



## ***Metavante and Temenos Strategic Alliance***

***Creating the most advanced innovation of  
U.S. banking systems in a generation***

**New York, March 21, 2007**

**London, March 22, 2007**

# Agenda

- Introduction to TEMENOS and Highlights of the Agreement, Andreas Andreades
- Introduction to Metavante, Mike Hayford
- U.S. Market, Alex Groenendyk
- Strategic Alliance, Jim Dempster
- Q&A



# Introduction to TEMENOS and Highlight of the Agreement

## Andreas Andreades, CEO, TEMENOS

# TEMENOS Group

- TEMENOS' VISION is to become the leading global brand in financial services software. TEMENOS today is the provider of choice for the world's leading financial institutions:
- Supporting two product lines for core processing:
  - TEMENOS T24™ (T24): Private, Universal, Wholesale Banks
  - COREBANKING (TCB): Large scale Retail and Commercial Banks
- International Client Base: 580+ financial institutions, in more than 110 countries
- 2006      Revenues            \$ 216.3 million, up 28% compared to 2005  
                  EBIT                        \$ 33.3 million, up 47% compared to 2005  
                  EPS                         \$ 0.57 per share, up 78% compared to 2005
- HQ Geneva, listed on SWX Exchange (TEMN) with a Market Capitalization in excess of USD 1 billion and global presence through 39 offices



# Credibility with Top Tier Banks



# The Agreement

- TEMENOS and Metavante have entered into an exclusive joint development and distribution agreement.
- Metavante will be the distributor of TCB in the U.S. and TEMENOS will retain royalties on license and maintenance fees, outsourcing fees, and professional services revenues. TEMENOS assesses the addressable in-house market for TCB in the U.S. to be approximately 150 Tier 1 & 2 financial institutions.
- TEMENOS and Metavante will co-operate in the development of an advanced global software platform for the U.S. based on TCB.

## The Agreement (continued)

- TEMENOS expects the combination of Metavante's leading position and development and distribution prowess in the banking software market, its expertise in outsourcing services, along with the product superiority of TCB, will prove a formidable combination both in the U.S. and internationally.
- Under this agreement we expect to generate minimum contractual revenues of US\$ 102 million until 2012.
- The impact on our 2007 outlook will be an increase in revenues of USD 10 -15 million and a positive contribution to diluted EPS. TEMENOS has increased its outlook accordingly.

## The Agreement (continued)

- As part of this agreement TEMENOS intends to issue to Metavante Corporation 2.5 million warrants over TEMENOS stock at a strike price of CHF19.90. Two million of these warrants will vest in 2013 subject to achievement of incremental revenues to the minimum contracted revenues. These warrants will be highly accretive to shareholders as they will generate additional profits significantly in excess of the fair value of the warrants.

Cumulative 2012 Revenues Target:	Cumulative 2012 Revenues Target:
US\$ 128 million	1.0 million
US\$ 145 million	2.0 million
US\$ 195 million	2.5 million



