

# Modernize your loans, deposits and mortgages

## Temenos Leap – from LD, MG to AA

Modernize your Loans, Deposits and Mortgages to the next generation of product management and contract servicing capabilities. Deliver value to your customers by launching personalized offers in a fast time to market with Temenos best in class functional and technology capabilities.

Initiate your journey to be ready for Cloud and SaaS at a speed that suits your strategy, including your sustainability approach.



**temenos**



# Table of Contents

---

---

---

---

---

---

---

---

# The opportunity for Loans in Leap



## Getting Ready for the Future: The Power of Banking Technology Modernization

# Introduction

In today’s dynamic financial landscape, the role of technology has become pivotal, shaping the future of banking services and customer experiences. The Banking & Capital Markets environment is in constant flux, encountering distinctive blend of challenges, with each obstacle significantly affecting banks’ capacity to generate revenue and effectively oversee costs, encompassing both interest expenses and operational expenditures.

These opportunities encompass exciting avenues such as:



### Core Banking Modernization

Banks should seek avenues to harness customer data for personalized experiences and improved customer lifetime value. The transition to cloud computing and the adoption of componentization/composable banking for more efficient front- and back-office modernization have served as pivotal facilitators of digital transformation. To propel the industry forward with open APIs, an additional advancement in the modernization of core banking is essential.



### Cloud-enabled

Embracing cloud-based solutions is essential to facilitate swift access to functionality and innovation, a crucial factor for staying competitive. The development of cloud-based core banking, characterized by real-time capabilities, an API-first approach, and inherent cloud-native design, can deliver flexibility and scalability advantages. This, in turn, addresses the contemporary on-demand needs of banks.



### Open Banking

In the evolving landscape of open banking, there is a necessity to leverage the cloud more extensively to instigate significant transformation in the financial industry. The sector must advocate for universal standards through collaborative efforts, expedite real-time delivery and legacy modernization to stimulate widespread adoption of open APIs, and confront the challenges related to data privacy and security.



### Evolution of Loans and Deposits

Financial institutions are set to confront the challenge of a deceleration in loan growth, making it imperative to focus on strategies for customer loyalty and counteracting customer defections. This evolution entails the utilization of modeling tools for predictive insights and real-time financial advice. Additionally, leveraging data analytics to pinpoint account holders at risk and devising customized product and pricing solutions tailored to their specific circumstances is imperative.



### Sustainability in Banking

Embracing ESG (Environmental, Social, and Governance) has become a crucial element for the enduring sustainability of financial services. An ESG strategy is imperative for charting the course ahead and monitoring advancements to instigate meaningful change within the industry.



### Regulatory Compliance

Amid sustained regulatory scrutiny on financial robustness, exemplified by heightened loss-absorption requirements, the focal point of compliance efforts will predominantly shift toward customer treatment. The next generation of core banking should provide out of the box initiatives including fraud protection, ensuring product suitability, maintaining data privacy, and facilitating access to data.

## DELOITTE INSIGHTS - 2023 banking and capital markets outlook

Legacy and other back-office systems operate at a pace insufficient to generate real-time insights crucial for strategic decision-making. A majority of 75% of banks support an expansion initiative to hasten digital transformation, aiming for cost reduction, heightened productivity, and increased agility.

### OMDIA - 2023 Trends to Watch

Banks rated their digital transformation progress as well advanced in adopting cloud services (30%), improving IT sustainability (30%), and managing security, identity, and privacy (29%).

### OMDIA - 2023 Trends to Watch

Banks are progressively harnessing open APIs to facilitate the introduction of novel services and to empower other banks and third-party providers to develop and access innovative products and services, thereby enhancing their offerings. 53% of banks agree that open APIs will simplify collaboration with financial technology (fintech) companies.

