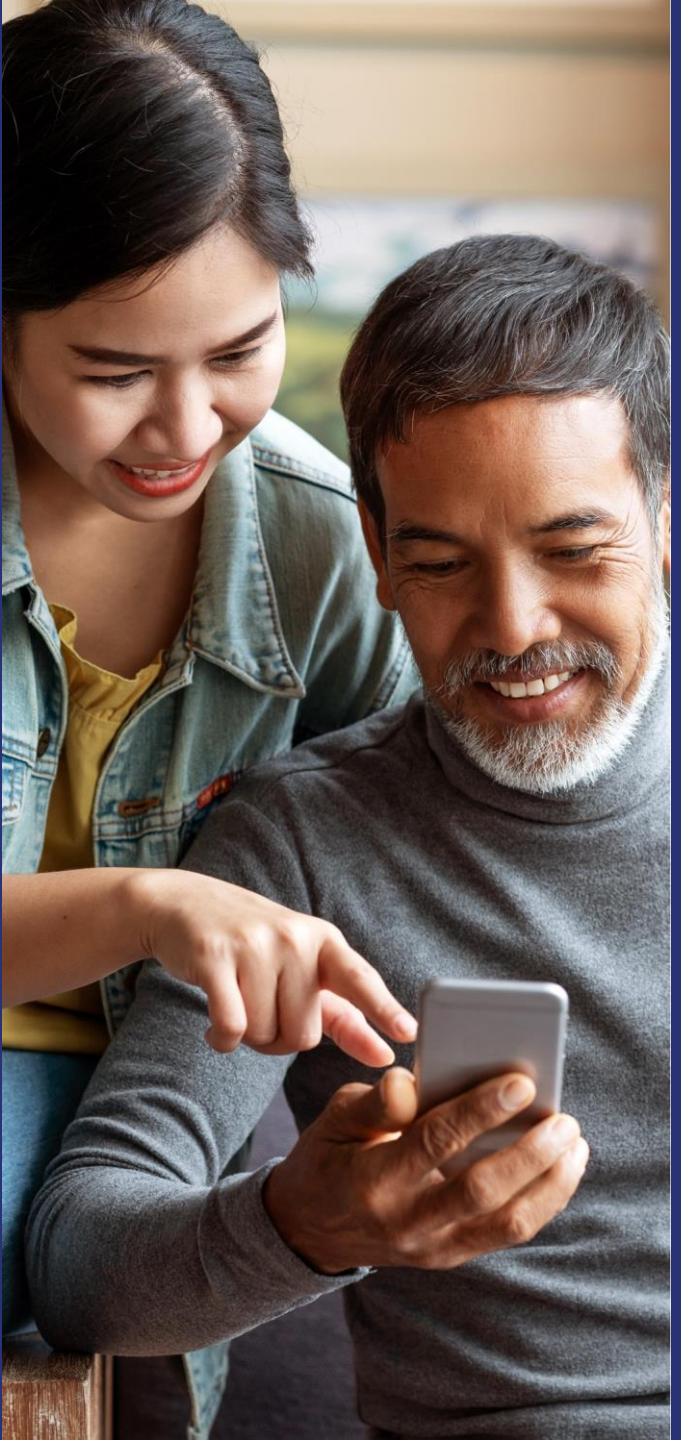
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Temenos for Buy Now Pay Later

Frederico Venturieri
Global Senior Director, Go-To-Market
Global Solution Leader for BNPL





