

Company Overview

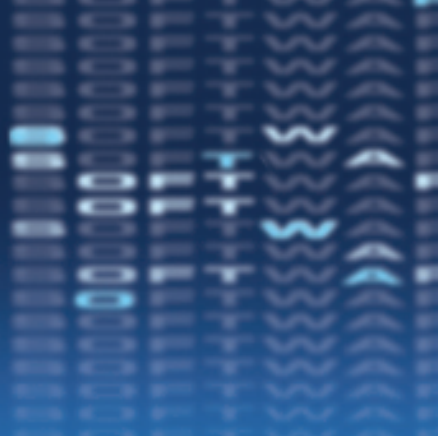








TEMENOS
The Banking Software Company



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Temenos – The Banking Software Company

Temenos is the world's leading supplier of packaged banking software. This is our sole business domain. Our focus brings an in-depth understanding of the industry. It means we can deliver the best banking software available to meet the specific requirements of our clients - to support Retail banking, Corporate & Correspondent banking, Universal banking, Private Wealth Management, Islamic banking or Microfinance & Community banking. To meet the needs of each banking industry sector, we have developed TEMENOS T24 (T24) Model Bank, a product which incorporates best banking practice, derived from our work with over 600 clients in 120 countries. This is accompanied by a range of expert Professional Services to ensure our clients derive the maximum business value from our systems.

The engagements in which we have been involved range from 'greenfield' operations in new business markets, to highly complex, enterprise-wide re-architecture projects, and cover all points in between: 2006-2007 alone saw the successful completion of over 70 new T24 implementations. Our clients range from community banks in developing countries to some of the most sophisticated tier 1 global banking organisations. With 44 international offices supporting locally based consultants, we can offer a sound basis for global expansion.

When our clients invest in a banking solution from Temenos, they can be confident that they will have a firm foundation from which they can:

■ Grow the business

Our software products enable the bank to manage global operations, and accommodate geographical expansion. They help to organise the bank's business around the customer, rather than in traditional divisional silos, so giving a 360 degree view of customer relationships and facilitating customer service, marketing and sales. They allow the bank to launch new products within days, rather than weeks or months, achieving unparalleled levels of business agility so it can maintain a competitive edge in the market.

■ Drive down operating costs

We can help the bank to reduce the number of legacy applications that need to be supported. We can work with our clients to transform their operating model to a truly straight through processing (STP) mode, based on a modern banking system architecture.

■ Manage risk

Our software can be upgraded, yet remains fully compatible with previous versions. It is highly configurable and scales easily to suit our clients' operations. By building in the ability for the bank to upgrade to the latest annual release of the product, we have virtually eliminated the risk of our banking system ever becoming obsolete.

■ Meet changing market requirements

Temenos spends around 20 per cent of its revenues on software research and development – significantly more than its peers. This means our systems are constantly evolving and improving and our products are growing richer in functionality. The fruits of all of this R&D effort, combined with the additional knowledge acquired every day in the course of our projects, are incorporated into a single annual release which is made available to our clients as part of the standard maintenance program.

■ Meet technology changes

The use of open standards in the development of our software ensures our clients can evolve their technology infrastructure without changing the core application. This means that you benefit from greater flexibility and reduced risk.

The software is only part of the solution, however. We also offer a wide range of Professional Services which will help the bank to obtain maximum value from our systems. From project initiation, through the implementation itself, to live and beyond, our experts will work with our clients to reduce project risk and ensure their banking system is delivered on time, within budget and in line with their original business objectives. And it will incorporate the controlled development of any bespoke elements required.

We operate a direct business model - we take very seriously the ownership of our intellectual property and responsibility for its implementation into our clients' environment. This does not, however, prevent us from meeting the growth in demand for our core banking services by an expansion of our network of industry partners. Our alliances complement and extend our capacity to deliver services to our clients. Our alliances include strong working relationships with specialists in system integration, implementation, business process transformation, data migration, legacy system integration, networking and infrastructure, and system testing.

We are constantly planning for the future requirements of our clients.

When you invest in a solution from Temenos, the future of your system is assured by:

- our passion to serve our clients
- our strong commitment to research and development
- the sole focus of our efforts on banking
- our corporate and financial stability