# Introduction to Metavante Corporation

## Mike Hayford, Sr. EVP & COO, Metavante

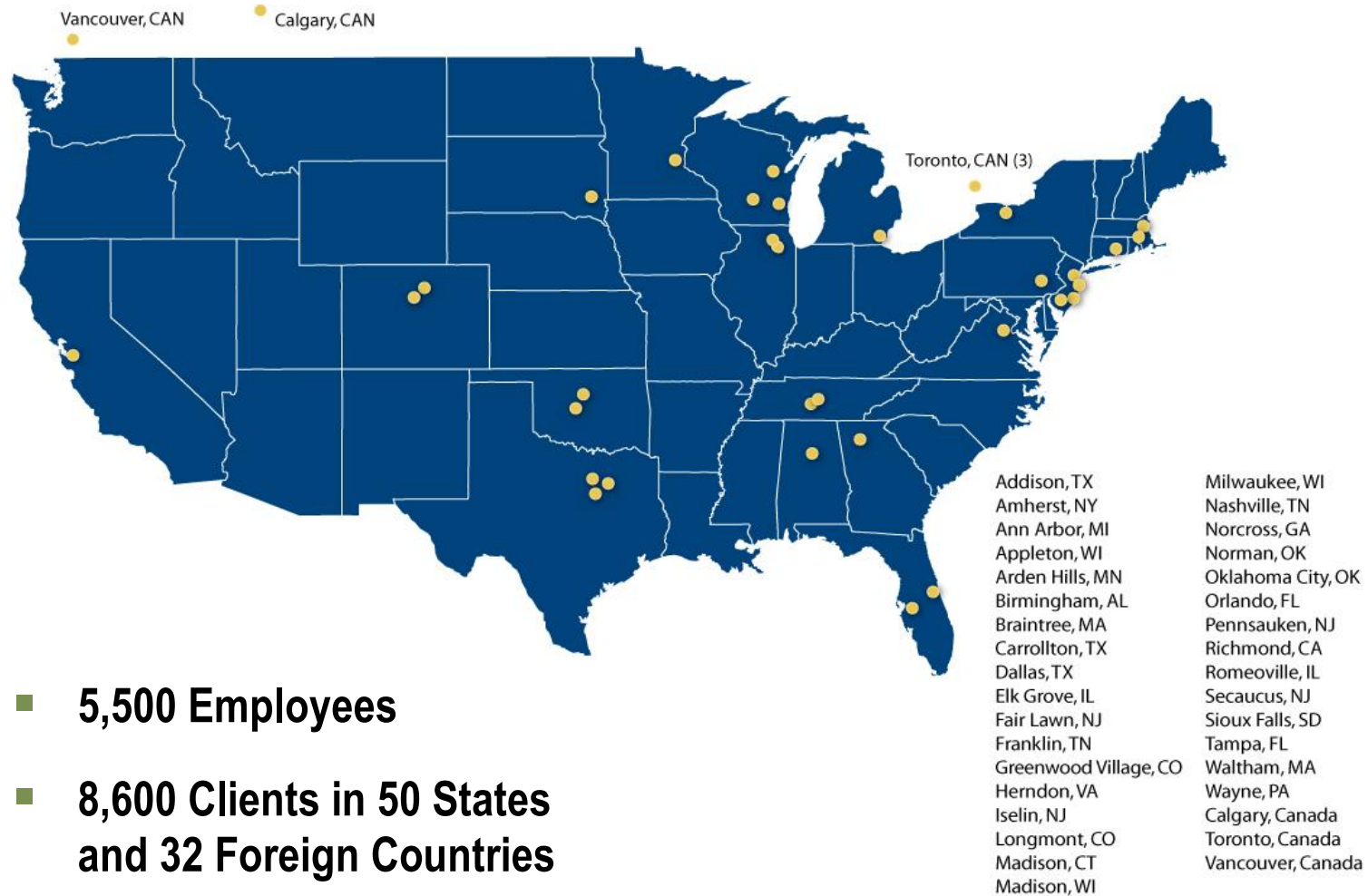
# Strategic Alliance

- On February 26<sup>th</sup>, Temenos and Metavante entered into a strategic alliance
  - Joint development to create Metavante's Strategic Banking Platform for the U.S. Market using TEMENOS CoreBanking (TCB) as foundation
  - Metavante has exclusive rights for TCB in the U.S.
    - Selective, non-exclusive rights outside the U.S.

# Metavante Corporation

- Technology subsidiary of Marshall & Ilsley Corp. (NYSE: MI)
- One of the top three U.S. bank technology and payments processors
- Business model: +80% recurring revenue driven by financial account processing, related payment services
- 2006 Revenue            \$1.504 billion  
    Net income            \$160.1 million  
                                  *20% of M&I 2006 earnings*  
    EBITDA                \$413.6 million  
    EBITDA Margin    27.5%  
    Net Income  
    Margin                10.6%

# Locations in 35 Cities



# Banking and Payments Leadership

- Relationships with 48 of top 50 U.S. banks
- Commercial Treasury relationships with 17 of top 20 U.S. banks
- Delivering complete, broad product offerings
- Over \$2 billion invested in product innovation
- Processing over \$1.4 trillion in annual payment receivables
- Originating over 1.3 trillion annual ACH/wire transactions
- Business Process Outsourcing relationships with over 475 organizations worldwide
- Over 4,000 endpoints in *Endpoint Exchange Network*
- 80% of check images in U.S. use Metavante technology
- *NYCE* nationwide EFT/PIN-debit network with 280,000 ATMs, 1.5 million accessible POS PIN-debit locations

