



TEMENOS
The Banking Software Company



Banking In The Cloud

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Overview

The rapid emergence of cloud computing is transforming the way financial institutions think about how they consume their IT resources. Until now, technology has typically been a costly hurdle for financial institutions, particularly those in emerging markets where developing customised solutions or investing in advanced banking platforms has either been unfeasible or the result has been too many failures, too many resources used and too much time wasted. Cloud computing, which in the most basic of terms offers unlimited computing resource as a service on a pay-per-use basis, is proven to directly translate to less upfront capital expense and reduced IT overheads, offering a cost-effective, simple alternative to accessing enterprise-level IT without the associated costs.

Recognising the value of cloud computing, Temenos has made significant investments in its core banking platform TEMENOS T24 (T24) to ensure it runs natively on the Microsoft Windows Azure platform, Microsoft's cloud computing environment. This development not only makes Temenos the first technology provider in the world to take a complete banking system to a public cloud environment, but puts into practice the real value cloud computing can bring to the financial world.

What Is Cloud Computing?

The cloud is a paradigm shift in computing, by which infinite computing capabilities and resources (servers, storage, networks, applications and services) are delivered as a service to customers using internet technologies.

The Microsoft Windows Azure platform, which serves as the foundation for developing and running applications in the cloud (and offers all the required development tools, management and services from Microsoft), is built to be flexible and give customers the ability to run the technologies they choose and scale as necessary – paying only for what they consume. For banks, running their applications in Windows Azure means they don't have to deal with the basics of the operating system. They have automatic scalability and automatic failover as well as disaster recovery, without having to actively manage and maintain the technology themselves. For smaller banks in particular, cloud computing is the most cost-effective IT solution available on the market today, as it allows them to benefit from the consumption-based pricing model, as well as the scalability of Windows Azure as they grow.

Cloud computing has the capacity to change completely the financial services landscape. By making enterprise-level banking systems and associated technologies available in the cloud on a pay-per-use basis, now anyone, anywhere can have access to modern core banking systems without the cost and other barriers usually associated with this technology.

“Celent has noted that there is an increase in demand for outsourced core banking systems in many geographies. Hosting T24 on Microsoft's Azure platform gives financial institutions anywhere in the world the ability to deploy the system on a pay-per-use basis.”

Bart Narter - Senior Vice President - Celent

Features

- Pre-configured best practice-based products and processes available in T24 via the cloud, to serve the needs of each banking sector, in each geography, on a pay-per-use monthly basis.
- T24 native to Windows Azure allows the seamless integration with new and existing Microsoft business applications.
- Access to maintenance and support associated with the software included in the monthly fee.
- Close of business and routine tasks managed by Temenos.



T24 And Windows Azure – A Powerful Combination

The T24 on Windows Azure offering is based on a software-as-a-service model (SaaS). This model allows financial institutions of all sizes and locations to quickly take full advantage of the rich functionality of T24, without having to manage and invest upfront capital in a complex on-premise deployment. And because T24 is offered as a pre-configured model bank, the solution can not only be rolled out quickly, but it requires very little customisation.

T24 is the most technically advanced banking system available today. Pair that with Microsoft's cloud computing environment and you get the most comprehensive, powerful and flexible business functionality, with an advanced and scalable architecture, that gives banks an unprecedented opportunity to overcome the challenges of today and tomorrow.

The technology and architecture of T24, and in particular its capacity to support multi-tenant environments, make it fundamentally suitable for cloud implementations. This latest development reinforces T24's close compatibility with Microsoft technologies to offer banks a core platform that operates extremely effectively in the cloud and also highlights the investment made to evolve T24 in response to market and customer change.

By shifting the burden of IT into Microsoft's cloud, this innovative solution will enable banks anywhere, but those in emerging markets in particular, to concentrate on providing low cost banking services to clients currently not served or poorly served by existing commercial banking services. No longer will banks need to over order or seek additional computing resource as their operations and needs grow, because the scale of the Windows Azure cloud platform allows high volume workload processing to be consumed on demand.

Enterprise-level Banking From Anywhere In The World

According to Bart Narter, senior vice president at research and consulting firm Celent, the availability of T24 on Windows Azure can meet and exceed the expectations of banks already interested in outsourced core banking systems: "Celent has noted that there is an increase in demand for outsourced core banking systems in many geographies. Hosting T24 on Microsoft's Windows Azure platform gives financial institutions anywhere in the world the ability to deploy the system on a pay-per-use basis. Giving customers this option opens up entire new markets for both Azure and T24."

While banks will benefit in a similar way to other cloud users from this particular offering, especially in terms of lower total cost of ownership, T24 in the cloud will be able to enhance their operations and help them develop new offerings with flexibility and a rapid time to market.

Microsoft has invested billions of dollars in infrastructure that allows Temenos to offer core banking functionality to its customers at a fraction of the cost of traditional bricks and mortar infrastructures. Smaller financial companies can buy into modern banking technology built on the Windows Azure platform without having to invest in equipment or find and retain the technical skills to run the technology.

So while cloud computing offers a number of compelling advantages, when it comes to financial services companies, the most important benefit is quite clear: the ability to scale on demand without procuring intensive, expensive infrastructure.

Benefits

- High costs of running in-house data centres removed.
- Consumption-based pricing model offers operational agility when you need it.
- Resources can be scaled effectively and volume can be increased according to customer demand.
- Banks can become faster and more agile in creating new offerings. They don't have to worry about finding additional computing power.
- Sustainable financial services now a reality for emerging markets.

Looking Ahead

Temenos is already in the process of taking financial institutions from a traditional hosted environment onto the Windows Azure platform, to help them lower costs, enhance operations and provide the flexibility to rapidly build and bring to market new products to support mission-critical business opportunities. Over the next decade, there will be a greater understanding of the cloud's place in the banking world, which will enable many more banks to harness the benefits of T24. In the immediate future, we are ready to tackle individual bank's requirements, offering T24 in the cloud specifically tailored to their needs.

Having instant access to data and collaboration tools when you need it and where you want it in a highly secure manner is a very compelling value proposition. Financial institutions already moving to the cloud are architecting for the future – enabling themselves to provide a high level of service for customers and employees while containing costs – and they are paving the way for the rest of the industry to follow suit.

Temenos Headquarters SA

2 Rue de l'Ecole-de-Chimie
CH-1205 Geneva
Switzerland
Tel: +41 22 708 1150
Fax: +41 22 708 1160

Microsoft®

www.temenos.com

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