Retail Banking



Corporate & Correspondent Banking



Universal Banking



Private Wealth Management



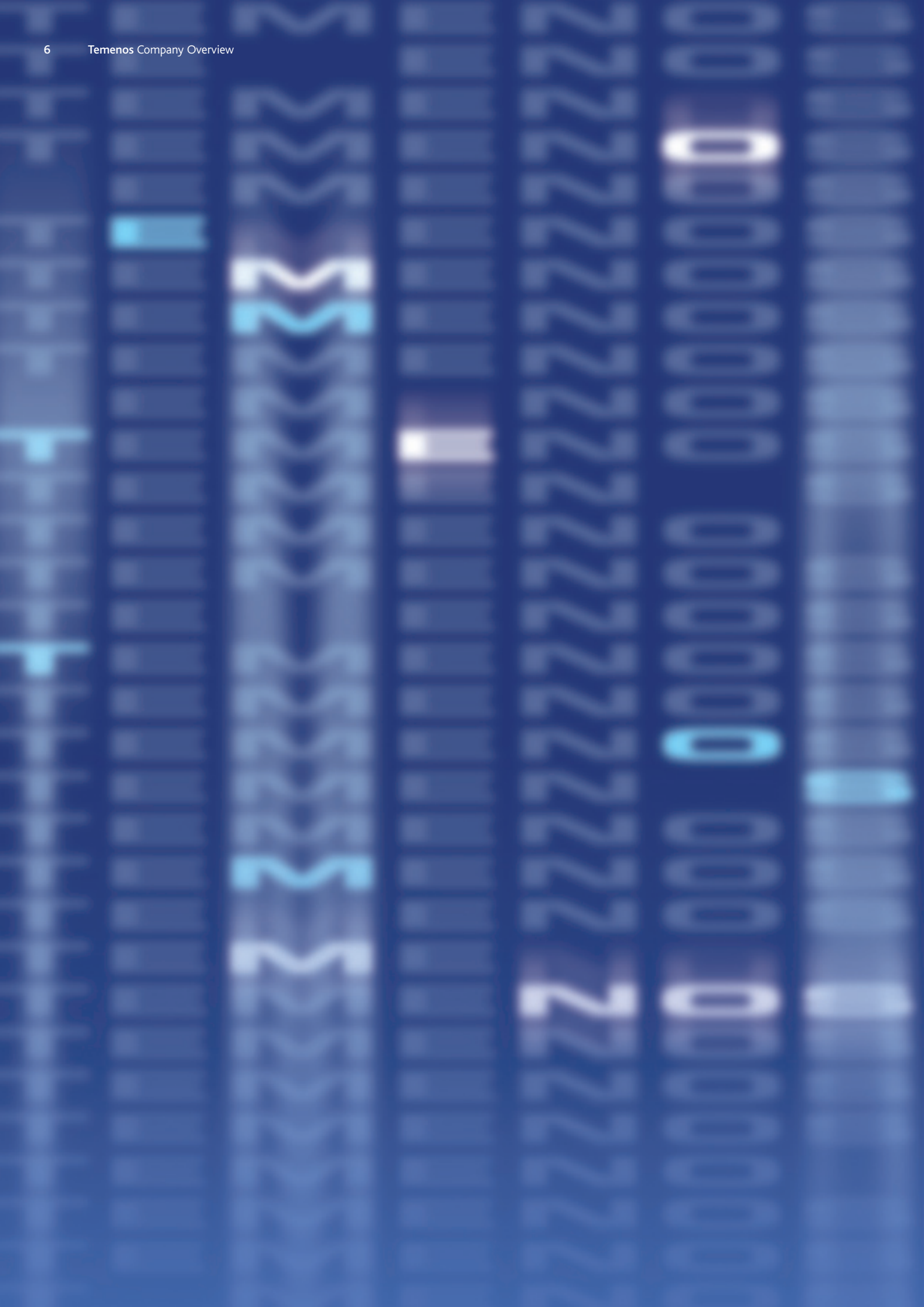
Islamic Banking



Microfinance & Community Banking

Temenos supports operations in all banking industry sectors. Our clients include the largest tier 1 banking operations through to local community banks. Over the past decade we have amassed hundreds of years of experience as a result of implementing more than 600 core banking systems around the world. We have distilled this experience into expert

guidance through a safe, predictable and cost effective implementation supported by a proven methodology and automated implementation tools. After the initial implementation, we work with you to ensure your T24 implementation continues to add maximum value to your business in the longer term.



Temenos – The Banking Software Company

A Unique Company

A local presence

Our consultants operate from 44 international offices so they understand local needs - local clearing house, payments and regulatory requirements, for example. And they speak the local language: our 2,300 employees encompass some 60 nationalities and speak over 60 different languages. We have delivered products to more than 600 clients in 120 countries and have packaged functionality to support local banking practice in each of the markets in which our clients are operating. This represents a huge benefit. And, unlike some software companies, our clients will continue to have access to consultants who are familiar with their requirements after their implementation has been completed: we don't fly people in and then fly them out again once the initial project is over.

A total commitment to banking

We are the only software company that has committed to banking as its sole domain and we live or die by the success of our banking systems. This success depends on our ability to offer specialised domain expertise. We do not dilute this expertise by serving other industries.

Significant, consistent investment in R&D

Temenos consistently devotes around 20% of revenues to Research and Development – significantly more than its peers. This investment in new technology, functionality and in meeting new regulatory requirements allows us to deliver products that are consistently 'state of the art'.

A truly standard package

Temenos offers a true, packaged product. We deliver the same standard and upgradable code to all of our clients – to new and existing users, to small and large organisations. The unique architecture incorporated in our products allows clients to implement a package which can be upgraded on a regular basis to the most recent release, and our clients are safe in the knowledge that customised functionality can be built around our software which will operate seamlessly with future T24 releases.

In contrast to this, other banking software providers offer bespoke versions of their software, which are heavily customised during implementation – a practice which very quickly results in those applications becoming legacy systems and which also creates vendor dependency. Given the pace of change in technology and business markets, our competitors' clients can find themselves needing to undergo a new core banking system implementation every few years. Temenos considers this to be a non-viable option in terms of business risk and cost of ownership.

A commitment to open standards

We have never compromised on the use of open standards in our systems. This means our products will work with any of the industry-leading hardware, database and middleware solutions. We believe the open architecture approach provided by our platforms constitutes a blue print for the way systems should be managed over the next decade and beyond, by banks of all sizes wanting to secure lower cost of ownership, flexibility and control over their destiny. None of our competitors have adopted this open approach.