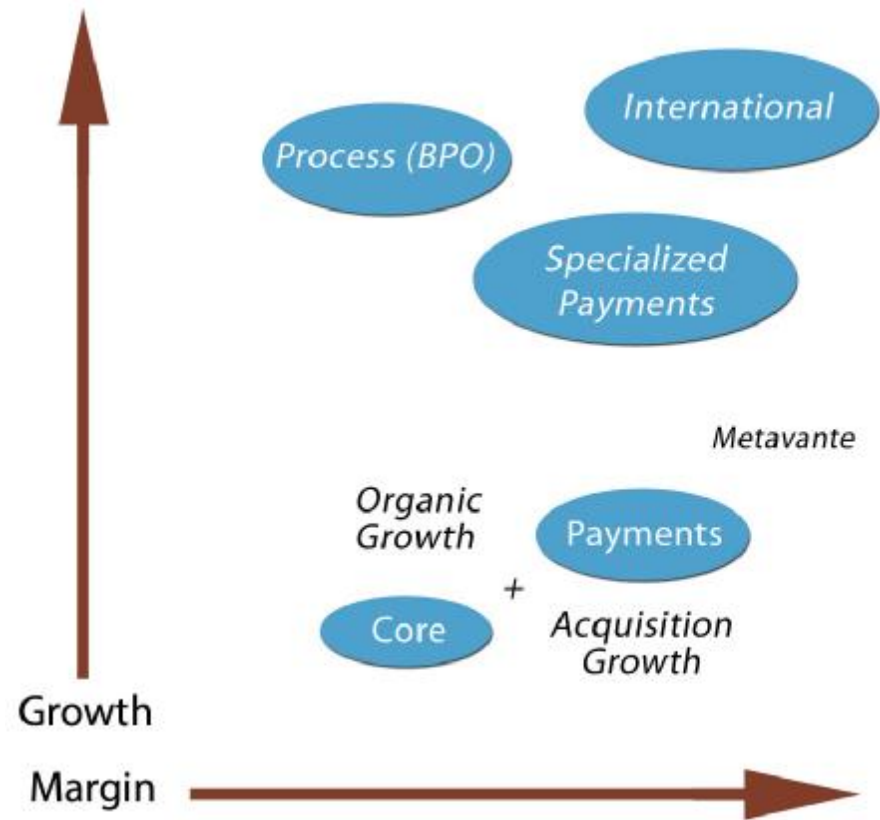
# Metavante Banking Statistics

- 908 core-processing financial institutions
  - representing \$1.04 trillion in banking assets
  - 12% market share of U.S. commercial banks
- 43 processing clients, \$6 to \$60 billion in assets, 38% market share
- 22 million deposit accounts processed, outsourced or in-house

# Metavante Business Strategy

*“To be the premier provider of global integrated banking and payments solutions”*

1. Increase market share in U.S. community, regional and national banks
2. Expand our presence in international markets
3. Expand electronic payment solutions including healthcare and government payments
4. Build Business Process Outsourcing capability





U.S. Market  
Alex Groenendyk, President Americas,  
TEMENOS

# The Opportunity

- U.S. core systems are 20 to 30 years old and have reached current state through a process of build up from old architectures, often by silo and acquisition combined with years of modification upon modification.
- This has created the following issues:
  - Multiple instances of customer, yet incomplete total customer view
  - Slow time to market with new products
  - Batch processing instead of 7 x 24 real time
  - Inability to serve global customer needs: multi-currency, multi-language, global processing
  - Inability to re-engineer and streamline business processes
  - Expensive and slow to meet regulatory and compliance demands

# The U.S. Market

- There are approximately 8,000 retail / commercial banks
  - We will initially target the \$5 billion upwards – 150 institutions starting with the top 50.
- This segment today, spend approximately \$5.5 billion on IT
  - In excess of 70% to 80% is spent on maintenance instead of new business functions which is not long term sustainable
  - Costs of making the existing solutions handle 7 x 24, flexible new processes, new compliance demands, launch new products, target customers with overseas connections, etc. are prohibitive.
- To date, no vendor has offered a compelling solution to this segment.

