



*Mambu Recognized for*

**2021**

**Product Leadership**

Global Cloud Banking

Platform Industry

*Excellence in Best Practices*

## Strategic Imperatives

Frost & Sullivan identifies three key strategic imperatives that impact the fintech industry: industry convergence, new business models, and disruptive technologies. Every company that is competing in the fintech space is obligated to address these imperatives proactively; failing to do so will almost certainly lead to stagnation or decline. Successful companies overcome the challenges posed by these imperatives and leverage them to drive innovation and growth. Frost & Sullivan’s recognition of Mambu is a reflection of how well it is performing against the backdrop of these imperatives.

SIB	INDUSTRY CONVERGENCE	NEW BUSINESS MODELS	DISRUPTIVE TECHNOLOGIES
Why	<p>Increased connectivity will enable the use of application programming interfaces (APIs) by third-party providers. The exchange of information among different industry participants will improve the outcome of APIs.</p> <p>The growing use of APIs and more robust connectivity will lead to a better customer experience by enabling converging industry participants to interact and exchange information seamlessly.</p> <p>Companies, including start-ups, are collaborating to test new technologies, share expertise, and implement new business models.</p>	<p>As financial institutions become more customer-centric, partnerships between large companies and start-ups for geo-products and service expansion are multiplying.</p> <p>The adoption of omnichannel, digital-only, mobile-first models that provide multiple touch points between customers and service providers will register high growth.</p> <p>Artificial intelligence (AI) and machine learning (ML) have improved the quality and adoption rate of RegTech and PayTech as FinTech companies strive to achieve higher compliance standards and adopt efficient and affordable payment solutions.</p>	<p>AI and ML will enable hybrid models, such as RoboAdvisory, to offer customer inclusivity and personalization in wealth management.</p> <p>Partnerships with companies that provide blockchain systems will be crucial to offering security services with a strong focus on transparency and data privacy.</p> <p>Investments in quantum computing will increase as companies identify important business applications such as financial modeling, risk analysis, and security.</p>
When	<p>More banks will invest in APIs as the digital payment transaction value processed with APIs increases in the short term.</p> <p>Post-2021, the use of data for services other than financial will prompt greater convergence. The telecom and auto industries are already initiating payments and insurance based on user data.</p> <p>In the next 5 to 10 years, companies across the consumer goods, automobile, retail, telecommunications, and technology segments will converge to provide new offerings, thus forming considerable opportunity for the financial services industry.</p>	<p>PayTech adoption has increased in developed countries, with the United States recording a compound annual growth rate (CAGR) of 5.6% between 2016 and 2020. In Asia-Pacific, 25.6% of revenues come from direct mobile payments.</p> <p>The global RegTech sector is expected to reach \$6.45 billion by 2020 from \$670.0 million in 2016, exploding at a CAGR of 76.8%.</p> <p>The proliferation of social commerce platforms will encourage consumers to move to online transactions. Online retail is expected to grow from \$4.20 trillion in 2020 to \$4.30 trillion by 2025.</p>	<p>The total assets under management (AUM) market is expected to increase from \$63.90 trillion in 2012 to \$108.00 trillion by 2021. Blockchain-based AUM features will experience a high growth rate.</p> <p>As consumer demands force changes in how financial services are delivered, governments and regulators will push to ensure technology adoption in the financial services industry through the long term.</p> <p>Companies must develop the infrastructure and human resources needed for the effective use of quantum computing tools, which will be increasingly integrated into FinTech over the long term.</p>

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Mambu excels in many of the criteria in the cloud banking platform space.

