

# Revolutionizing Payments: Unveiling the Next Generation of Banking Platforms

## Temenos Leap- Modernizing from Funds Transfer (FT) to Temenos Payments

Temenos Payments solution allows the banks to transform their payments landscape including real time payments, open banking, ISO20022 standards and digital transformation.

Temenos payments solution processes domestic, international, high value, low value, instant payments and Real-Time-Payments schemes in one single solution. Available embedded into our Temenos Core.



**temenos**



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# Introduction

The digital payments landscape is continuously evolving, creating exciting new business growth opportunities for banks/PSPs. These opportunities include:



## Embedded payments services

commercial enterprises are looking for processing partners who can integrate payment functionality directly within their software applications or platforms, enabling their users to make to enter payment information each time. Mainly used for in-store transactions but are becoming more popular online and can even be used to send and receive money between users.



## Cross border, cross currency payments

both businesses and consumers are seeking faster, more transparent, more reliable, and cheaper ways to move money between countries and seek providers who can scale and provide access to cost effective options.



## Corporate payments automation

end-to-end processing of all payment flows, including high priority supplier payments, as well as large bulk salary/ payroll files, providing real time information and analytics to support the corporate's business ambitions.



## Instant payments

the world is rapidly moving to an instant, 24/7 continuous processing cycle. This generational shift in servicing needs, coupled with sharp increases in volumes, opens the door to new players who can securely scale operations whilst differentiating through new added value service innovations.



## Real-time-payments schemes (RTP)

Allow adopting flexibility in requesting P2P payments via one click on mobile phone. Integrated in the same Payment solution. Fast go to market.



## Data & AI (Security)

Card issuers must persist in providing value beyond mere payment transactions to stay competitive. Technology should serve to adept understanding of customers and their proficiency in analyzing proprietary transactional and alternative datasets. This enables them to offer more personalized advice, including spending controls, budgeting guidance, and tailored rewards.

Payment companies are engaged in a global competition with malicious threat actors, confronting increasingly sophisticated scams. To combat this risk, FIs should enhance their capabilities in anti-fraud measures, they should leverage generative AI technologies and third-party data to refine their authentication and fraud detection models.

## OMDIA - 2023 Trends to Watch - Payments

A challenging macroeconomic climate is forcing payment issuers and acquirers to prioritize revenue growth and operating efficiency, seen as the top priority by 25% and 24%

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Security is the top driver for payment infrastructure investment.

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70% of banks agree that Real-time-processing (RTP) enhances interoperability between payment rails.

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80% of merchants are interested in accepting real-time payments, and as well as increased revenue opportunities, acquirers will benefit from the reduction in fraud losses if merchants choose to adopt real-time payments

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38% percent payments issuers/acquirers stated that they saw “new payment services” as one of their top three opportunities as a result of open banking

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Omdia’s Payment Technology Spending Through 2026: Business Function forecasts strong growth in fraud management spending, with investment set to increase by a compound annual growth rate of 5.7% between 2021 and 2026

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Security is a central driver for payment issuers in particular: 20% of issuers indicated it is their top priority



Running the Temenos Payments platform across our international locations, we can harmonize our IT infrastructure. Temenos Payments plays a vital role in future-proofing our international payments strategy in a market where continuously evolving regulatory demands and rapid technological advancements demand agility and continuous innovation

**Alex Room,**  
Product Owner – Payments for  
ABN Amro International



# The challenges

Most customers using Funds Transfer (FT) are experiencing the following challenges:



## Ease & speed of Integration

Maximize the modern and open technology to enable payment functionality integrations directly within third-party software applications.



## Scalability

Capability to expand as needed, sustain high performance & accommodate substantial throughput.



## Harness the power of the cloud

After Leap you can be ready to embrace cloud-native, cloud-agnostic, cloud-hybrid, multi-cloud, and SaaS to create a modular environment catering to the requirements of both small, specialized operations and large, diverse corporate enterprises



## Data Integrity

Covering access, security, sovereignty, fostering value creation, nurturing new business models, cultivating innovative partnerships, and combating fraud.



## Configurability

Minimizing ownership costs and leveraging updated out-of-the-box supported payment capabilities, encompassing process flows, business entities, fees, and charges.



## Single Solution

Opportunity to support all payment types: domestic, international, high value, low value, and instant payments. Built based on frameworks, allowing quick Fast Time to Market for any new Product.



## Regulatory compliance

Offering maintained scheme rulebooks and applicable payment regulation changes (PSD2, ISO 20022, etc).



