding into Asia Pacific.

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These are just a few of the 200 or so banks, Telcos and financial services providers in 65 countries that rely on Mambu's cloud-native core platform. What they all have in common is the ability, to compose their stack however they need to deliver modern, differentiated, low-cost, scalable financial services to their customers. They have achieved a time to market of weeks or months, not years. They enjoy agile and iterative development models that keep costs down and enable swift change. Their ecosystems are open, so they can always work with the best in class. As a result, customers of Mambu are time and again the market leaders in their chosen fields. We're proud to be helping more than 41 million people use their banking services. And we're proud that it won't be long before we're doing the same for double that number.

About Mambu.

SaaS. Cloud native. API-driven. These all describe our market-leading banking and financial services platform. Founded in 2011, Mambu fast-tracks the design and build of nearly any type of financial product for banks, lenders, fintechs, retailers, telcos and more. Our unique composable approach means that independent components, systems and connectors can be assembled in any configuration to meet business needs and end user demands. Mambu has 550 employees and 180 customers globally including N26, OakNorth, Tandem, ABN AMRO, Bank Islam and Orange Bank.

Want to be the best you can be?

We make financial change happen.

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