### OMDIA - 2023 Trends to Watch

The adoption of cloud technology and the implementation of componentization/composable banking for streamlined front-and back-office modernization have emerged as critical drivers of recent digital transformation. Notably, 63% of retail banks assess their progress as either well-advanced or somewhat advanced in the adoption of cloud solutions.



Working with Temenos has enabled us to build innovative services that help us to stand out and succeed in an immensely challenging market, and to broaden our customer base

**Irene Huang,**  
Head of Digital banking division,  
Bank SinoPac





# The challenges

Most banks' reality using the historical Transact Loans & deposits (LD) and mortgages (MG) modules, may encounter the following challenges:



Delivering personalized offers to specific customer categories or segments poses a challenge with LD, which primarily relies on contract-based design rather than targeting product-specific solutions.



Offering a platform for flexible and agile operational processes will aid in adapting to the latest capabilities in loan and deposit servicing.



Increase efficiency and minimize risk by using out-of-the-box capabilities avoiding local developments on generating products and pre-packaged components.



Streamline corrective actions to be more accessible and cost-effective by optimizing the utilization of resources.



Adapt to market changes and customer demands is a significant challenge, as well as focus on innovation.



Focusing on improving customer loyalty and successfully promoting the cross-selling of both financial and non-financial products becomes a priority for banks.



Efficiently managing changes to contracts poses challenges due to the need for local development, which is time-consuming, risky, and inefficient.



Implementing an API-based approach to enhance seamless integration and connectivity across systems and applications; making the task of building a comprehensive ecosystem to effectively support both customers' and the bank's requirements more achievable.



Taking advantage of Temenos Exchange partner ecosystem will empower banks to meet customer and market demands.

# Temenos Value Benchmark Stats

- Retail banks that run Temenos Core Banking have **5x more product launched**.
- Banks that run Temenos have **15% lower time to market** (for new products)
- Banks that run Temenos have **5% lower time to market** (for existing products)
- Temenos clients have **increased cross-sell to new products by 34%** using Temenos corporate banking solutions.
- Banks that run Temenos Core Banking capability have:
  - **30% higher client satisfaction** (NPS)
- Banks that run Temenos Analytics Banking capability have:
  - **27% higher financial performance** (measured by ROE)
  - **12% lower customer admin tasks**
  - **15% higher client satisfaction** (NPS)
- **27% higher technology agility rating**
- **31% higher operations STP rate**
- **37% lower data duplication rate**
- **20% Revenues in R&D**
- **24% Higher spend on IT Growth & Innovation**
- Temenos Top ESG Global indices and ratings - **95% fewer emissions Microsoft / AWS**
- Temenos ESG - **Highest Rating MSCI AAA Rating / ISS E&S Rating /CDP Leadership (A/A-)**

# Analyst recognition

## **Omdia Universe: Cloud-based Core Banking:**

Temenos has been named a leader in Cloud-based Core Banking, providing best-of-breed core platform functionality.

## **Omdia Universe: Cloud-based Core Banking:**

Temenos, a high performer across the board, achieved the highest scores in the report for market alignment and innovation, as well as performing strongly for its broader platform capabilities allowing banks to evolve and address new market trends quickly.



# What Arrangements Architecture will bring you in this modernization journey

Following Temenos vision for innovation and going beyond what market and customers are demanding, more than 10 years ago “Arrangements Architecture” was conceived to shift the mindset of banks towards a more customer-centric focus, while simultaneously equipping them with capabilities to thrive by enabling fast time-to-market strategies.

With Arrangements Architecture framework, banks gain the ability to target distinct customer segments with personalized offers, manage contract lifecycles through a unified platform, exercise autonomy in determining the range of products to offer, and expand their capabilities with a cutting-edge framework. Importantly, these features are delivered pre-configured without the necessity for coding, providing immediate benefits.

In addition to Arrangements architecture, 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, etc., plus all the benefits that the latest technology brings.

