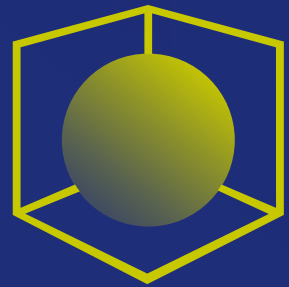


Temenos Transact



The most successful
and widely used
digital core-banking
solution in the world.

temenos



Introduction

It provides the most extensive and richest set of banking functionality across retail, corporate, treasury, wealth and payments with over 1000 banks in 150+ countries relying on it to provide market leading and innovative products and services to their customers. Through its cloud-native and cloud-agnostic technology and architecture, It enables banks to take advantage of agile scalability, security and lower operational costs, delivered either as SaaS, or on-cloud or on-premise.



Temenos software allows the bank to launch products in cycles that are probably 10x faster than before. We are working together with Temenos as partners to transform our business digitally from bottom up.

Ezequiel Szafir
CEO, Openbank

Market background / challenges

Leveraging Modern & Disruptive Technologies

The widespread uptake of disruptive technologies (the more established ones like cloud, mobile, big data and the newer ones like microservices, Open APIs, AI) is exacerbating the pressures the industry has always grappled with. Temenos Transact exploits these technologies to facilitate ease of use and ubiquity of access of everyday products and services for the end customer and enabling banks to meet their customers ever increasing expectations and demands.

Expanding Customer Segments

Customers have become more discerning and less loyal; they shop around for better deals from multiple providers. Globally, there is huge potential for financial inclusion – 40% of adults do not have a bank account; 67% of regulators have a mandate for inclusion.; SMEs are underserved, especially in emerging markets. Temenos Transact, through its rich functionality and modern technology & architecture, serves banks of all sizes and all sectors, including Retail, Corporate and Wealth. This enables banks to introduce new products using capabilities drawn from all sectors and hence continue to produce services and offers which are relevant, attractive and innovative, hence increasing customer loyalty and making it easier to acquire new customers.

Regulation & Market Practice

Regulation is no longer just about reporting and compliance. It is causing banking operating models to fundamentally change. PSD2 is a case in point – it is all about fostering innovation and competition and creating a level playing field for incumbents and new entrants alike. It enforces data portability requirements that erodes incumbent banks' inherent data advantage. Temenos Transact enables our clients to enjoy the certainty that regulatory compliance and key market standard changes will be applied to their Temenos solutions on time. It reduces compliance risk and costs by implementing these changes using Temenos' market-proven packaged software approach.



Competition

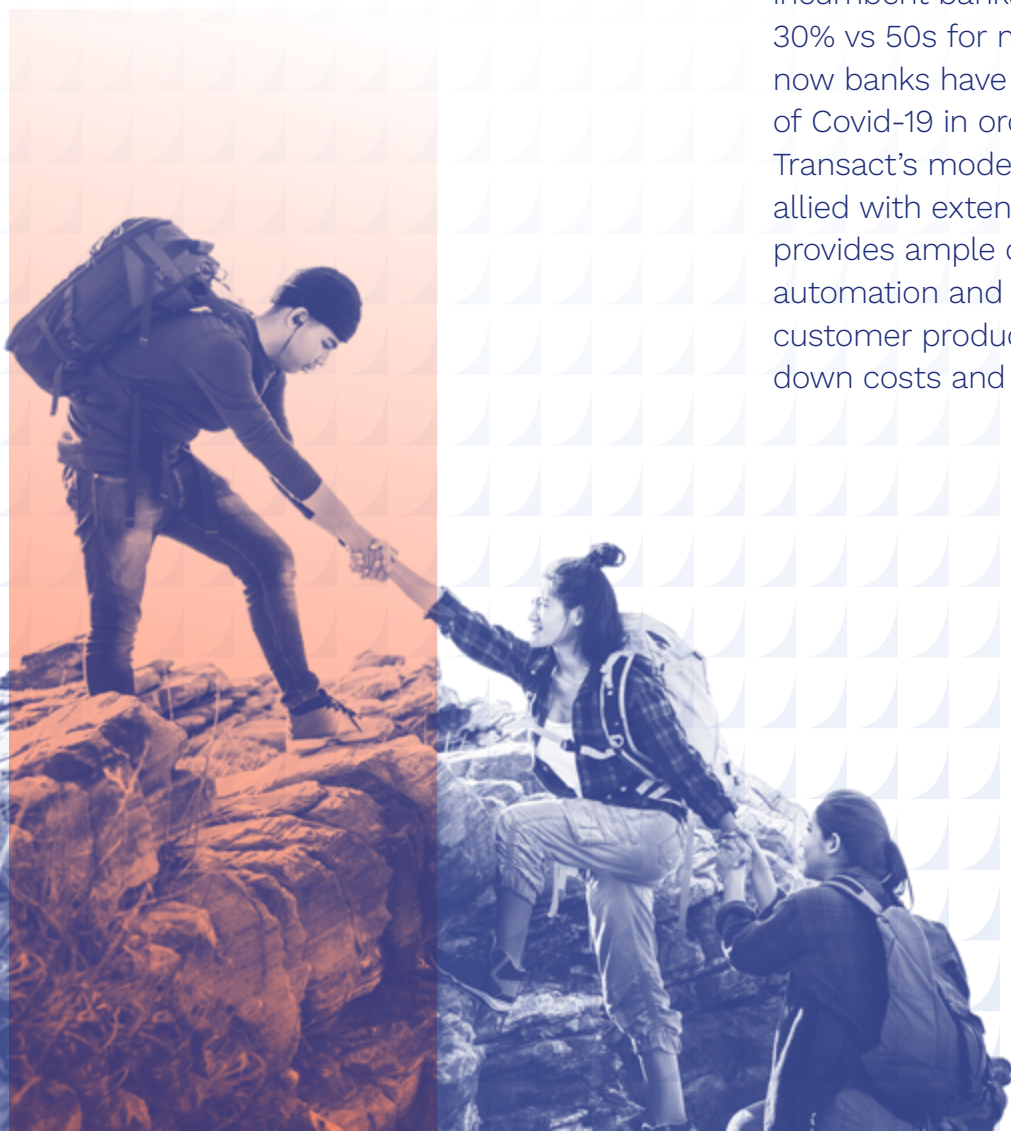
New entrants entering banking in the past few years share certain characteristics – they are all consumer-oriented technology-driven companies that are leveraging disruptive technologies to develop compelling propositions for their customers. Temenos Transact also provides and leverages these technologies to enable incumbent banks to transform to more agile digital banking providers while also offering compelling solutions for challenger and neo banks.