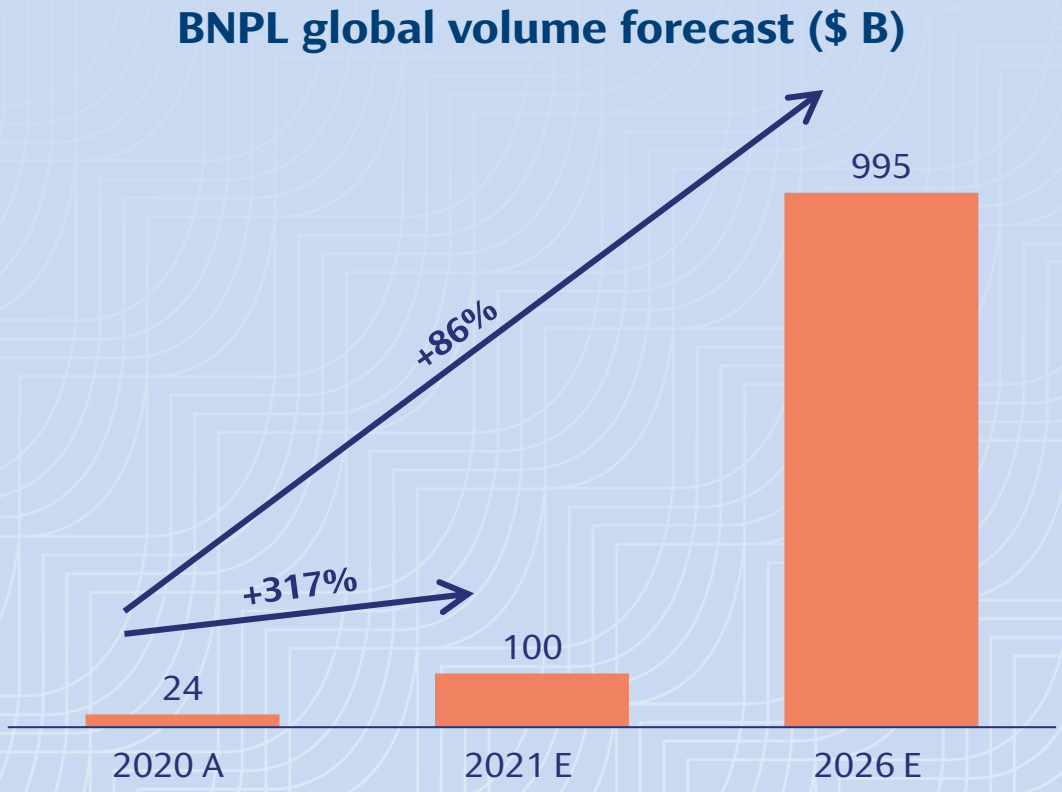
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What is BNPL? A Temenos perspective

- BNPL providers **add flexibility** to the relationship between retail customers and merchants
- BNPL allows customers to **defer or stagger payments at point of purchase**
- Loans are **typically interest-free** for the end customer **(not always)**
- Providers assess **creditworthiness** (soft credit checks)
- Providers charge a **service fee** to the merchant (which funds the credit)
- **High popularity** since Covid-19, especially in younger demographics
- Still an **unregulated market** in most countries

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BNPL growth is slowing in many markets, but it is still expected to grow significantly in the long-term



60-70%
annual increase in BNPL transactions from 2019

70-80%
annual growth in BNPL users

~ 20,000
merchants offering BNPL at checkout

~55%
of merchant referrals coming from BNPL app

~ 60%
of US adults said they have used BNPL in the last 12 months

61%
Said they found the speed of the service appealing

Source: Press research, Bain & Co., CB Insights

There are three main business models for BNPL



Source: S&P market intelligence
*in select EU countries

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Banks are well-positioned to compete with pure-play BNPL providers

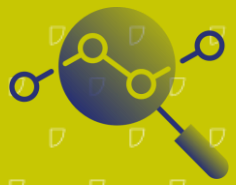
Banks...
(vs. pure-play BNPL providers)



can serve varying ticket sizes, especially larger ones



can offer more flexible payment terms



can use customer data for better credit decisioning



have greater customer trust



are better suited to handle regulatory interventions

~50%

Nearly half of all consumers who use BNPL also said they would like to get that service from their bank or credit card issuer

Source: Citizens Bank, Press research



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Temenos for BNPL

What is our solution?

Temenos for BNPL is a **comprehensive, SaaS-first solution** that empowers banks and Fintechs to **create amazing BNPL experiences for customers and merchants**

What makes Temenos different?