A seamless front to back office solution

Many banks have built multiple applications over different platforms and databases to address shortcomings in business functionality in the back or front office. Unfortunately, multiple applications tend to result in a fractured flow of information and process, in turn necessitating complex and expensive integration which is difficult to support.

Temenos is the only company to offer a truly seamless front to back office core banking system across all vertical sectors. This integrated system approach will enable you to offer superior customer service and to increase the speed to market for new products.

You still have a choice

We have always believed in giving our clients a choice: banks can use the modular nature of T24 to add or remove front or back office functionality during implementation or at a later time, as required. Alternatively, T24 components will operate within a modern SOA architecture.

Temenos – The Banking Software Company

Our Values

Commitment and passion

Our customers recognise the strength of our products. They also recognise we are committed and passionate about what we do. We have served this industry for almost 15 years through good times and in more difficult times, but we have never wavered from our original mission and our objectives. We are a young company. We have challenged the traditional way of doing business time and time again to deliver exceptional value and differentiation for our clients.

Transparency and integrity

We strive to achieve a level of transparency in our day-to-day business which is unmatched in our industry. We make our plans and intentions known and regard all of our clients and other key stakeholders as partners.

We bring our existing users, prospective clients, partners, industry analysts and journalists together every year at the Temenos Client Forum (TCF) to exchange ideas, formulate product direction, and debate and discuss market opportunities and challenges. This event attracts attendees from all around the world. At each TCF some 15 case studies are prepared and presented by our clients. This gives them the opportunity to demonstrate how they are using our products and services within their organisations to help to generate growth, improve customer service and manage their IT cost infrastructure.

Client focus

We are driven by the ideal of delivering value to our clients. This has been a key concept in the development of our business model. We invest in our product at levels which are consistently higher than our peers. This allows us to deliver a regular new release of our software to all our maintenance paying clients. We took the decision long ago to operate a direct business model, whereby we take ownership and responsibility for our intellectual property and the success of our projects and clients. Our determination to deliver on our commitments and ensure the success of our projects is unparalleled.

Cultural diversity

Temenos' employees incorporate a diversity of culture and race. We employ local people who understand the local language, culture and local banking practice. This makes good business sense, in ensuring that we operate in partnership with our clients, but we also believe that our varied cultural base produces creativity and dynamism too.

Ownership and responsibility

Within Temenos, we have a strong organisational framework yet we encourage entrepreneurialism and we believe in empowering our people with ownership and responsibility. For example, our regional directors are empowered to make decisions for the benefit of their local businesses and their clients. Incidentally, this aspect of our company culture is one of the reasons that Temenos has a far lower attrition rate than our competitors' employees.

Long-term focus

We are in this business for the long term and we see our relationships with our clients and partners as being long-term too. Consistent with this, our business planning is for the long-term, as demonstrated by an unparalleled commitment to invest in our products, our comprehensive range of services and in our global infrastructure. We firmly believe that our ability to deliver project and business success is the cornerstone of our long-term strategic planning.



TEMENOS
Client Forum



In touch with our clients' challenges

Temenos recognises the challenges in the banking markets in which we all operate, and the need to:

- respond to competition from new market entrants
- expand rapidly into new markets and geographies
- take advantage of market opportunities ahead of an increasingly aggressive competition, from within and outside of the traditional banking sector

Banking services are being commoditised, and customer loyalty eroded – a process that is being exacerbated by the growth of internet banking and aggressive marketing from new entrants. Banks need to be able to understand and manage the customer relationship more effectively and be in a position to offer new and exciting products to their clients, quickly, as their needs change.

They must compete effectively with competitors who are often bigger and better capitalised, by achieving a strategic cost advantage as a result of increased efficiency and agility. They need to manage cost at a strategic level to enable investment in new opportunities and growth initiatives. They need to establish an IT infrastructure that will support business growth profitably and consolidate on coherent IT platforms, as they look to complement organic growth with M&A activity.

They must ensure that these systems provide a framework for supporting ever increasing regulation and compliance demands, without hindering innovation, growth and customer service.

Some of the key challenges for banks:

- Competition is coming from all sides, from traditional banking players as well as from new entrants to the market.
- Regional banks face increased competition from global banks, who are targeting their customers and clients.
- Banks seeking economies of scale and operational efficiencies are looking to M&A activity both within countries and across borders.
- Expansion is being pursued through the adoption of niche offerings in both home and overseas markets. As a bank enters a market, the challenge is to find a fast and efficient way to establish a presence.
- Increased regulation threatens those organisations lacking the ability to respond efficiently, but offers an opportunity to those that can respond efficiently to the regulators' requirements.
- Customer retention strategies have been gaining ground at the expense of acquisition as a fundamental requirement of organic growth.
- Customers are demanding greater choice in the channels through which products and services are delivered.
- The growing mass affluent segment presents opportunities that can be exploited, provided the market requirements can be covered by flexible technology with broad functionality.
- Greater availability of information on the internet makes it easier for consumers to shop around for the best banking deal. Banks are trying to overcome this by bundling products and services, making price comparison more difficult.
- Corporate banking clients are demanding more for less; they expect higher levels of service but lower transaction fees, faster transaction processing and the inclusion of value added services such as cash flow forecasting and working capital management.
- There is a realisation that cost reduction strategies can be more effective for a bank than increased revenues.
- Banks are increasingly taking an enterprise-wide view of their operations.
- Regulatory requirements such as Basel II are encouraging banks to become increasingly interested in the cost of capital by segments, products and even individual customers. Some banks are seeking to turn this into business benefit by taking management information down to a level of granularity where they know which products and customers are making a return that exceeds the cost of capital.