# U.S. Players

<u>Vendor</u>	<u>Type</u>	<u>Annual Rev.</u>	<u>Rank All FI</u>	<u>Rank Small FI</u>
Fiserv, Inc.	TK/OS/SW	\$4.059B	1	1
Fidelity Ntl. Info. Svcs.	TK/OS/SW	\$4.0B	2	4
<b>Metavante</b>	TK/OS/SW	<b>\$1.247B</b>	<b>3</b>	<b>3</b>
Jack Henry & Assoc.	TK/OS	\$535.9M	4	2
Open Solutions, Inc.	TK/OS	\$370 M	5	5
Harland Financial Sols.	TK/OS	256.8 M	6	6
Computer Services Inc.	TK/OS	\$105 M	7	7
COCC	OS	\$48M	8	8
i_Tech Corp.	OS	\$28.7M	9	9

SW - Software Developer Beyond Just Technology

OS - Outsource Vendor

TK -Turnkey Vendor

V - Vendor Provided Data

Metavante is one of the leading players in the U.S. market and has the advantage of a single company focus rather than being a collection of competing companies and products.

Source: Automation in Banking 2006

# Overseas Competition

- Key competitors are other global banking solutions attempting to enter U.S. market:
  - Oracle/I-Flex
  - SAP/Accenture
  - Infosys/Finnacle
- A critical advantage of Metavante/Temenos is the U.S. banking knowledge within Metavante, existing customer relationships and all the ancillary products Metavante provides around the core.



# Strategic Alliance

Jim Dempster, Chief Technology Officer,  
Metavante

# Why Metavante and Temenos?

*Bringing together U.S. and global knowledge and experience; a unique combination*

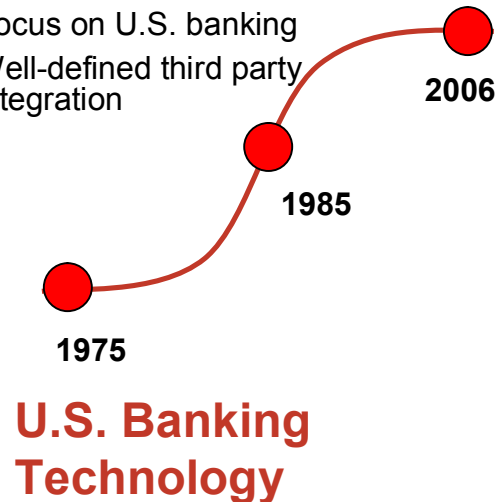
- This Strategic Alliance is a **Winning Combination**
  - Temenos brings advanced technology and international perspective with over 580 installations worldwide
  - Metavante has extensive knowledge of the U.S. banking sector with 91 of the top 100 U.S. financial institutions among its client base
- Combining the best of U.S. banking technologies and functionality with advanced technology platform, global banking functions and processing characteristics, to transform U.S. global banking

# The Winning Combination

Temenos and Metavante will combine the best of U.S. banking technologies and functionality with an advanced technology platform, and global banking functions and processing characteristics, to lead the change to U.S. Global Banking

## U.S. Technology Characteristics

- Mainframe technology
- Mature functionality
- Batch posting model
- Established, quality vendors
- Strong reputation with U.S. regulatory bodies: safety and soundness
- Focus on U.S. banking
- Well-defined third party integration



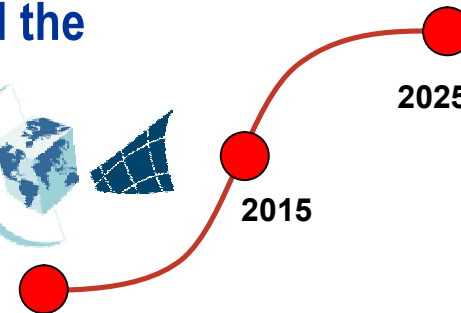
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## Global Technology Characteristics

- Open technology
- Speed to market
- Continuous processing model
- High productivity
- Deployment options: license and outsourced
- Multi-currency
- Multi-language
- Regional localization flexibility

