

SME Finance Forum

BANKING ON CLOUD NINE

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A BIT ABOUT WHO WE ARE

1

A bank founded for entrepreneurs, by entrepreneurs. We lend between £500k up to £20m to established, fast-growth SMEs.

2

Our loan book now stands at circa £450m and we have raised over £300m in retail deposits from 7,000 savers.

3

Brexit created a significant opportunity to gain market share from the big banks who retrenched from the market following the vote. Our loan book tripled in H2 of last year.

4

In May '16, we became the first bank in the UK to have its core system fully-hosted in the cloud, after months of working with the regulator and Amazon Web Services.

5

In August '16, less than a year after launching, we broke even, becoming the first new bank in the UK to achieve this within a year.

6

In April '17, we were named as one of 17 UK fintechs that could one day be worth \$1bn (GP Bullhound Report) and made it onto the Leap 100 list: the definitive list of the UK's fastest-growing companies.

86%

Of all UK companies are spending at least part of their IT budgets on cloud services.

£46BN

The amount that European banks will spend on IT in 2017 - £10bn on investing in new systems and the rest on maintenance.

3.8M

Number of instances of cyber-crime in the UK in 2016.

1.2M

Number of people in the UK who lost money in 2016 due to bank hacking or phishing attacks.

AND THE HEADLINES SAY IT ALL...



BANKING CRASH NatWest, Lloyds Bank and Halifax suffer online banking and payment problems as websites and apps go down

MailOnline

Payday banking meltdown as Lloyds, Halifax, RBS and NatWest customers are hit by online glitch that stops them accessing their accounts - and even makes payments 'vanish'



INDEPENDENT

Tesco Bank suspends 'all transactions' as 20,000 customers lose money after hack attack

Customers reported seeing as much as £700 disappearing from their accounts

The Telegraph

Barclays hacking attack gang stole £1.3 million, police say

A gang of hackers stole £1.3 million by hijacking the computer system of a branch of Barclays Bank, police have claimed as they arrested eight men.

March 2015

When we obtained our licence, we wanted to launch on the cloud, but there was no regulatory policy in place

September 2015

We therefore chose to launch with traditional hosting but deliberately selected migrate-able systems. We then picked up conversations with the regulators again

Next few months...

With the help of AWS, we worked with the regulator on items such as data protection, access to data, security and business continuity

May 2016

We started off by moving our ancillary services and by May, had moved our core systems over too, making us the first UK bank to be fully on the cloud

THE BUSINESS CASE

FLEXIBILITY

SCALE

NO LEGACY

SPEED TO
MARKET

SECURITY

COST

ADAPTABILITY

FOCUS

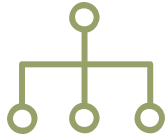
CHALLENGES HOLDING BACK CLOUD PROJECTS



38% LOSS OF CONTROL OVER IT SERVICES



38% CONCERN ABOUT REGULATORY COMPLIANCE



28% CONCERN OVER BUSINESS CONTINUITY AND DISASTER RECOVERY



34% KNOWLEDGE AND EXPERIENCE OF BOTH IT AND BUSINESS MANAGERS



38% CONCERN ABOUT SECURITY OF DATA



30% CONCERN OVER COMPROMISED ACCOUNTS AND / OR INSIDER THREATS

WHAT WAS THE OUTCOME?

1

Several successful new
product launches

2

Cost saving: breaking
even in under a year

3

Creativity it's unleashed in
our IT team





Pick a provider that uses simple contract structures that are easy to understand and update.



Carry out appropriate due diligence on all providers you are considering.



Understand how responsibility for data privacy obligations will be allocated between you and the provider



Take account of relevant regulatory guidance – in the UK, this is the FCA's final guidance published in July 2016



Executive support is essential for creating meaningful change – whether that change be technical or cultural



Giving those with institutional knowledge an opportunity to learn and participate will accelerate your journey. People fear what they don't know.

WHY WE CHOSE MAMBU FOR OUR CBS



To properly meet the needs of entrepreneurial growth businesses in the UK, we knew we needed a radically different approach to customer service than what was available from traditional banks. This meant merging the best practices of commercial and retail banking with the technical flexibility and dexterity of an online digital disruptor – in this case, Mambu.



Like us, Mambu was a startup, which meant it could be fast and flexible, working with us as we built our technology stack. The platform was developed for cloud, which was helpful as we knew this was what we eventually wanted.



Its infrastructure and API enable us to offer business loans with flexible terms which is essential in enabling us to compete.



Its technology enables us to rapidly bring new products to market and focus our innovation around giving our customers great products and services.



Thank you!

GET IN TOUCH

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