Continual Release Deployment

The solution has regular monthly releases of new functionality which ensure that banks can access new capabilities as soon as they are available. This expanding functionality can be increasingly delivered as component level upgrades, and can be installed online with no system downtime, ensuring that customer services and operations are unaffected.

Challenging Market Conditions

Prolonged recessionary conditions have continued for many years over the last decade putting pressure on margins. ROEs have still not recovered since the pre-2008 crisis levels of >20%. Cost models of new entrants are an order of magnitude different from the incumbent banks – cost income ratios of 30% vs 50s for most European banks. And now banks have to grapple with the challenge of Covid-19 in order to survive. Temenos Transact's modern digital banking architecture allied with extensive business functionality provides ample opportunity for end-to-end automation and provision of compelling customer products & services while driving down costs and maximizing profit.





Temenos Transact

Temenos consistently invests over 20% of its revenue back into R&D, resulting in a digital banking system of unparalleled functional depth and breadth. The inherently upgradeable nature of the software means that all customers benefit from this ongoing investment, as we plan to invest a further \$1.1B from 2020-2024, building on the \$2.1bn invested up until 2019.

Temenos Transact clients achieve market leading cost-income ratios with top quartile clients achieving a cost-income ratio of 26.8%, half the industry average. Temenos Transact takes care of commodity so our clients can concentrate on differentiation. Our Value Benchmark illustrates this by showing that on average, our clients are able to invest nearly double the industry average on innovation and our top 25% of clients over 2.5 times.

How Temenos can help

Temenos Transact offers a customer-centric core banking solution. It can be deployed as separate components but also works with out-of-the box integration across all solution components and an extensive set of Open APIs to make integration to external systems easier.

A capable product factory provides support across all product lines, and is supported by an extensive set of embedded analytics which helps to give immediate customer insight and also vital support when designing new products or looking at financial and operational performance in context.

Temenos further helps banks to bring new products to market quickly by supplying a standardized set of country model bank functionality which provided pre-built capability around regulatory requirements, market practices, local clearing, tax, and common interfaces, and other areas on a country by country basis.

Support is provided across all areas of banking, including:



Retail Banking



Corporate Banking



Wealth and Mass Affluent



Treasury





Retail Banking

Temenos Transact Retail Banking offers a functionally rich, flexible and agile core processing engine that enables your institution to offer personalized, customer-relevant products, while allowing for lower operational costs and increased ROE.

The solution offers rich product lifecycle management functionality, which enables you to quickly adapt to market conditions and needs – even during adverse conditions. Scalability, resilience and margin optimization are provided by the fact that the solution is available as SaaS, deployed on the cloud or on premise.

Current / Checking Accounts & Deposits

- Current and Deposit Accounts
- Fixed Term Deposits
- Accounts in multiple currencies
- Household and individual level fee and product bundling plans

Personal Loans

- Unsecured Loans
- Secured Lending
- Variable terms
- Restrictions on usage and term
- Flexible pricing engine

Mortgages

- Variable term, variable collateral
- Flexible product designers to allow for compliance with local market standards.
- Hierarchical product engine allow for efficient creation of new products and the management of overall product lifecycle.