AWARD CRITERIA	
<i>Product Portfolio Attributes</i>	<i>Business Impact</i>
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

### *Fulfilling a Critical Need through a Paradigm-setting Approach*

Banking and financial services is a quickly evolving industry, with regulations and consumer expectations driving tremendous growth in the wider services ecosystem. To thrive, solution providers must learn to be agile and flexible while maintaining a close pulse of new and disruptive developments. Not only must they adapt to changes, but they must tailor their products to customer needs and future-proof them for subsequent disruptions. Some businesses may find it hard to keep pace. For example, large banks and large financial service institutions often use legacy software, hard codes, and antiquated procedures that complicate their attempts to evolve with the industry. Thus, to manage the challenge, many institutions leverage third-party technology, which saves them from building their solutions from the ground up and allows them to adapt more quickly to market changes.

Founded in 2011 in Germany, Mambu is a leading global SaaS banking and financial services platform. Operating on a pure software-as-a-service (SaaS) business model, Mambu offers a cloud-native, cloud-agnostic core banking platform that combines a banking engine and process orchestrator to empower businesses, allowing them to build innovative banking products and deliver modern banking experiences. Through Mambu’s “composable” approach, users can “compose” unique solutions that reflect their specific needs and future-proof them to correspond with industry changes. The platform hosts more than 100 third-party providers that offer application programming interface-based integrations in a collaborative ecosystem, favoring configuration over customization. Users can build, manage, modify, and scale seamlessly, selecting the best vendor for each integration. The platform’s core qualities are openness, speedy time to market, and agility, which are all traits that allow Mambu to

disrupt the conventional, monolithic banking paradigm. Independent systems replace lock-down legacy

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**- Jeffrey Castilla, Best Practices Research Team Lead**

systems, and flexible assembly replaces hard-coded integrations. This adaptable architecture and approach provide immense customer value, earning Mambu Frost & Sullivan’s prestigious Customer Value Leadership Award in 2019 and its continued leadership position now in 2021. Mambu rolls out updates to all of its customers seamlessly and frequently.

In 2020, the company enhanced its platform with several key partnerships and integrations (including Google Cloud, Wise, Currencycloud, and Microsoft

Dynamics) to expand its ecosystem and increase functionality. Mambu also added Single Euro Payments Area (SPI) Direct Debit to its list of payment schemes. Some enhancements were geared toward helping struggling clients mitigate the effects of the COVID-19 pandemic. For instance, in the early stages of the pandemic, Mambu’s customer success and product teams collaborated to identify and prioritize needs. They created a new payment holiday feature that allowed customers to postpone loan payments or temporarily waive the interest for their end users. This feature fulfilled a critical need for Mambu’s customers and their end users. In January 2021, the company introduced a new Sharia-compliant product, enabling Islamic financial institutions to benefit from its platform.

### ***Guiding Customers to Success***

Mambu’s customer base includes an impressive roster of well-known top-tier banks, neobanks, lenders, financial technology companies (fintechs), and telecommunication companies across a range of domains such as personal lending, business lending, mortgages, trade finance, digital wallets, and current accounts. Santander, ABN AMRO Bank, OakNorth Bank, Globe Telecom, Orange, and N26 are all integral participants in the Mambu ecosystem.

Mambu supports them with impeccable customer service. Earning a Net Promoter score of more than four times competing providers, the company describes its relationships as collaborative partnerships and supports customers through customer advisory boards. The dozens of system integrators, business consultants, and technology partners within the Mambu ecosystem assist customers with integration and deployment, decision-making and selection, and product enhancement. Mambu’s customer success managers assist customers in reaching their goals, help assess their needs, identify growth opportunities, and facilitate the path toward maximizing value and achieving measurable outcomes.

### ***Poised for Growth***

As the only pure SaaS provider in the market, Mambu is in a prime position for growth. The company has been in this space for more than a decade, so entry barriers for other market entrants are high. Mambu serves more than 42 million end users in more than 65 countries. Seventy of its nearly 200 customers were added in 2020 alone. The company's platform offers more than 6,000 financial products created and co-created by Mambu and its customers. Mambu has doubled its business every single year, reflected in its revenue which has also doubled. In January 2021, the company raised €110 million in a funding round led by TCV. Additional investment was received by Tiger Global and Arena Holdings, as well as existing investors Bessemer Venture Partners, Runa Capital and Acton Capital Partners. This funding brought Mambu to unicorn status, with a current valuation of €1.7 billion (\$2.1 billion).