Helping Our Clients

There are a number of ways in which we enable our customers to grow revenues and market share, manage cost and manage risk

Deliver Growth

Offering breadth of functionality

Our systems can support almost every asset class and financial instrument being traded anywhere in the world. This breadth of functionality means our clients can extend their use of modules as their business grows, so taking advantage of the breadth of functionality to deliver exciting new products to their clients.

Handling comprehensive, global operations

Temenos' systems enable efficient STP on a global scale, across multiple departments, offices and countries, through a single implementation of the system, which allows centralised transaction processing. We have addressed the difficulties experienced by banks operating across different regions, time zones and markets. We have developed systems which support 24x7 global operations in real-time, with multi-entity functionality supporting separate accounting standards for each location. Our systems are also hugely scalable, with some of our clients processing up to 17 million transactions daily.

Enabling products to be launched within days not weeks

Our systems provide huge flexibility in the structure and number of banking products that can be supported - they are configurable, via a large number of parameters. This delivers significant business agility and means that our clients are able to launch products within days, rather than weeks, so gaining a precious foothold over the competition on many occasions.

Customer-centric architecture

The customer-centric architecture incorporated in our banking systems enables banks to organise their business around their most valuable asset: their customer base. An instantaneously retrievable view of historic customer profitability means analysis and projections can be executed very rapidly. The single customer view also means banks can identify sales opportunities in real-time and service customers more effectively, with a correspondingly positive impact on the development of customer relationships. This is much more difficult to achieve with traditional, account-based banking systems, or those where data resides in multiple systems, organised around divisional lines.

Acquisition and integration

We make it possible for our clients to dramatically reduce the post-acquisition headache of multiple banking platforms, and to benefit from significant IT cost savings, by providing them with a modern, parametric, well-documented and scalable banking system that can be extended in a short timeframe to the newly acquired entity. Our clients are able to integrate acquired entities on our products in weeks or months, rather than years.

Manage Cost

Breadth of functionality

The breadth of functionality incorporated in our systems means the number of legacy applications that need to be supported can be reduced significantly. For example, some of our universal banking clients have been able to reduce the total number of systems they are using from 100 to less than 10.

Annual system releases

New developments, together with the additional knowledge gained every day from our banking projects around the world, are incorporated into a single annual release which is made available to our clients as part of a base maintenance program. We therefore virtually eliminate the risk of our banking system ever becoming obsolete as all of our clients can upgrade to the latest release of the product, so obviating the need for significant additional investment in a new core system.

Management information

The comprehensive management information system, incorporated in our products, enables management and senior executives to understand cost and profitability by customer, product, geography, segment, branch, or indeed by any other business dimension that is relevant. The information is provided in real-time to allow swift responses to be made to market developments.

Open standards

Our products work with the industry-leading hardware, database or middleware allowing our clients to achieve an exceptionally low cost of ownership and take advantage of technology changes and market competition.

A swift implementation

This is not just a claim: we developed T24 Model Bank to be delivered as a pre-configured solution, incorporating industry best practice for your particular banking sector. T24 Model Bank enables fast and predictable implementations and delivers immediate, measurable benefits.

We have worked with clients to replace functionality, which had been built into their in-house developed systems over the course of 20 or 25 years, by implementing T24 Model Bank in projects which lasted around 9 and 12 months. Furthermore, their new system delivered a higher degree of automation and better information. This results in an exceptional return on investment.



Manage Risk

Upgradability and supportability

We believe that technology obsolescence probably represents one of the biggest risks facing banks today. Temenos' software is configurable and therefore extremely flexible; it is upgradable year-on-year; and it is supportable. Therefore the risk of your banking system ever becoming obsolete is virtually eliminated. We ship our software along with a development environment that permits the creation of applications that can interface to the core. These applications can be developed, by us or by you, according to a set of standards which ensures perfect interoperability with the core system and warrants upgradability to the next software release.

Since every client has exactly the same core system, all can benefit from the latest enhancements to the core, delivered in our annual software release. Our clients are safe in the knowledge that any application development is preserved and their initial investment is protected. Software vendors who allow their clients to take a branched version of the core system cannot guarantee a painless upgradability path as we can.

In addition, with our clients contributing to the product's direction, the product remains 'ever green' and continues to move forward to support the latest industry business practices and processes.

Open standards

Our use of open standards ensures our clients can evolve their technology infrastructure without ever changing the core application. Our database, application server and web application server partnerships include market leaders such as Microsoft®, Oracle®, IBM®, HP®, Sun® and BEA®.

Scalable software

As well as vertical scaling, our systems offer horizontal scaling, allowing clients to add or even remove servers according to their business requirements. This means, for example, that they will never be constrained in terms of the number of users or the extent of concurrent usage.

Processes

The establishment of efficient and unique processes are increasingly being used by banks to differentiate themselves from their competitors. The flexibility of our products allows us to incorporate best practice for processing banking products and services into our software, in a documented, structured way consistent with lowering risk and ensuring compliance with banking supervisory directives.