Fast time to market based on packaged banking services and capabilities

Embedded AI to power Responsible Lending

Cost-efficient and scalable platform

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Temenos for BNPL is a smart comprehensive Banking Service covering the entire BNPL lifecycle

Scenario 1: Online purchase

	1. Merchant BNPL set-up	2. Customer purchase	3. Customer onboarding*	4. Product origination	5. Product fulfillment	6. Servicing
Sample use case	*Merchant embeds BNPL payment method from Bank/Fintech portal*	*Customer initiates purchase and chooses to pay with BNPL (embedded in checkout process)*	*If the customer is new-to-bank, a light onboarding process takes place*	*Most suitable BNPL terms are selected, AI-driven soft credit and affordability checks are performed*	*BNPL loan is created in the core banking system*	*Customer self-serves through mobile app or e-banking*
Main Temenos Banking Capabilities	• BNPL JS library	• Retail Channels • Retail Origination	• Retail Channels • Retail Onboarding • Know Your Customer • Watchlists	• Retail Channels • Retail Origination • Retail Customer Management • Retail Soft Scoring • Analytics • Data Lake	• Retail Loans • Party • Limit Management	• Retail Channels • Retail Loans

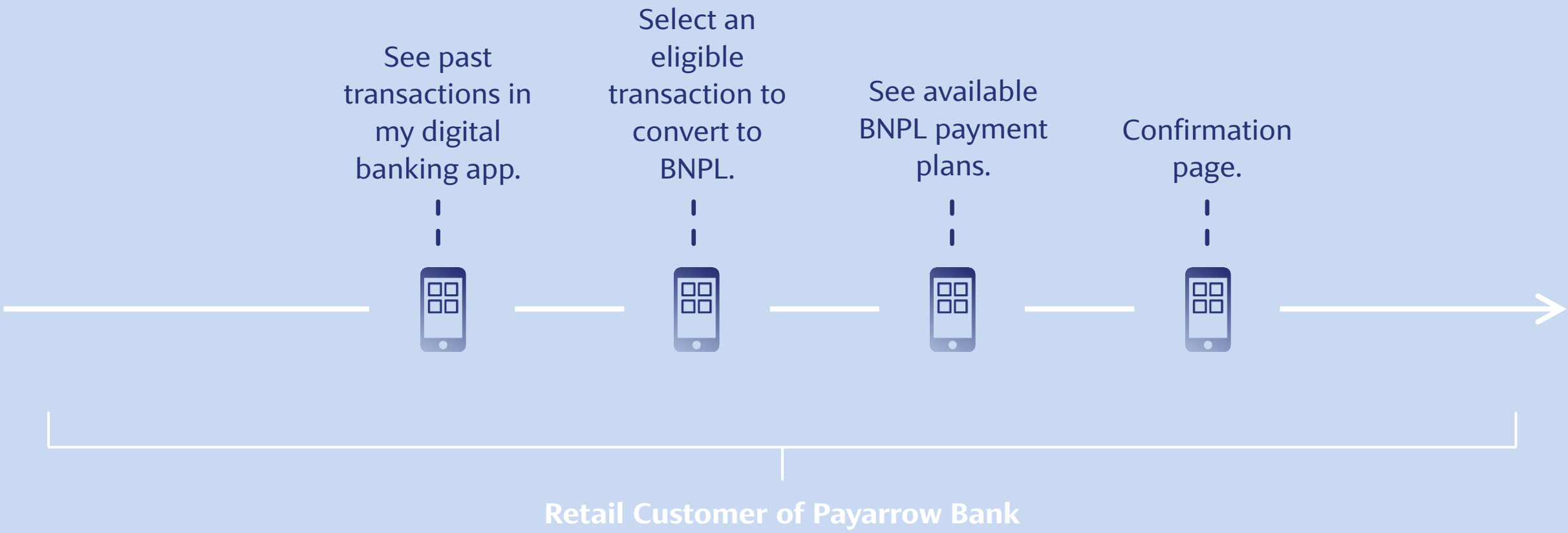
*As per the bank's requirements, only for new-to-bank customers

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Demonstration 1: Online Purchase

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Scenario 2: Pay Later: Changing a past transaction to BNPL