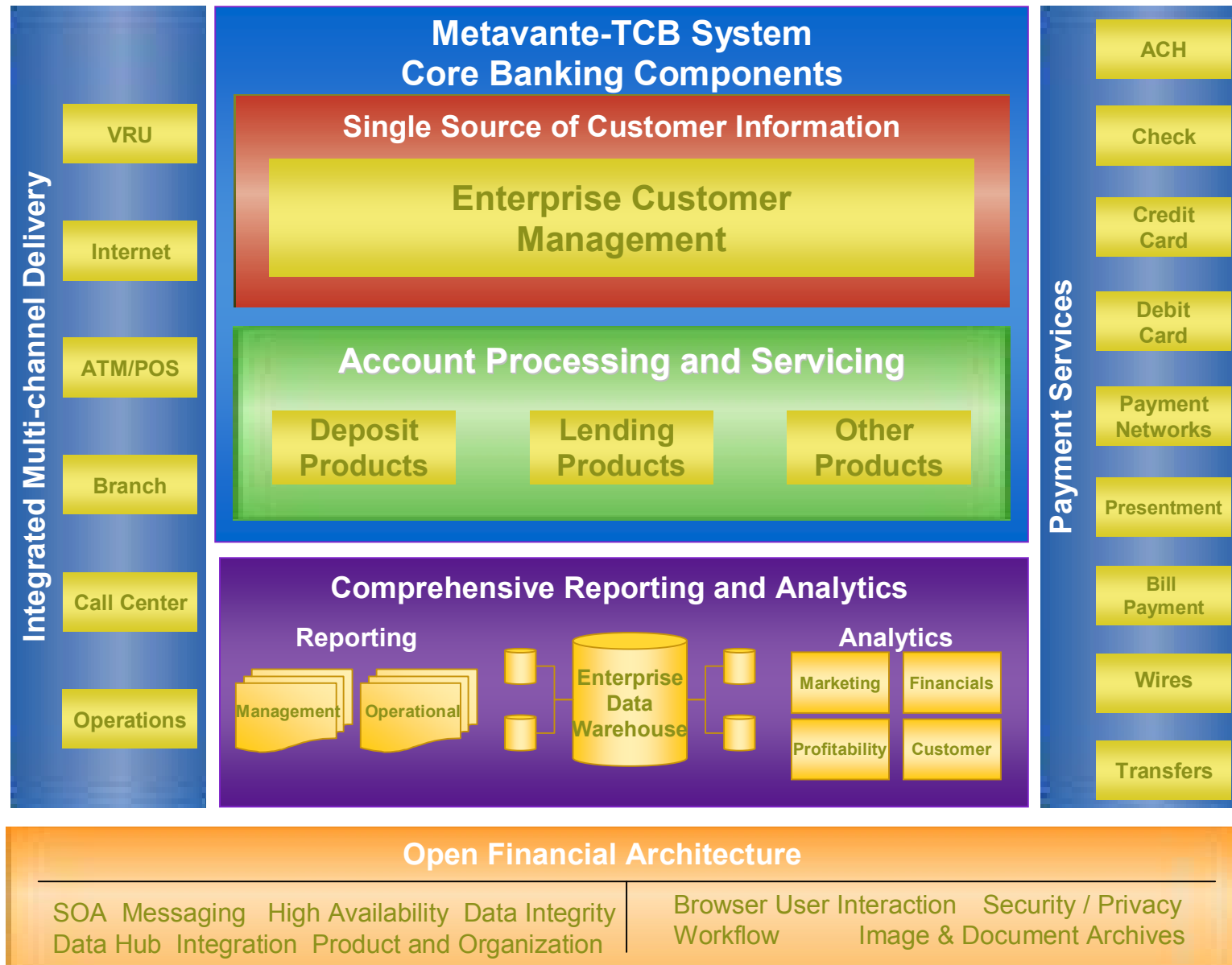
## U.S. Global Banking Technology



# Metavante and Temenos Have a Solution

- Co-develop an advanced U.S. global banking platform based on TCB using an incremental, component-based release plan
- The solution will consist of licensed software components targeted at the top 50 U.S. banks marketplace
- It will also include software component upgrades into Metavante's current core banking solutions

# Metavante's Complete Solution



# The Solution

- Based on technology developed nine years ago, the solution offered is party-centric with a highly flexible product catalogue, facilitating maximum speed to market of new products - all within one system
- Build an advanced “U.S. Global Banking Platform”
  - TCB foundation
  - Incremental, component-based release plan. First release to be available in 2008
  - Incorporate U.S. functionality and compliance
  - Leverage modern ‘service oriented architecture’ to integrate into Metavante and other surround solutions

# Taking the Product to Market

- Metavante becomes exclusive distributor of the TCB-based product line in the U.S.
- Metavante will initially target the top 50 U.S. financial institutions
- Metavante will offer the joint product on a component basis, enabling large banks to replace aging legacy systems using a phased or line of business approach, minimizing both cost and risk

# Metavante and Temenos are jointly making an investment in the future of U.S. core banking

*Strategic alliance will transform businesses by  
enabling dramatic change - working faster, better  
and more profitably*

## **QUESTIONS & ANSWERS**



GROWTH + EFFICIENCY + PROFIT = IT  
RETURN ON RELATIONSHIP