Safe implementation – low project risk

Delivered as a pre-configured solution, with pre-set parameters, a T24 Model Bank implementation is faster and much safer than traditional 'packages'. Our Professional Services team guarantees a pragmatic, fast and safe approach to implementing a new banking system. Our implementation methodology has been tested in implementing our products in more than 600 banks globally. The result is a documented, auditable series of actions and a software configuration that enables you to greatly reduce the risk of failure.

Additional software products for CRM, risk management, reporting and enterprise data management

TEMENOS ARC (ARC)

Integral to T24, ARC provides a front office suite with multi-channel banking from a single platform. It features operational CRM, analytical CRM and workflow processing together with multi-channel delivery. The result is improved customer knowledge and retention. ARC also improves customer acquisition and cross sales activities, increasing the cost effectiveness of marketing activities. ARC has been packaged for the retail, wholesale and private banking markets and is delivered as part of our model banks for those banking sectors.

TEMENOS T-Risk (T-Risk)

A complete stand-alone platform for the calculation of regulatory and economic capital, T-Risk provides a predefined, Basel II-driven data taxonomy and acts as the data 'concentrator' for all data from disparate source systems. It also provides a sophisticated and flexible

platform for the evaluation and management of market risk. T-Risk is available integrated with T24 and can be delivered with the various model banks.

TEMENOS Data Warehouse

For banks to benefit from deep, rich, management information produced online, direct from T24 and other systems. It contains three foundation modules: online Extract, Transform and Load (ETL) capabilities; a data warehouse data model; and a data mart which provides bank management teams with reports on profitability across a wide variety of attributes, including product, customer and department. The Data Warehouse also includes a range of standard reports and business intelligence cubes. The cubes can be analysed using any commercially available tools including those from Cognos® and Microsoft®.

TEMENOS ProDB (T-ProDB)

For banks in the Private Wealth Management industry facing challenges set by recent regulatory changes, caused by the introduction of Basel II, IAS/IFRS, and in particular MiFID, Temenos offers an Enterprise Data Management system that optimises the quality of data fully automatically. Based on a highly sophisticated rules engine, T-ProDB consolidates and validates data from various sources and dispatches it to user-defined systems. The result is purer data quality achieved through optimisation, validation and cleansing of data. T-ProDB reduces time and resource spent in checking and error processing activities and removes the need for multiple interfaces.

Software

T24: the leading global core banking application

T24 Model Bank, or customised to suit requirements

T24 is a functionally rich, scalable, proven, integrated banking system. It is delivered as a pre-configured Model Bank solution that incorporates industry best practice, enabling fast and predictable implementations and delivering immediate, measurable benefits. The Model Bank approach allows a fast ROI and a highly flexible and responsive approach to banking, ensuring maximum business agility based on T24's flexible features.

T24 offers integrated and comprehensive information at all times, including a single customer view and a single view of the enterprise, including risk and profitability.

The system is supported by modern technology and its sophisticated multi-tier architecture, adheres to Web Services standards and Service Oriented Architecture (SOA) principles, enabling interoperability with industry-standard Enterprise Service Buses (ESBs) and associated applications such as Business Process Execution Language (BPEL) engines amongst others. T24 can be deployed on fully scalable, multi-server n-tier architecture. It provides a full front-to-back solution from electronic delivery channels such as mobile devices and internet banking right through to settlement, general ledger and other back office functions, all in a fully integrated, reliable and cost effective environment.

Providing the most innovative solution in the market today, T24 supports clients in all banking industry sectors including: Retail banking, Corporate & Correspondent banking, Universal banking, Private Wealth Management, Islamic banking, Microfinance & Community banking.

Through T24 Model Bank, we can pass on the benefits of best practice to our new clients and, with so much of the core functionality built-in, our clients benefit from a much reduced implementation risk and a significantly faster roll-out time. The overall T24 Model Bank approach has proved very popular with all banks, including tier 1 operations.

While Model Bank offers significant benefits through pre-configuration, the extent to which this pre-configuration is used is entirely determined by the client. T24 is a highly flexible banking system and it can be adapted to perform exactly as you want. So you can opt to base most of the implementation on a best practice model, where a high percentage of the functionality is ready built-in or you can incorporate higher levels of bespoke requirements. You choose exactly how much tailoring you require to ensure all of your business process needs are met. Our advice is to use Model Bank to support commodity processes, but build bespoke elements for differentiation in the market place - only re-invent when there is sound business advantage in doing so.

Both approaches, however, result in software code which is fully standard and upgradable and supportable through the unique T24 architecture.

T24 Model Bank products

Our range of T24 Model Bank products, all built around the same single software code, but addressing the specific needs of each banking industry sector through parameterisation, is as follows:

T24 for Retail - offers broad retail functionality from the front to the back office including CRM and product lifecycle management, with unparalleled scalability and resilience, focused around the customer. Includes coverage of current accounts, property finance consumer finance and cash deposits.

T24 for Corporate - offers integrated support on a single platform to banks that provide services to corporate and professional clients. It includes coverage of corporate credit, correspondent banking and cash management, payments, treasury services and trade finance.

T24 for Universal - facilitates product innovation and scalability using a single core solution with inherent product agility, customer-centric structure and a broad product range which serves both retail and corporate banking.

T24 for Private Wealth - provides a wide range of functional modules suitable for the management of the wealth of high net worth individuals. The product is a customer-centric, front to back system which can be deployed globally.