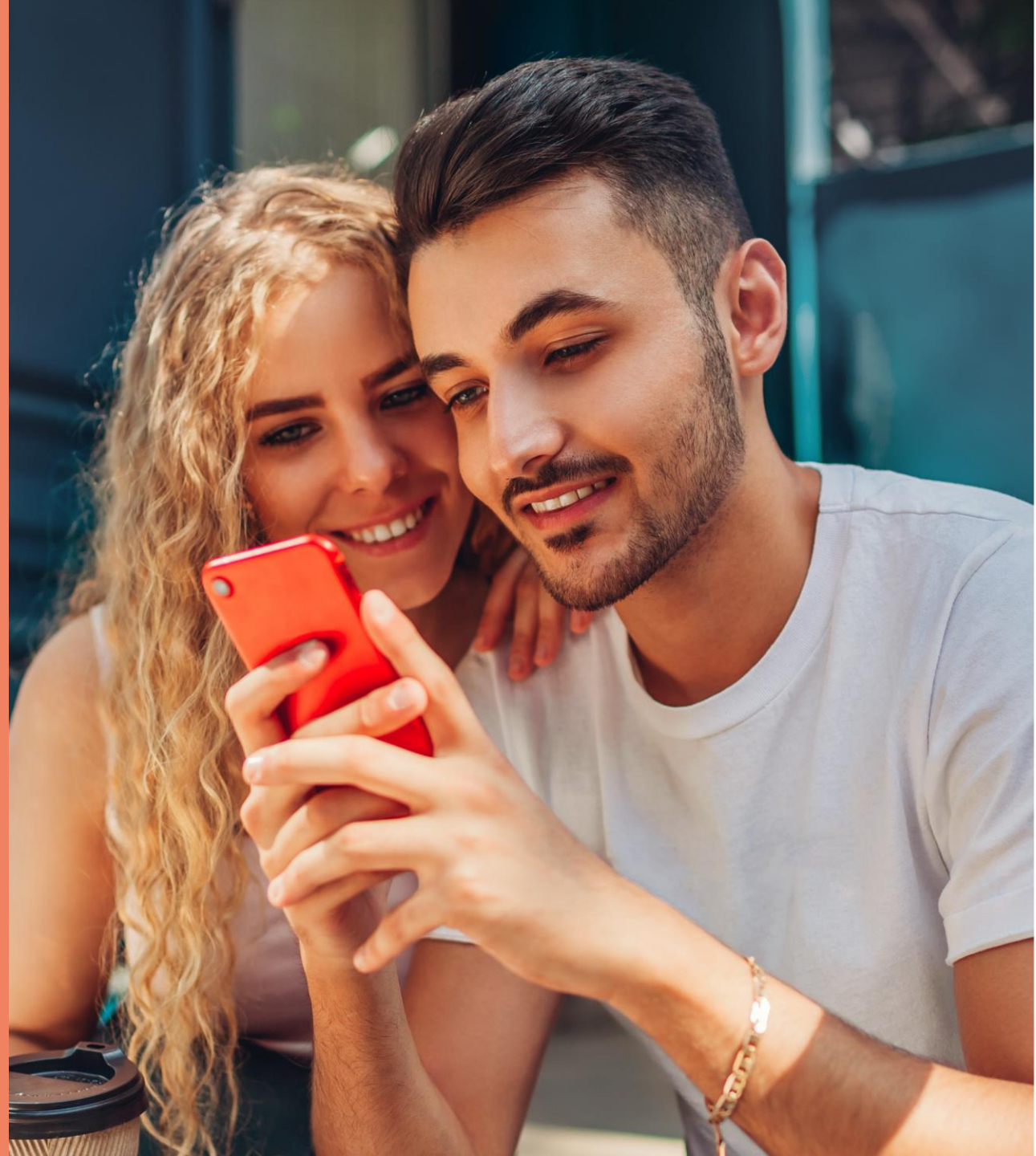
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Demonstration 2: Pay Later

Massive & instant BNPL scalability for a global FinTech leader in payments

- **22 million accounts in just nine months**
- **the most successful launch in the company's history.**
- **50% of customers were repeat users**
- **15% uplift in merchant engagement**
- 750,000 BNPL loans originated within a 24 hour window*

*Black Friday



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Let’s connect & continue the BNPL conversation!



Frederico Venturieri
Global Senior Director, Go-To-Market

LinkedIn

SCAN ME

Thank you

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