## Instant payments readiness

Overseeing the entire lifecycle of instant payments, from initiation to completion.



## Customer centric & optimized servicing

Supporting new clearings, instant rails, increasing automation and enhancing customer servicing.

Banks that run Temenos Payments Banking Capability have:

- 16% higher payments STP rate
- 50% lower payments investigation rate
- 90% lower time required for manual repair

When using FCM integrated with payments, our customers enjoy:

33% lower false positives as a percentage of payments

Banks that run Temenos Payments Banking Capability have:

# 31%

## higher payments growth rate

Source: Temenos Value Benchmark Stats



# How can Temenos Payments help?

In addition to Temenos Payments, modernizing to the latest version of Temenos platform can bring you additional capabilities within Temenos solutions portfolio like enablement to approach compliance in different geos, Financial Crime mitigation capabilities, data management capabilities, Treasury, easier access to channels etc., plus all the benefits that the latest technology brings.

How Temenos will help you

## Revenue Generation

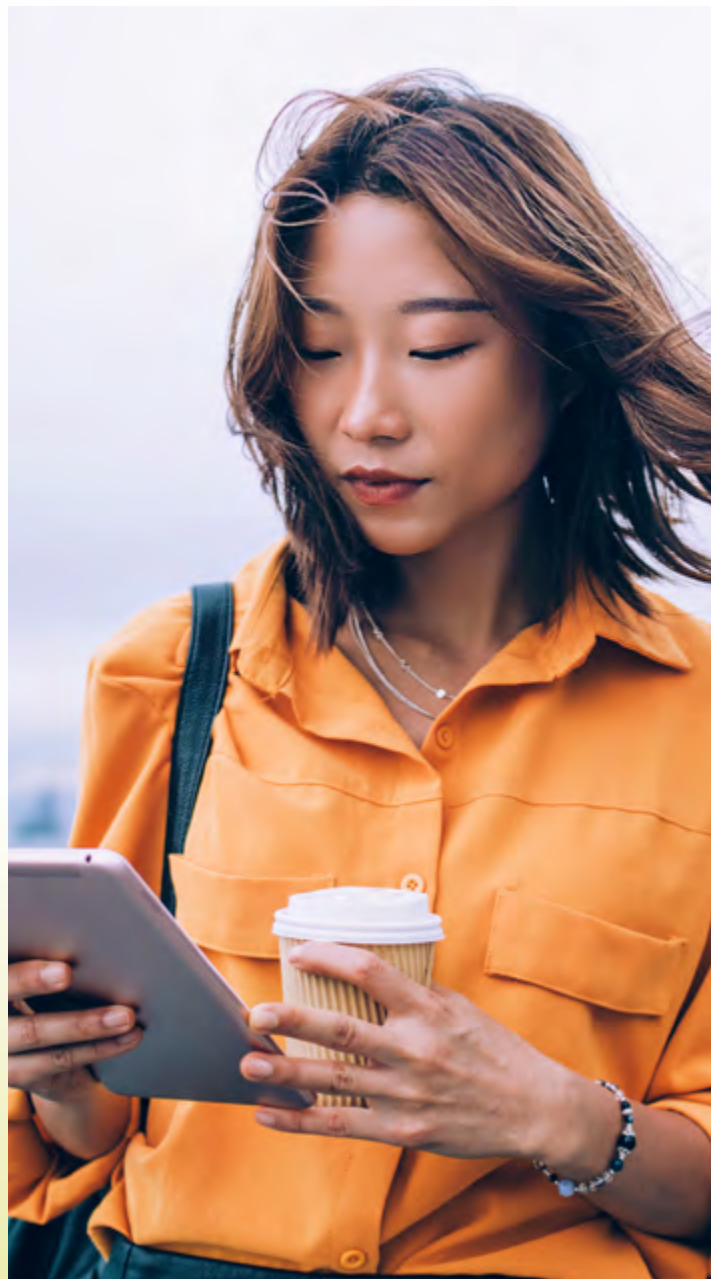
End customers will have access to the latest payment services relevant to their current and future business.

