



TEMENOS
REGIONAL
FORUM



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London – 4 July 2019



TEMENOS



Banking in the Cloud

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Commercial Director – Cloud/SaaS



| Cloud is here.

ALL

“By 2020 ~~most~~ core
banking initiatives will
be in the cloud”

– John Schlesinger



Changing Cloud Adoption in Financial Services

6 years ago...



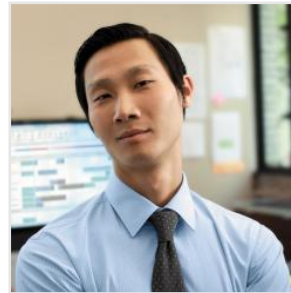
“No point in even discussing Cloud, too many regulatory issues...”

4 years ago...



“The cloud is inevitable... But right now the timing isn't right...”

2 years ago...



“Tell me how to get there in a safe compliant way...”

Over 100 financial services regulators engaged by Microsoft in 4 years



Regulator Right to Examine

Institution is accountable & in control

Online Services
(All Customers)

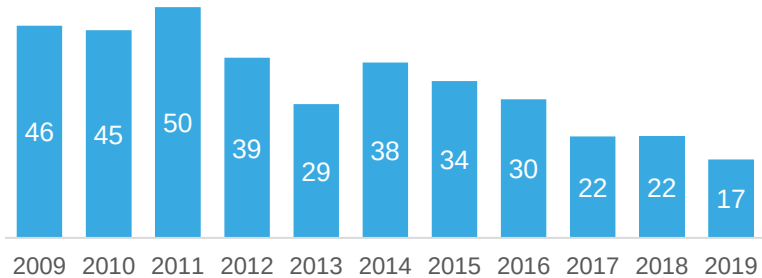
Financial
Services
Amendment
(FS Only)

Financial
Services
Compliance
Program
(FS Only)

90% of the “Too Big to Fail” banks
7 of the top 8 “Too Big to Fail” insurers
are leveraging the Microsoft Cloud...

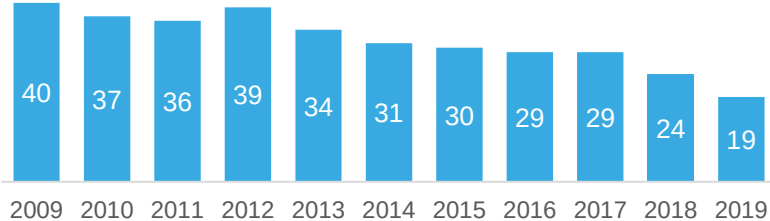
| Temenos Community Forum (TCF) Survey

Data security and confidentiality (%)



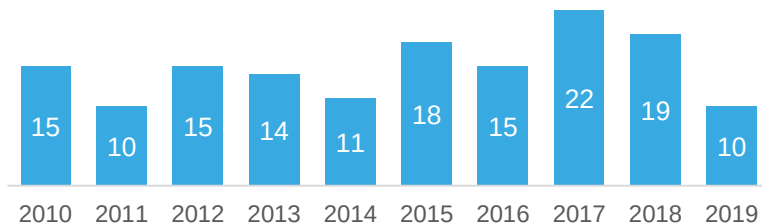
As the cloud market has matured, and the adoption has increase, banks are starting to view cloud security as a benefit.

Perceived Regulatory Hurdles (%)



Regulators are starting to provide greater guidance on the use of cloud for the outsourcing of material services. Recent examples from the FCA, Luxembourg and recently published draft guidelines from the EBA.