Mambu is using the funding to drive growth and restructure its business. The company has been hiring aggressively, growing its team by 80% in 2020 to more than 500 employees. By the end of 2021, the company will double this number to 1,000. Mambu is also growing geographically, recently adding new

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offices in Vilnius, Lithuania, and Abu Dhabi, United Arab Emirates, which are both enormous innovation hubs with high growth expectations in digital banking. The company also aims to continue to expand further into Latin America and Asia; both regions offer massive potential. A large portion of the Latin American population is either unbanked or underbanked. Mambu has

already formed collaborative partnerships with several large fintechs and Tier 1 and Tier 2 banks in the Latin America region. For instance, the low-code platform provider VeriTran will help streamline Mambu's platform in the United States and Latin America. Asia's tech-savvy population will translate to high adoption rates, as financial institutions strive to meet consumer demands.

### ***A Unique Company Culture that Contributes to Individual Well-being***

***"As we grow in scale and complexity, we increase our investment in people - our key differentiator. We think critically about the impact we want to make."***

***-Sofia Nunes, Co-founder & Head of Culture***

Mambu's company culture plays a critical role in its success. The company was founded by three friends, who all, a decade later, continue to be active participants in Mambu's development and growth. The Mambu team extends their knowledge through five core values: proactivity, longevity, questioning, appreciation, and evolution. "Mambuvians" constitute a diverse range of talented individuals from more than 30 countries on six continents. They partake in a horizontal hierarchical structure that strives for equality among peers, fostering a culture of openness and a team-first mentality. Through its "People" team, Mambu makes a special effort to create an enjoyable work environment. The company stresses the importance of personal health and well-being and family life, creating a dynamic where employees enjoy their work and want to do well. Mambuvians participate in frequent outings such as team getaways and enjoy a four-day workweek during the summertime. Employees are also welcome to bring

their dogs to the office. Even with the changes brought on by the COVID-19 pandemic, they continue to have virtual happy hours and other friendly gatherings.

## Conclusion

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Companies of all shapes and sizes must learn to be adaptable in the quickly evolving banking and financial services industry. For successful players, agility and flexibility are key. Mambu sets an entirely new paradigm that allows top-tier banks, neobanks, lenders, financial technology companies (fintechs), and telecommunication companies to build and deliver modern banking experiences. Through Mambu's composable approach, these companies can pick and choose which vendors work best for them and integrate quickly and seamlessly through application programming interface-based integrations. Along with its continuous innovation and unique company culture, Mambu expects to reach new heights as business, revenue, and staff count continue to double every year. The company also secured funding that sent it into unicorn status in 2021, which will further propel its growth with geographic expansion into the Asia-Pacific, the Middle East, and Latin America regions.

For these efforts and the company's relentless commitment to innovation and its customers, Mambu is recognized with Frost & Sullivan's 2021 Global Product Leadership Award in the cloud banking platform market.

## What You Need to Know about the Product Leadership Recognition

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Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

### Best Practices Award Analysis

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Product Portfolio Attributes*

**Match to Needs:** Customer needs directly influence and inspire the product portfolio's design and positioning

**Reliability and Quality:** Products consistently meet or exceed customer expectations for performance and length of service

**Product/Service Value:** Products or services offer the best value for the price compared to similar market offerings

**Positioning:** Products serve a unique, unmet need that competitors cannot easily replicate

**Design:** Products feature innovative designs, enhancing both visual appeal and ease of use

#### *Business Impact*

**Financial Performance:** Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

**Customer Acquisition:** Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

**Operational Efficiency:** Company staff performs assigned tasks productively, quickly, and to a high-quality standard

**Growth Potential:** Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

**Human Capital:** Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