Payments

- Integrated with Temenos Payments
- Local payment circuits supported, including many pre-packaged
- Instant and Real Time Payment capabilities

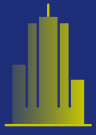
Financial Crime Mitigation

- Integrated with Temenos Financial Crime Mitigation
- Watchlist screening built on advanced AI and Rules engine capabilities
- Advanced AML and anti-fraud transaction filtering
- Real time transaction examination and interception
- Low false positive rate based on AI driven automatic peer group creation and allocation to help to identify suspicious transactions.

Data Analytics

- Integrated with Temenos Data and Analytics
- Embedded and predictive analytics to help bank staff to design and launch new products





Corporate Banking

Temenos Transact provides best-in-class corporate banking capabilities. The solution is an integrated core banking system with deployable components which cover all areas of corporate banking including corporate lending, trade finance, payments and cash and liquidity management, with the addition of analytics and compliance. Also, offering front to back capabilities for the Corporate to initiate all Trade Finance products, Payments (including Bulk File and Beneficiary Management) and Cash Sweeping. The Temenos solution caters for the start-up SME's smooth transition through to maturity and the transformation into a Corporate. The solution is built on a foundation of flexible functionality.

These are complemented comprehensive and easy to use design tools and best practice templates which enable banks to introduce new services and solutions quickly. The solution is cloud native and cloud agnostic, and can be delivered as SaaS, on the cloud or on premise.

All of this allows banks to enter a virtuous circle in which they have the tools to create more innovative and relevant solutions, and increased operating margins which allow them to spend more on innovation, and hence to create even more relevant offers.

Demand Deposit Accounts & Fixed Deposits

- Bullet and complex structures supported
- Multi-currency capabilities

Corporate Lending & Credit Facilities

- Multi-level Agreement Structures
- Standardized Deal Structuring
- Collateral Management suite
- Covenants and Conditions Libraries

Cash Management

- Cash Management covering receivables, Transfers and Payments, Payments and Collections on Behalf of, and automated payments
- Hybrid Cash Pooling
- Physical Cash Pooling
- Notional Pooling

Trade Finance

- Enabling banks to provide automated Trade solutions
- Corporates can initiate transactions such as an Issuance of an Import LC through to checking documents presented and finally payment
- All traditional Trade products are supported





Treasury

- Integrated Treasury solution enabling management of banking and trading books holistically with real time position views across the bank's entire positions
- Full range of instruments supported covering FX, Cash, Deposits, Swaps and other derivatives

Payments

- Integrated to Temenos Payments
- International Payments
- Full SWIFT automation including SWIFT gpi
- Multiple RTGS mechanisms supported
- Integration to local clearing circuits
- Real time and Instant Payments supported

Data Analytics

- Integrated with Temenos Data and Analytics
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Wealth and Mass Affluent

Offering support for Securities and Derivative trading activities to support both Wealth and Mass Affluent sectors.

Unparalleled breadth of instruments

- Equities
- Bonds and Paper
- Options & Futures
- Deposits / Cash Accounts
- Full Trade and Instrument Lifecycle
- Trade Booking and confirmation
- Internal and External Custody Operations
- Corporate Action definable STP



Treasury

Designed to meet the complete needs of a modern international treasury operation. Temenos Transact Treasury helps banks of all sizes reduce risk and improve profitability whilst safeguarding regulatory compliance.

Covering front, middle and back office on a single platform, treasury departments are able to leverage analytics, automation and STP to function with maximum efficiency, ensuring capital and liquidity is optimized, business lines readily funded and financial markets fully utilized.

Wide-range of asset classes and risks coverage

- FX
- Money markets
- Equities
- Fixed Income
- Derivatives
- Structured Products

Seamless connectivity

Out-of-the-box interfaces for connecting to industry-leading market data and dealing systems providers, including Reuters, Bloomberg and SWIFT, as well as configurable adapters for connecting to other 3rd party systems.

Full trade lifecycle

Complete workflow and exception processing for deals passing from front to back office. User configurable process reduces operational risk and ensures faster STP and automation.





Get in touch

Learn more about how Temenos Transact, the world's best-selling, most functionally rich core banking product is used by over 1,000 banks in all sectors and geographies. [Contact us](#)

About Temenos

Temenos (SIX: TEMN) is the world's leading open platform for composable banking, creating opportunities for over 1.2 billion people around the world every day. We serve two-thirds of the world's top 1,000 banks and 70+ challenger banks in 150+ countries by helping them build new banking services and state-of-the-art customer experiences. The Temenos open platform helps our top-performing clients achieve return on equity three times the industry average and cost-to-income ratios half the industry average.

For more information, visit www.temenos.com

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