Availability of Reference clients (%)



The volume of banks, and the sophistication and relatability of those banks as reference points, has soared. Many regions can now point to banks successfully operating in the cloud for reference for their own regulator and internal stakeholders.

| Things are changing fast

Slow infrequent waterfall system change

Business case → Capex Program → Success/Fail

Big bang or progressive renovation

Infrastructure & Application Management

System integration

Fast constant agile business change

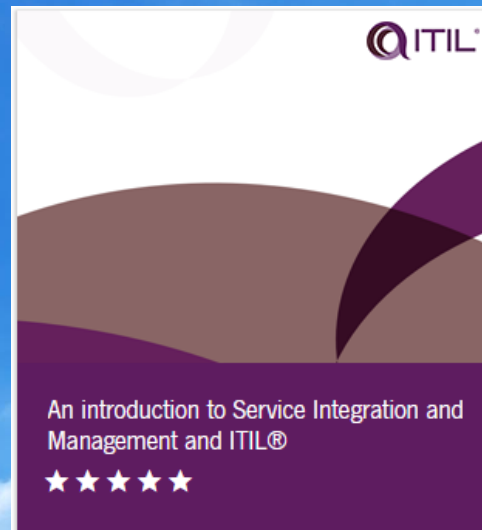
Idea → Opex Agile → Dev/Measure/Pivot

New digital bank & propositions

SaaS Vendor Management

Service Integration

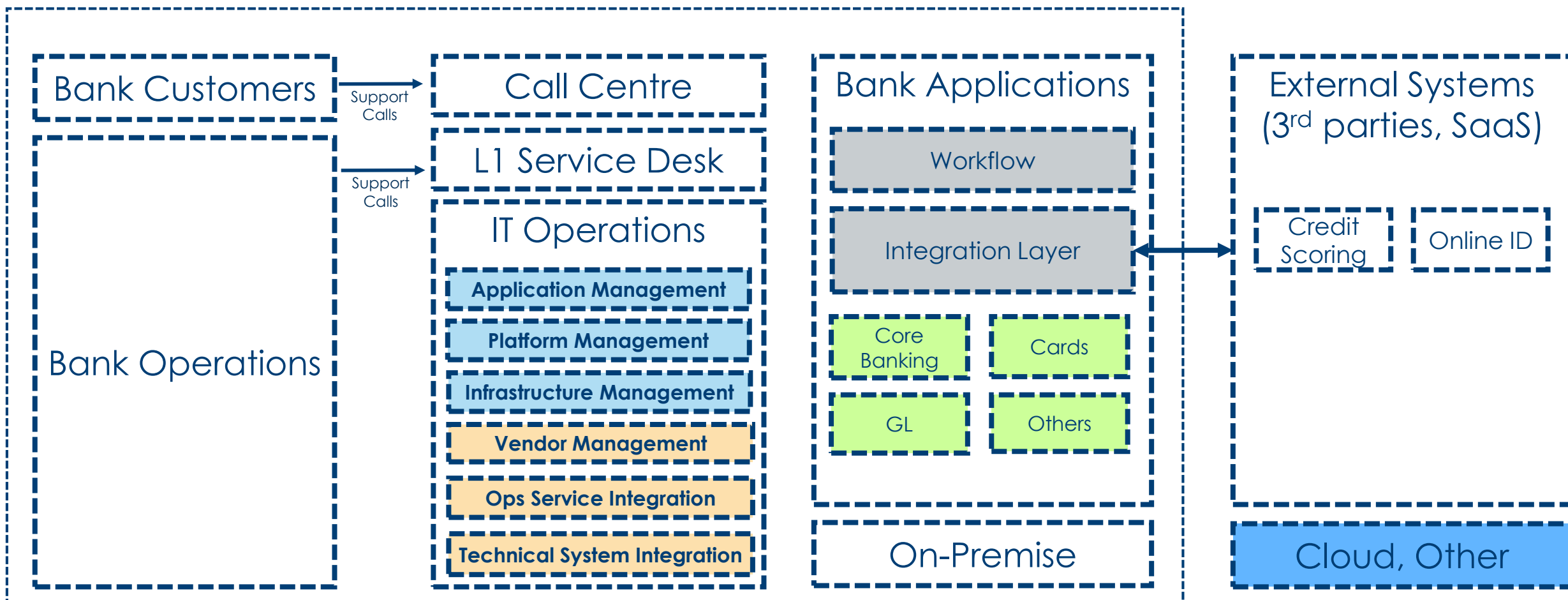
The Bank IT of the future is a SaaS Vendor Manager and Service Integrator



