



TEMENOS
THE BANKING SOFTWARE COMPANY

| Banking in The Cloud



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I Introduction

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 customized 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.

Recognizing the value of cloud computing, Temenos has made significant investment in its products to ensure they run 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?

With modern fintech in emerging markets exploding at a phenomenal rate, credit unions have the opportunity to leverage their social relevance with the internet, using technology platforms to deliver modern banking services to their members. The ability to digitise without having to acquire and manage technology has the potential to unlock the massive investment of the credit union social network.

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 financial institutions, 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.

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.

FEATURES



Fast to deploy

Pre-configured, best practice-based products and processes to serve the needs of each banking sector in each geography available via the cloud, on a pay-per-use, monthly basis.



Future proof

Solution is native to Windows Azure, allows it to seamlessly integrate with new and existing Microsoft business applications.



Help included

Access to maintenance and support associated with the software included in the monthly fee.



Hassie free

Close of business and routine tasks managed by Temenos.



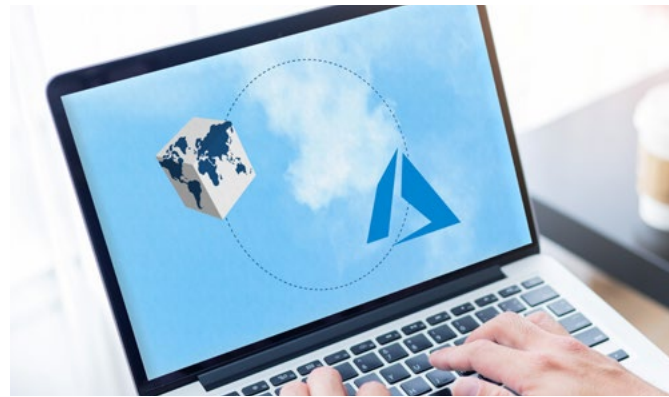
Celent has noted that there is an increase in demand for outsourced core banking systems in many geographies. Hosting Temenos Core Banking on Microsoft's Azure platform gives financial institutions anywhere in the world the ability to deploy the system on a pay-per-use basis.

Bart Narter - Senior Vice President, Celent



Temenos and Azure

A powerful combination



Temenos 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 Temenos Core Banking, without having to manage and invest upfront capital in a complex on-premise deployment.

Speed and scalability

Because Temenos core banking is offered as a preconfigured model bank, the solution can not only be rolled out quickly, but it requires very little customization.

Temenos offers 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 financial institutions an unprecedented opportunity to overcome the challenges of today and tomorrow.

The technology and architecture of Temenos products, and in particular its capacity to support multi-tenant environments, make it fundamentally suitable for cloud implementations. This latest development reinforces Temenos' 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 in response to market and customer change. By shifting the burden of IT into Microsoft's cloud, this innovative solution will enable financial institutions 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 financial institutions 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 workloads processing to be consumed on demand.

Enterprise-level banking from

anywhere in the world



Rich functionality with cutting-edge technology
in an easily upgradable application.

According to Bart Narter, Senior Vice President at research and consulting firm Celent, the availability of Core Banking on Windows Azure can meet and exceed the expectations of financial institutions 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 Temenos 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 Temenos."

While financial institutions will benefit in a similar way to other cloud users from this particular offering, especially in terms of lower total cost of ownership, Temenos 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 brick-and-mortar infrastructures. Now, even 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



No expensive hardware

High costs of running in-house data centers removed.



The right price

Consumption-based pricing model offers operational agility when you need it.



Scalability

Access to maintenance and support associated with the software included in the monthly fee.



Fast & flexible

Financial institutions can become faster and more agile in creating new offerings. They don't have to worry about finding additional computing power.



Viable

Sustainable financial services now a reality for emerging markets.

Looking Ahead

Paving the way

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 financial institutions to harness the benefits of a modern core banking system. In the immediate future, we are ready to tackle individual bank's requirements, offering core banking 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.



About Temenos

Temenos AG (SIX: TEMN), headquartered in Geneva, is the world’s leader in banking software, partnering with banks and other financial institutions to transform their businesses and stay ahead of a changing marketplace. Over 3,000 firms across the globe, including 41 of the top 50 banks, rely on Temenos to process both the daily transactions and client interactions of more than 500 million banking customers. Temenos offers cloud-native, cloud-agnostic front office and core banking, payments, fund management and wealth management software products enabling banks to deliver consistent, frictionless customer journeys and gain operational excellence. Temenos customers are proven to be more profitable than their peers: over a seven-year period, they enjoyed on average a 31% higher return on assets, a 36% higher return on equity and an 8.6 percentage point lower cost/income ratio than banks running legacy applications.

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