T24 for Islamic banking - is both Sharia-compliant and commercially flexible, enabling banks to offer a competitive range of Islamic financial products. The product supports banks which operate solely on Islamic principles, and it also allows conventional banks to employ Islamic financial techniques in their banking.

eMerge on T24 - developed for microfinance and community banking institutions requiring a mature, flexible and affordable core banking system that is easy to install. The product supports the specific operational and processing requirements of those organisations involved in emerging markets.



In addition to our T24 Model Bank, we offer products to address some of today's thorniest banking challenges in customer intimacy and Customer Relationship Management (CRM), risk management, reporting and enterprise data management.

Software

TEMENOS CoreBanking: a proven solution for mid-to-high volume retail operations

TEMENOS CoreBanking (TCB) is a modern, proven, massively scalable, mainframe retail banking product, capable of handling the business volumes of the largest banks and outsourcing operations worldwide. Built upon IBM®'s IFW architecture, which has become widely accepted by tier 1 retail banks, its unique Product Engine enables new products and services to be added quickly - dramatically reducing time to market. In terms of cost, TCB's modern architecture and immense scalability results in a cost of ownership which is well below traditional mainframe legacy applications.

Helping banks to design and distribute products quickly, achieving fastest time to market

Traditional retail banking products are becoming more commoditised. At the same time, however, customers are calling for increasingly complex combinations of products and services. Some of the products that are now in demand could not have been imagined outside of the professional investor arena - let alone offered by retail banks over the internet - a decade ago. TCB enables you to design, price and launch new products with a minimum lead time; distribute them over the various sales and delivery channels securely; and sell them without having to give your users extensive training.

After being granted government approval for an affinity savings product, one TCB customer was able to create and offer the product within the first three business days from approval. They secured 63,000 accounts and generated \$3 billion (USD) in deposits in the first two weeks of the offering. Another TCB customer was able to reduce their time-to-market for new products by 74% in the first year of implementation.

Helping to achieve operational efficiency

TCB works effectively throughout the transaction processing chain to streamline back office processes, eliminate redundant data entry, reduce manual intervention and cut back the number of printed reports produced. The system's goal is to achieve the most competitive cost per transaction and thus help banks to improve key ratios, such as cost : income.

Providing marketing and management control

TCB collects information 'along the way', focusing on the relationships between customers, products and accounts. It records all data relating to these relationships and events – information that can be used to gain marketing insight and provide management and control capability.

TCB supports multiple institutions within the same database

One TCB customer is running 71 banks with over 3,800 branches and processing an average of 4.6 million transactions per day. TCB enabled this particular customer to reduce its IT cost-to-asset ratio by 34% and gain over 10% of the market share of their country. In addition, they were able to increase products per customer from 1.1 to 3.2.

TCB is designed for mid-to-high volume retail operations

One of the top 50 banks worldwide runs TCB and processes 17 million daily transactions at its peak. TCB has enabled the bank to simplify its business processes, standardise transactions and take 7,500 processes down to 2,600 processes. This bank increased revenue, decreased costs and experienced a return of \$54.1 million (USD) in their first year after they went live on TCB.



Professional Services

Temenos is passionate about building and supplying the world's best banking systems. Our Professional Services team is just as passionate about enabling our clients to exploit the power of their new system as fully and as efficiently as possible.

Once you select Temenos as your core banking system partner, we work with you to help turn your business strategies into measurable results.

Having delivered the best core banking software available, we provide you with a range of expert Professional Services to ensure that you derive the maximum business value from your chosen solution.

Our consultants will guide you through a safe, predictable and successful implementation and, once you are running live, will work with you to maximise the benefits of your new system.

We are committed to providing you with the highest standards of Professional Services before, during and after each project. Our Professional Services include the following:

■ Engagement and Solutions

From your initial engagement with us, our consultants work with you, providing expert project management advice during project initiation and ensuring that the project objectives match your business objectives. A focus on thorough scoping, estimating and planning, at this stage, results in greater predictability and lower risk during execution.

■ Onshore Consulting

This is primarily carried out by our T24 Model Bank team. This team will be based locally to you and its members will generally be ex-bankers, familiar with the requirements of your market and the functionality needed to meet them. They will ensure an efficient and predictable implementation which exploits the best process practice incorporated in T24. Their objective is to get you live as soon as possible, so you can get an early return on your investment and begin to reap the benefits of T24 immediately.

■ Management Consulting

Sitting between the engagement consultants and the Model Bank team, Temenos' management consultants are process specialists who have a profound understanding of best process practice in modern financial institutions. This knowledge has been distilled into several hundred reference processes that are linked to T24 Model Bank and fully documented in the ARIS® process modelling system from IDS Scheer®.

■ Offshore Consulting

While the analysis is carried out on site, much of the system build can be done through our offshore service capability - Temenos Application Management (TAM). TAM's consultants will:

- build any local tailoring efficiently
- maintain your local system
- provide an offshore system testing capability
- provide a number of off-site system administration services which can reduce cost and improve quality

■ Training

Temenos offers a comprehensive set of training courses for all levels of T24 competence to ensure that you and your team are in a position to exploit our solution to the full.

Alongside Professional Services is Product Analysis and Customer Support (PACS), our help-desk and maintenance service. This team will provide you with fast and efficient support for any day-to-day issues encountered with T24.