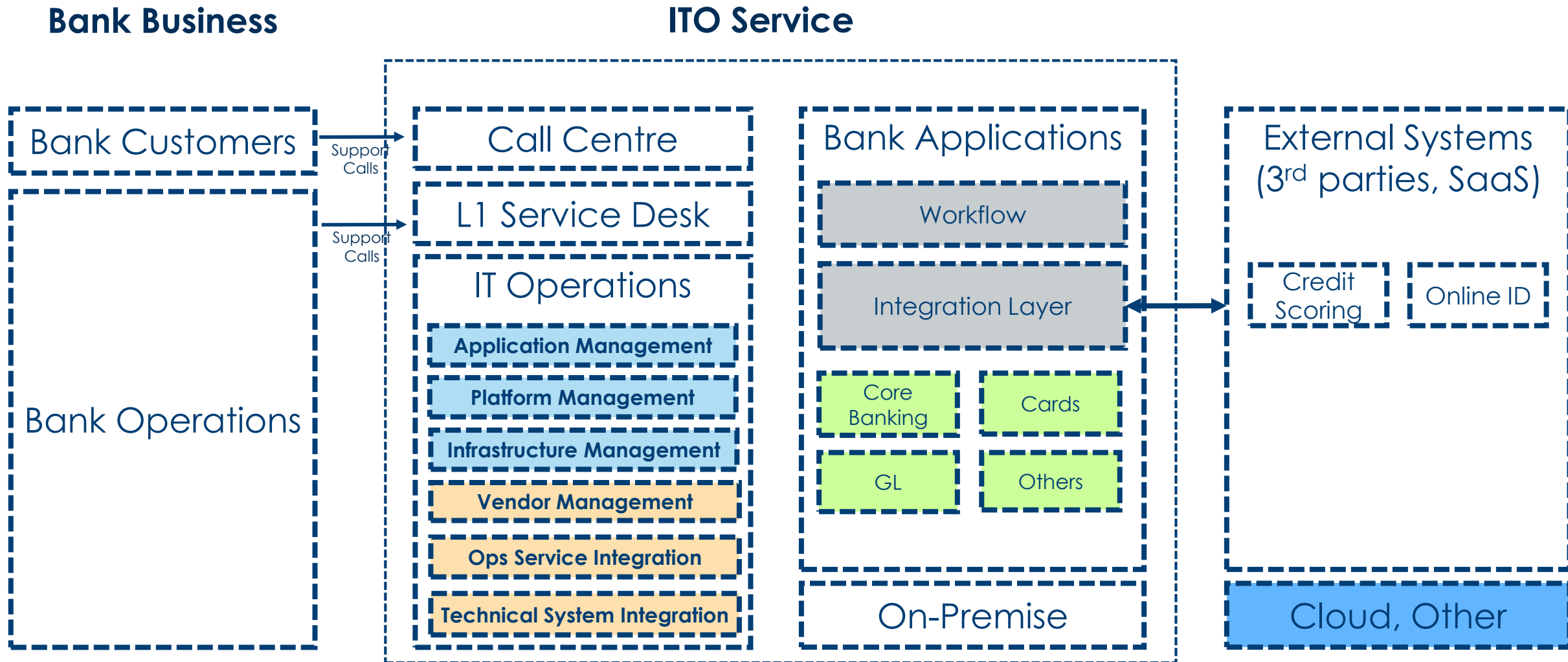
Traditional Bank IT Model

Bank Business

Bank IT



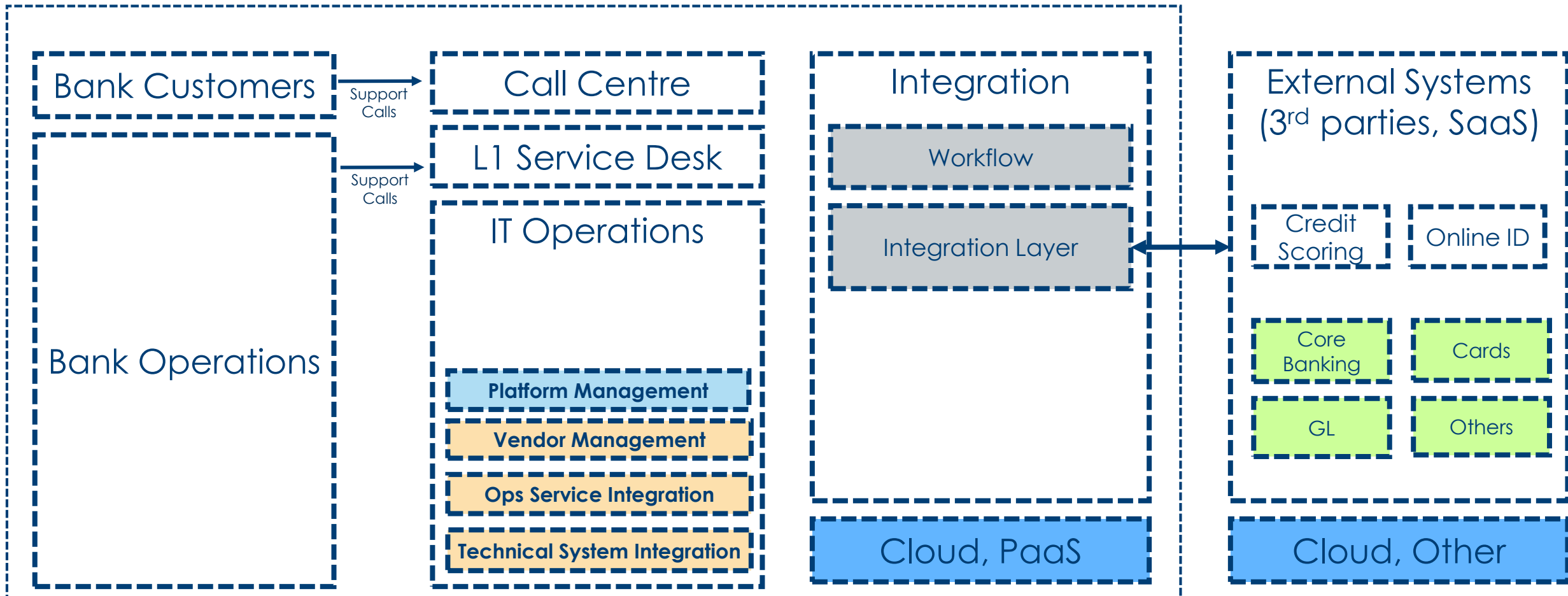
Traditional Bank ITO Model



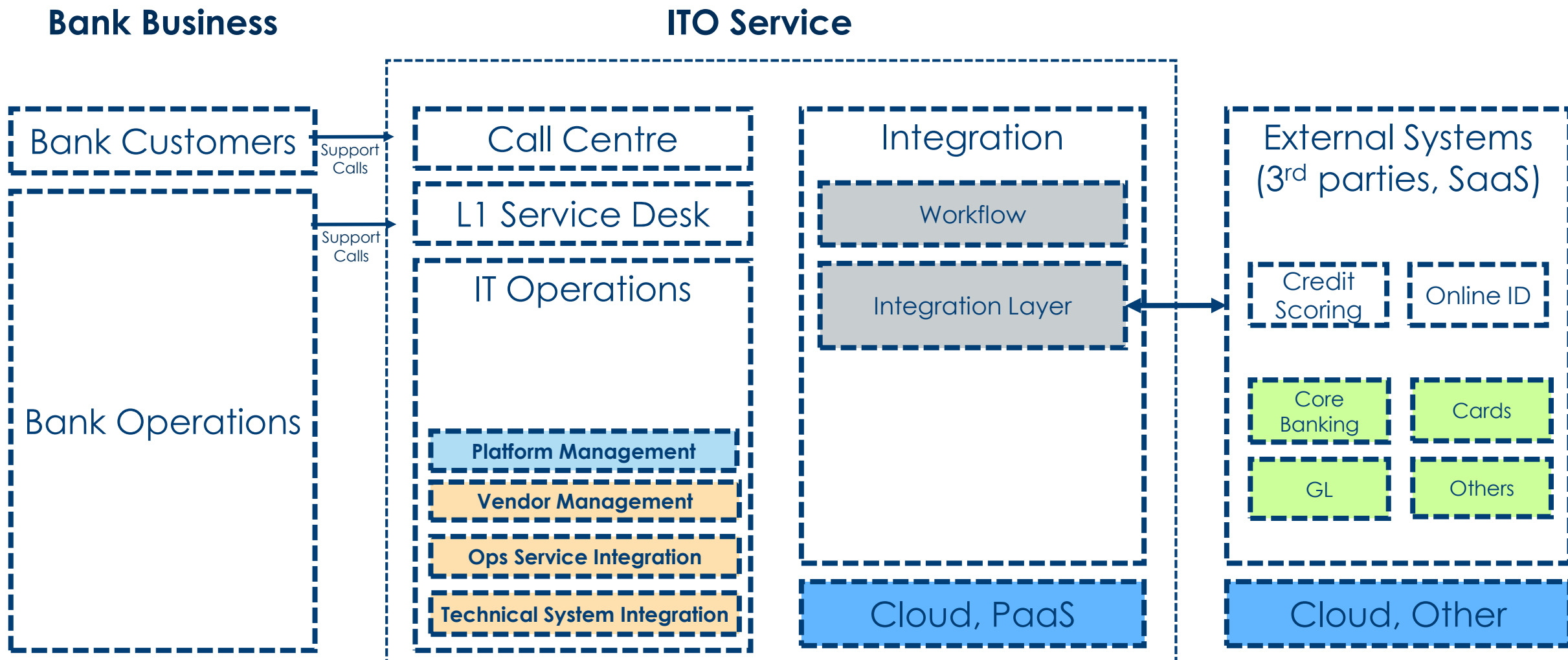
Future Bank IT Model

Bank Business

Bank IT



Future Bank ITO Model



| Temenos Cloud

Supporting our clients in their cloud journey since 2011



Temenos
Infinity



Temenos T24
Transact



Payments



Financial
Crime



Analytics



Fund Admin



Operated, maintained and supported by experts 24/7

