



Acquisition of Malauzai by Finastra

External Q&A

The Announcement

- On 15 June 2018 Finastra acquired Malauzai, which provides innovative mobile and Internet banking solutions to US community financial institutions.
- The acquisition strengthens Finastra's US community markets retail banking capabilities.
- The investment is a key indicator of Finastra's commitment to the US retail banking sector and builds on its track record of bringing digital transformation to financial institutions across the country.
- The acquisition is the next step in a strong partnership between Finastra and Malauzai for the last three years, during which time the two companies have amassed over 130 joint customers.
- It provides Finastra with next-generation technology to digitalize banking services and meet the expectations of individual consumers or small to medium-sized businesses (SMBs), accelerating digital transformation.
- US community banks and credit unions can now have access to the leading fully integrated core, payments, lending and digital engagement platform.
- This allows US financial institutions to support individuals and SMBs throughout their lifecycles, with innovative solutions from a single vendor.

What does the acquisition bring to Finastra?

- **Proven integrated solution** - Now, as one company, Finastra can deliver a fully integrated core, payments, lending and digital engagement solution to its 4,500 credit union and community banking customers and support their digital transformations and beyond its existing customer base.
- **Drives new strategic core sales** - An industry-leading 100% open, fully integrated solution (Core + Lending + Payments + Digital) for individuals and SMBs in the US.
- **Brings digital innovation at scale** - Industry-leading digital banking engagement platform for customers using Finastra's core solutions and those using non-Finastra core solutions.
- **Enables digital transformation within Community Markets banking** - Community banks and credit unions can now lower costs, improve engagement and deliver world-class experiences to individuals and businesses.
- **Malauzai on FusionFabric.cloud** – Combine the strengths of Finastra and Malauzai1 to create an open, API-based ecosystem of Fintech solutions all based in the Microsoft Azure cloud, supporting a network of connected partners.
- **Digital banking thought leader** - Builds on existing US community markets expertise and positions the combined solution as "THE" digital banking thought leader of global significance

Who is Malauzai?

Malauzai provides innovative mobile and Internet banking solutions designed for community financial institutions in the US.

Malauzai was founded in 2010 and is headquartered in Austin, Texas. It provides innovative mobile and Internet banking solutions designed for community financial institutions, serving 350 community markets institutions in the US, with 1.6 million registered users.

What are Malauzai's key differentiators?

- Innovative edge for community markets organizations with a track record of industry firsts in the digital banking space.
- Leading independent mobile banking vendor by number of apps (#5 by market share)



- Design and in-house UI/UX creative agency delivered through exceptional usability for mobile/desktop.
- Analytics and data drive an awareness of the digital channels and a guidepost for innovation.
- Pre-integrated large ecosystem of 3rd-party partners offering additional value to its proprietary solutions.
- Mobile-only experience (MOX) control to drive a cross-channel experience from a single platform.
- Data-driven marketing techniques leading to 50% “word-of-mouth” share of digital PR space.
- Innovative culture and highly motivated employees who balance financial professionalism and fun.

In which countries will Malauzai be marketed and sold?

The combined solution portfolio will be targeted towards the US retail banking market, bringing value to community banks and credit unions. The Finastra strategy for Digital Channels will not change for markets outside of the US and the Finastra Digital Channel solution will continue to be the go-to-market solution for those regions.

What does it mean for customers?

Community banks and credit unions in the US constitute half of Finastra’s customer base. Finastra is committed to the US market and it will continue to deliver innovative solutions to these customers to help them grow their businesses and stay competitive. The US community banks and credit unions are extremely important to us and we have a dedicated organization in the US that understands and anticipates the needs of these customers so that we can serve them to the highest levels of quality across all areas.

The combined offering empowers credit unions and community banks to deliver first-rate digital banking experiences across all types of devices, supporting the entire customer lifecycle of its customers. These range from the first bank account to personal and business loans, debit and credit cards, managing payments and beyond. The acquisition means credit unions and community banks will now be able to access these benefits via a single provider. The combined capabilities are available now to support digitalization of banking services and to meet customer expectations more effectively.

Our software levels the playing field, giving community banks access to the support and tools needed not only to compete, but survive. We help community banks and credit unions simplify processes and offer sophisticated user experiences, with innovative mobile and Internet banking capabilities. These tools enable them to really embrace digital transformation (and benefits that go with it), which many small organizations may have previously dismissed as a pipedream, thinking them better suited to larger banks.

Finastra is a \$2B revenue company with substantial scale and this acquisition will enable us to bring that scale, execution strength and investment capabilities to further accelerate Malauzai’s ability to innovate and bring those leading-edge capabilities to US community banks.

What will happen to the Malauzai brand?

We will maintain Malauzai as a dedicated solution brand for external marketing purposes for the foreseeable future; adding a small sub-line to the Malauzai logo (“A FINASTRA COMPANY”).