Taking a longer view of your requirements, our account managers will look beyond the current project and will help map out a strategy to meet future needs. They will understand the daily operation of your business and will work to ensure that Temenos' products and services continue to match your requirements and expectations.

The Professional Services we offer are founded on eight fundamental pillars:

1. The incorporation of best banking practice, derived from our work with many clients in over 120 countries, and embodied in T24 Model Bank
2. The provision of business transformation services to assist you in exploiting those elements of best practice that are relevant to your operation
3. Beyond best practice, the availability of specialist services to help you tailor your system to your specific requirements
4. A commitment to transfer system knowledge to your team at a level commensurate with the wishes of your organisation
5. The application of on-site and offshore services, as appropriate, to ensure maximum cost benefit to your organisation at all times
6. The provision of skilled and experienced personnel – in the case of T24 – forming one of the largest services teams in our industry dedicated to a single, integrated banking product. Our consultants operate from 44 international offices so they understand your local needs, such as local clearing house, payments and regulatory requirements – and they speak your language
7. Access to Temenos' advanced implementation methodology and automated implementation tools, refined in the course of more than 600 successful projects
8. The ongoing provision of a broad menu of services throughout our relationship with you to ensure our system continues to operate as effectively as possible at the heart of your organisation

Management and Governance

Management team

The members of Temenos' management team have considerable experience within the banking and financial technology industry, resulting in a clear and coherent view of technology direction, market trends and their impact on Temenos and its customers.

Management board and corporate governance

Temenos' management board embodies more than 200 years of collective experience in banking software. It has charted and sustained the company's rapid progress and enabled Temenos and its clients to achieve exceptional growth and success. The management board is concerned with long-term planning, ensuring the company has the correct long-term strategic goals as well as the capability to realise these. The management board is also concerned with short-term objectives, including successive but enduring improvements in product quality, client service and project delivery. The Temenos management board is formally constituted and is responsible for the day-to-day running of the company.

Temenos has consistently been ranked in the top tier of Swiss publicly quoted companies in terms of the quality of our corporate governance practices. We take immense pride in this and we have committed to sustaining this as we develop our company further.

Consistent with best practice, Temenos has structured its Board of Directors to ensure that the company is managed to the best advantage of our customers, shareholders, and staff. The Board has a majority of non-executive directors, all with a strong banking or technology background, alongside the two distinct positions of Chief Executive Officer (CEO) and Chairman. This separation of the most senior roles ensures a balance of views, the correct levels of accountability and guards against corporate excess.

Corporate Social Responsibility

Temenos tries in every way possible to act as a responsible company and to be accountable to all of its stakeholders. This is manifested in a number of ways:

■ Ethical activity through our products

With ten years' experience in Microfinance, together with established relationships with the World Bank and other international organisations concerned with Microfinance, we have a deep understanding of, and a longstanding commitment to this market. Our product, eMerge on T24, has established a strong presence worldwide, with over 90 implementations in 36 countries, including implementations for organisations such as ACICON International and Opportunity International.

■ Environmental activities

Temenos is a technology company. Our award-winning products create efficiencies, which by automating processes and consolidating systems, reduce hardware and energy requirements at our clients' premises and so help to reduce environmental damage.

Nonetheless, we recognise that more can always be done. So over the last year, we have aided the reduction of our own carbon footprint by cutting the number of flights per employee by 15%.

We are also working with Co2balance Ltd and investing funds into one of its projects in East Africa. This project will replace the use of open fires for cooking with solar powered sun ovens and energy-efficient cooking stoves. We have so far been able to offset 150 tonnes of CO₂, and will be looking to at least double this amount by the end of 2008.

■ Charitable activities

Our focus is on charitable projects which, like our company, are international, and predicated around technology. In association with The Global Fund for Children, we donate money to community-based projects around the world which aim to give vulnerable children and young people the best possible start in life, with IT as a basis for the support provided. With increased knowledge, the young people we help are in a better position to move forward and make more of the opportunities which they are given.

■ Employees

As a demonstration of our company diversity, we now employ more than 2,300 people of 60 different nationalities, speaking over 60 different languages. And we are actively committed to a policy of Equal Opportunities for all staff, regardless of race, colour, nationality, ethnic or national origins, sex, marital status, disability, age or religious beliefs. We have implemented Equal Opportunities training and policies to raise awareness of these issues and ensure that we continue to develop an inclusive culture.

Company performance

Founded in 1993, Temenos is a growing and profitable company that has been listed on the Swiss Stock Exchange (SWX:TEMN) since 2001. We have a strong balance sheet and a broad, global shareholder base, which includes some of the world's largest and best known institutions. Our robust financial position and history of delivering successful software solutions makes us the perfect partner for our customers.