- Fast time to market & launch of new payment services covering the full life cycle (from order intake to clearing and settlement)
- Capabilities for prioritization and full life cycle management for any type of payment
- 'Monetize API's – Temenos Payments is configured with open APIs and the ability to easily extend for new products and services – explore new emerging business models
- Out of the box support for various regional/local instant payment clearing schemes

## Efficiency

Reach the highest STP rates on payments processing and automatic exception handling

- Rapid rollout of new products/services
- One solution - high & low value, instant domestic, cross border payments & Request to Pay
- Parameter based solution, which provides the highest degrees of flexibility and configuration, avoiding the need for coding on payments processing
- Manage the lifecycle of all types of payments from initiation to completion
- Access to new payment services like Instant payments and Request to pay
- Banks will increase agility and efficiency in their payment's operations (payments optimization), reducing the TCO
- Consistent and transparent real-time information and the best support for banks' customers





With Temenos Payments, Hamilton Reserve Bank now has the capabilities to offer fast cross-border payments to its global clientele. “We process millions in client transactions every year. Temenos Payments gives us the scalability and sophisticated functionality that we need to provide real-time payment options and to handle huge volumes of transactions quickly, efficiently, and securely.”

**Claire Robinson,**  
Senior Compliance and Risk Officer,  
Hamilton Reserve Bank



## Regulation

- Provided with ‘country model banks ‘and local payments schemas and a clearing framework
- Temenos platform is ESG-enabled by design (by focusing on science and measurement-based ESG metrics), with its Carbon Emissions Calculator helping to track and measure the carbon footprint.
- Following Leap you will have the capability to enable real-time sanction screening as part of payment processing by the payment service via the Financial crime protection suite
- Regulatory Compliance is offered and maintained for scheme rulebooks and applicable payment regulation changes
- Consistent and transparent real-time information for Reporting needs
- Support for Mandated ISO 20022 migrations – both Global and Regional
- Supports generic regulations for transparency and pre-validations (PSD2, FATF, WRT2, BNC, Country rules, etc.)

## Innovation

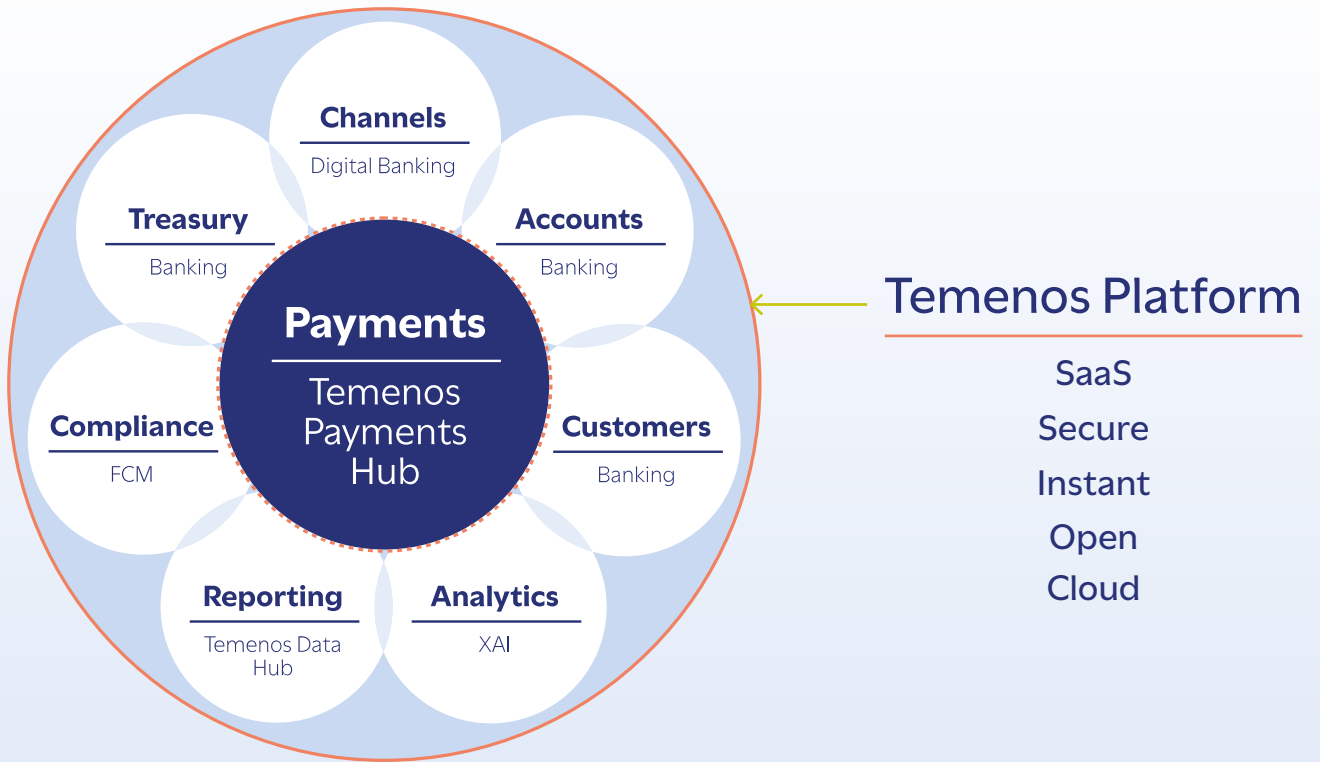
Delivered on the latest technology and architecture and API based, caters for building payment ecosystems and innovation, to provide the customers with the best payments services