Temenos cloud

33

Core
banking
clients

400+

Clients use
Temenos
Cloud
services

120+

Temenos
Cloud
employees

22%

of all new
deals are
Cloud

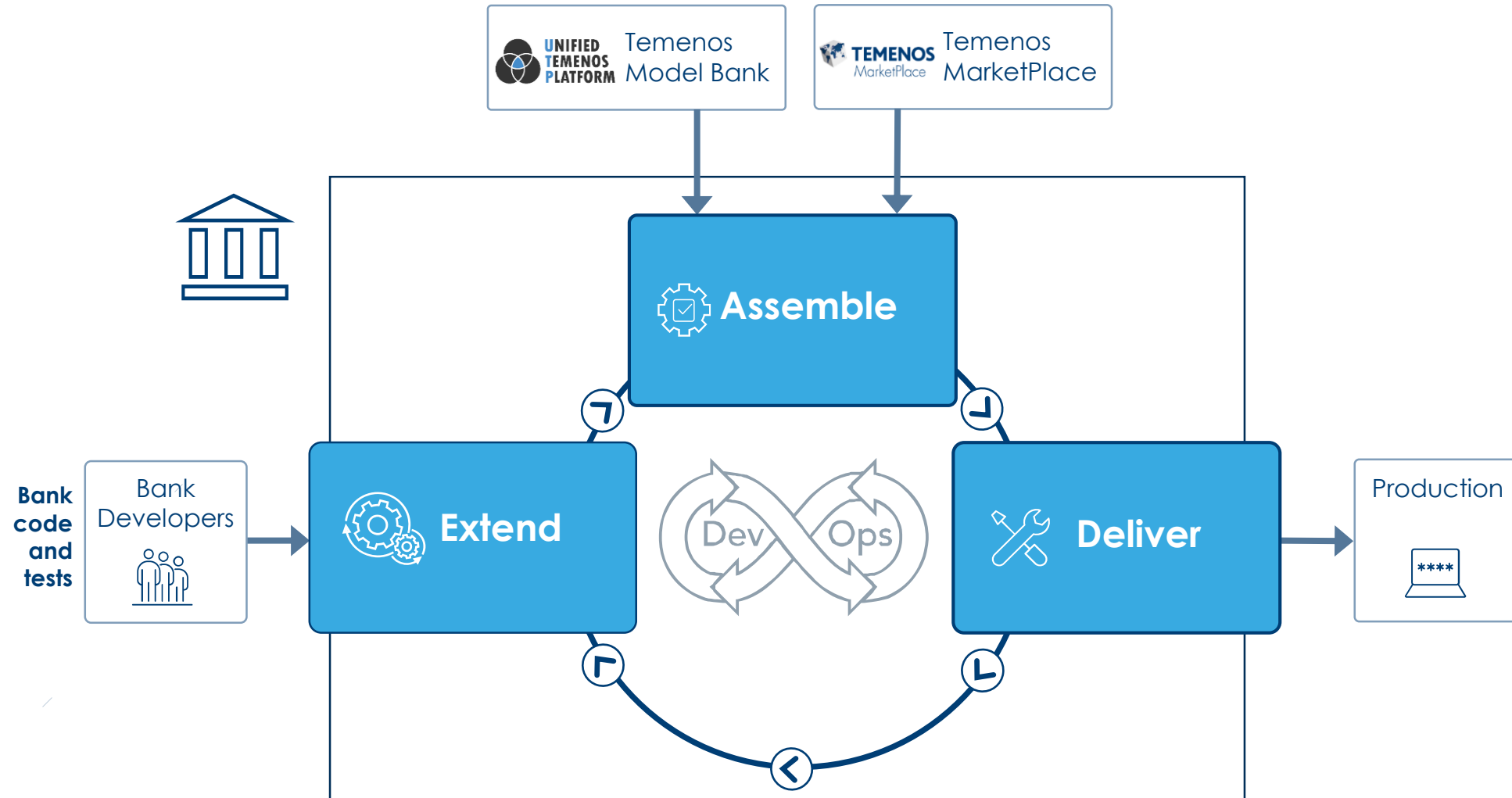
x6

Increase in
revenues

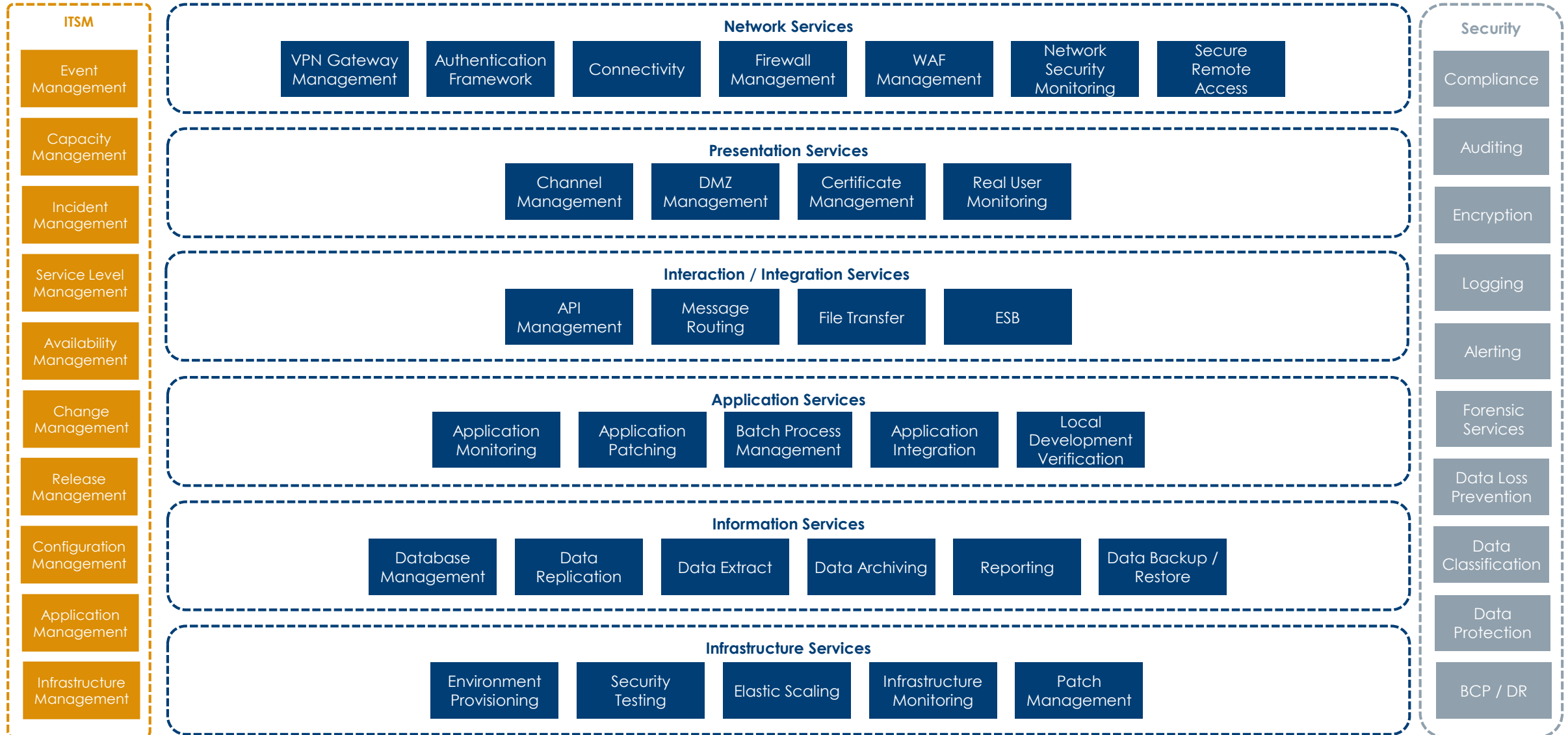


Temenos has amassed more cloud expertise and experience than any other banking software vendor.

Agile Devops Drives Innovation



Service Integration – Needs Standards



| Security is Key.

Security Controls Include:



Temenos Cloud

Security Testing
Of all services

Operational Reviews
Quarterly:
access,
patches, keys,
risks

SOC2
Certification



ISO 27001
certification



CSA CCM
Review of
controls



IT audit
reviews

DLP
Data loss
prevention
systems

| Regulators are Moving

Cloud computing technologies developed around them a complex legal and regulatory environment. There are federal, international and even state laws that cascade from the beneficiary of service to it's provider and third parties.



SOC 1
SOC 2

International Standards



ISO 27001
ISO 27017
ISO 27018

Americas



USA



Panama



Peru

EMEA



UK



Luxembourg



France



Malta



Norway

APAC



Australia



Singapore



Philippines



Key Priorities to thrive in the new World.

What to focus on

Consume SaaS services where possible

Own/Control what is really core to your USP

Master SIAM (Service Integration and Management)

Master Outsourcing and Risk Management

Transform the organisation to align to the new world

Why

Let those who build it, run it, keep it current, and only pay for what you use.

Focus on your differentiator and Commoditise the rest.

Offer your business a single service underpinned by many SaaS services. E.g. Office 365

Key for regulators but more importantly for understanding and managing Risk

Build competencies in Vendor Management, Ops Service Integration and SaaS Technical Integration

Thank You

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