

Project Example – Software & Digital

Bank software – Actico (1/2)

Situation

- Actico, global provider of Regulatory Compliance & Digital Decision Making (DDM) software for Financial Institutions
- Owned by Management, looking for a financial partner for global growth. Global PE fund wants to buy Actico.

Actions Proost Ventures

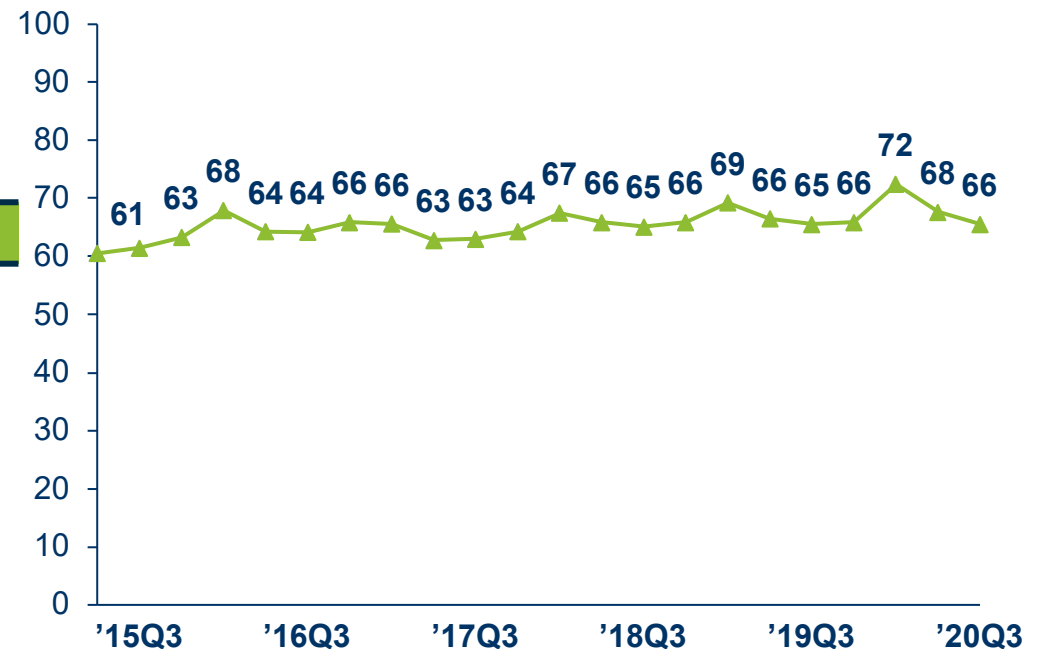
- Outline regulatory environment & expected changes for Financial Institutions (Loan origination, AML, Solvency, Liquidity, PSD-2, GDPR, digital company accounts,...)
- Quantify penetration rate of DDM + RegTech split by Banks, Insurance, Asset Mgrs. further split by size
- Determine market size and growth (past and projected) of DDM and RegTech by segment (market model)
- Competitor benchmarking and profiling vs. Actico
- Determine purchasing criteria of end-clients by segments
- Business Plan acceleration options with partner model

Project Results

- Successfully performed buy-side Commercial Due Diligence in 2.5 weeks (incl. expert interviews)
- Global fund reaches final stages of process, ultimately Bregal acquires Actico.

Cost-to-Income Ratio EU Banks

- EU¹, 2015-2020A -












Banks' income is under pressure from low interest rates, giving pressure to cut costs via digitalisation

¹EU countries participating in the Single Supervisory Mechanism (SSM) (changing composition) (B01). Source: ECB.
Source: Project Experience Proost Ventures



Categories of DDM software providers to Financial Institutions

	CBS ¹ provider	Data vendors	End-to-end DDM software provider		Siloed solutions provider
Focus	<ul style="list-style-type: none"> Focus on Core Banking Systems (CBS) and additional customized software solutions Wide range of solutions 	<ul style="list-style-type: none"> Historical core business of (credit) data, expanding over time into analytics software and DDM. 	<ul style="list-style-type: none"> Multiple product suites: RegTech, Credit Decision, Credit Risk Mgmt., and Regulatory Capital Intersection between analytical software and IT 		<ul style="list-style-type: none"> Segment specialists: RegTech, Credit Decision, Credit Risk Mgmt. Single product suites Best-of-breed approach by customers
Target customer	<ul style="list-style-type: none"> Large to medium-sized banks 	<ul style="list-style-type: none"> Both large and medium Financial Institutions, as well as non-financial companies 	<ul style="list-style-type: none"> Small to medium-sized 	<ul style="list-style-type: none"> Larger clients 	<ul style="list-style-type: none"> From large companies to medium-sized enterprises to small businesses
Regional operation	<ul style="list-style-type: none"> Global 	<ul style="list-style-type: none"> Global 	<ul style="list-style-type: none"> Global 	<ul style="list-style-type: none"> Regional focus 	<ul style="list-style-type: none"> Regional to global
Customization effort					
Examples					

1. CBS = Core Banking System.
Source: Project Experience Proost Ventures