- Personalized end-to-end payment journeys with high degree of innovation
- Ability to innovate to meet customer expectations and increase ability to provide value added services to customer
- Access to a whole Payments Ecosystem via Temenos Exchange which allows to expand and improve the payments services
- New capabilities like QR code payments

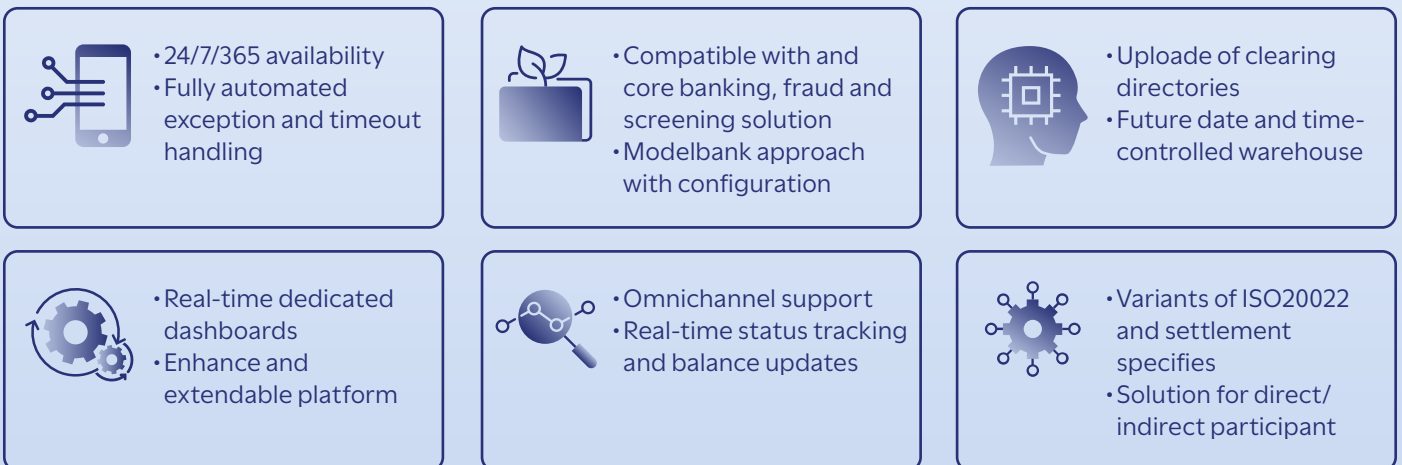


# Features

## Payments Innovation Ecosystem



## Charateristics of Temenos Payments





# Benefits

## Quicker time-to-market & reduced cost of innovation

- Accelerated rollout of pre-built specialized payment services
- Customers are empowered to extend & enhance processes and services
- Best practice building blocks

## Reduced cost of processing & improved customer servicing rates

- Automated, accelerated and maximized processing efficiencies
- STP optimization with in-built intelligence
- Automated exception processing and management of risks

## Reduced total cost of ownership

- Single, centralized hub for all payment types
- Flexible deployment and consumption options helping for SaaS readiness.
- Pre-integrated added value supporting services and innovations.

## Ability to address out of the box complex customer demands

- Highly configurable rules-based product set-up
- Flexible, granular, extendable process orchestration
- In-depth, ability to share data with customers.
- Real time dedicated dashboards
- Enhance and extendable platform

## Sustainable innovation

- Temenos' commitment to a 20% year-on-year investment in research and development ensures there is no risk of technical or functional obsolescence
- Truly open and future based solution architecture
- Temenos platform is ESG-enabled by design, with its Carbon Emissions Calculator helping to track and measure the carbon footprint



### **About Temenos**

Temenos (SIX: TEMN) is the world's leading open platform for composable banking, creating opportunities for over 1.2 billion people around the world every day. We serve over 3000 banks from the largest to challengers and community banks in 150+ countries by helping them build new banking services and state-of-the-art customer experiences. The Temenos open platform helps our top-performing clients achieve return on equity three times the industry average and cost-to-income ratios half the industry average.

For more information, visit [www.temenos.com](http://www.temenos.com)