For further information please visit

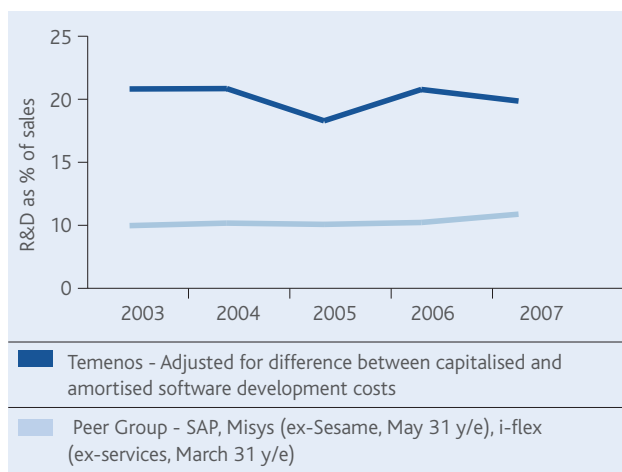
<http://www.temenos.com/Investor-Relations/>

Key figures

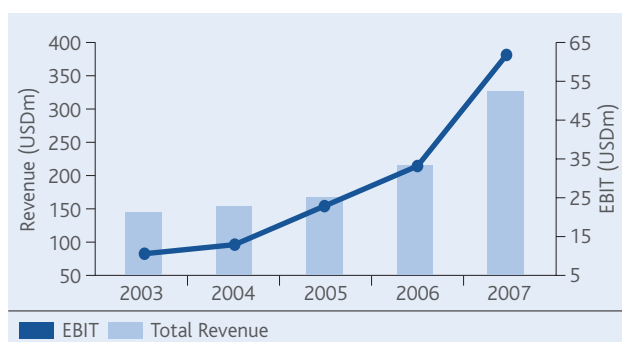
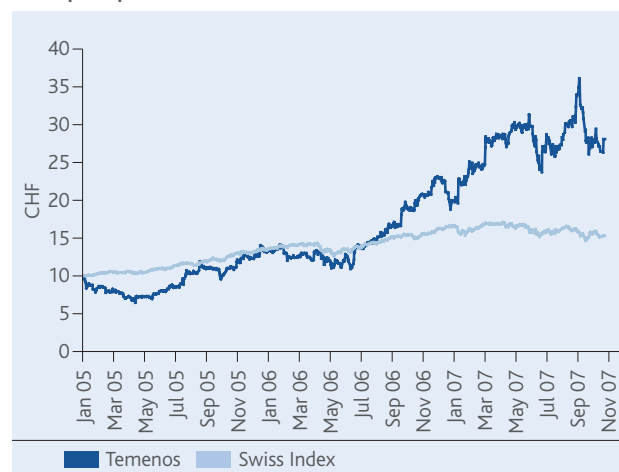
All financial units in thousands of US dollars except earnings per share and EBIT margin

	2007	2006	% Change
Employees (including consultants)	2,307	1,726	34%
Revenue	329,860	216,267	53%
EBIT	62,503	33,315	88%
EBIT Margin	18.9%	15.4%	N/A
Net profit attributable to the group	64,674	34,445	88%
Cash generated from operating activities	61,030	26,244	133%
Total assets	457,577	352,166	30%
Shareholders equity	177,100	135,812	30%
Basic Earnings per share	\$1.11	\$0.60	85%
Diluted Earnings per share	\$1.00	\$0.57	75%
Adjusted Earnings per share*	\$1.03	\$0.57	81%

*adds back amortisation of acquired intangibles



Share price performance vs Swiss Index rebased



Trading details

Listing	SWX Swiss Exchange
Symbol	TEMN
Swiss Security Number	124 5391
ISIN	CH 00124 53913
Common Code	13169144

Summary

Temenos is an established supplier to the banking industry. We have grown from an entrepreneurial company in 1993 to our present market leadership position, as supplier of choice for more than 600 banking clients worldwide. We serve these clients in more than 120 countries, from 44 offices and with approximately 2,300 staff, made up of 60 nationalities and speaking over 60 different languages.

Temenos is the **world's leading supplier** of packaged banking software. We offer modern, innovative and award-winning banking systems, which enable our clients to grow their business, manage costs and manage risk.

We are the only software company that has **committed to banking** as its sole domain and we live or die by the success of our banking systems. This success depends on our ability to offer specialised domain expertise. We do not dilute this expertise by serving other industries.

Our systems are based on the **latest open technology and not aligned** to any particular hardware, server or database technology. This results in flexibility, reduced risk and ensures that our clients have choice in the technical infrastructure on which they run our systems.

Our **T24 Model Bank** product is preconfigured with industry best practice built-in, enabling fast and predictable implementations with **immediate, measurable benefits**.

We provide a true core banking package, which is **upgradable through our yearly release programme**, so our clients can avoid the obsolescence inevitable with many legacy systems.

We take our responsibilities seriously – as a supplier, business partner, employer and global organisation.

We are aware that this success depends in turn on our investing in our products and people to ensure that they continue to support your requirements into the future.

We will continue to **invest for the long term** and we invite you to talk to us to see how our investment can benefit your organisation.

About Temenos

Founded in 1993 and listed on the Swiss Stock Exchange (SWX: TEMN), Temenos Group AG is a global provider of banking software systems in the Retail, Corporate & Correspondent, Universal, Private Wealth Management, Islamic and Microfinance & Community banking markets. Headquartered in Geneva with 44 offices worldwide, Temenos serves over 600 customers in more than 120 countries.

Temenos' software products provide advanced technology and rich functionality, incorporating best practice processes that leverage Temenos' experience in over 600 implementations around the globe.

Temenos' advanced and automated implementation approach, provided by its strong Client Services organisation, ensures efficient and low-risk core banking platform migrations. Temenos annually invests around 20% of revenues in R&D, significantly more than its peers, into a single fully packaged upgradable software release, which ensures all Temenos customers benefit from modern technology and support indefinitely.




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