How Temenos will help you:

## Revenue Generation

---

Temenos Loans and Deposits represents a next-generation approach, empowering banks to modernize and enhance their capabilities, ensuring they meet the evolving demands of both the market and their customers within these specific business lines.

- Crafted to deliver the most efficient product design and management framework without the need for coding. It relies on componentized, reusable, and pre-configured banking capabilities and enables rapid product launches tailored for specific customer segments, ensuring fast time-to-market. This approach offers flexibility and agility, positioning banks ahead of their competition.
- By embracing this next generation of product design and service capabilities, encompassing various loan and deposit offerings for retail, small and medium-sized enterprises (SMEs), and corporate businesses, you're investing in a competitive edge that enables the acquisition and retention of more customers.

## Efficiency

---

- A unified Product Catalogue that consolidates all deposit and loan products, making them readily available across various channels selected by the bank for customer access and utilization.
- One stop shop and single solution enabling banks to efficiently manage servicing contract activities for both loans and deposits, utilizing business workflows that minimize manual orchestration. This approach reduces risk and costs significantly while achieving elevated levels of efficiency and automation.
- This optimized platform is built upon scalable and resilient technology. It boasts state-of-the-art Extensibility Framework capabilities, empowering banks to meet immediate needs and seamlessly expand additional capabilities as required.
- Provides customer transparency and monitoring, empowering both customers and bank users through robust servicing capabilities and comprehensive data management embedded within the contracts.
- Centered on business capabilities with a substantial level of automation, this focus aims to streamline processes and capitalize on emerging opportunities like open banking. Robust data analytics capabilities will serve as the foundation for a significant level of automation, revolutionizing both customer and staff experiences.
- Provides model bank artifacts and product templates, aiming to a faster journey to launch competitive products with fast return on investment.

## Risk & Compliance

- Enables real-time data access, facilitating customer and regulatory monitoring and communication, all seamlessly managed within a single solution.
- Enables banks in defining and adhering to sustainability policies and diverse regulatory requirements across various geographic regions (like MiFid, GDPR, PSD2, FATCA, Credit assessments).
- 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.

## Innovation

Provided through a cloud-native and API architecture, the platform delivers a highly efficient and adaptable environment catering to the requirements of banks, irrespective of their size or business focus, be it Retail, Corporate, Business, Universal, Banking.

- The platform and solution portfolio are future-proofed, fostering and supporting banks' focus on innovation and sustainability targets in both the short and long term.
- Built upon an open API architecture, banks will benefit from seamless integration capabilities and also Temenos Exchange, enabling access to a broad ecosystem of partners. This allows for supplementing banking capabilities and fostering innovation to effectively address customer and market demands.
- After Leap you will be able to enhance the loan and deposit capabilities with cutting-edge Artificial Intelligence models to optimize automated decision-making, ensuring greater accuracy. Additionally, introduce advanced functionalities aimed at improving customer and user experiences.



Temenos Core makes it easy for us to adapt to new requirements from the business and rapidly roll out new functionality and products. This agility is invaluable to us as a bank that's constantly growing"

**Mohammed Saleh,**  
Vice President of IT at Al Salam Bank





# Main features



Parameter based solutions with no need for coding



Centralized Product management and Product Catalogue for all loans, deposits and mortgage products



Full life cycle for Product management



Best of breed functional servicing capabilities for loans and deposits covering full life cycle for the contracts



Simulations – Customers and bank users are empowered to create what-if scenarios to check the status of the contract when specific conditions might change



Easy correction of errors and fix capabilities, including back-dated fixes



Make extensions and integrations using the latest API-driven and user-friendly Extensibility Framework



# Benefits

## Fast time to market

- Flexible and componentized Product design and management framework for all Loans and deposits.
- Product configuration and design operate on rules without the necessity for coding, ensuring a streamlined process.
- Banks are empowered to create extensions and expand capabilities by the use of the modern Extensibility framework capabilities.

## Ability to address over changing customer demands

- Achieve true customer-centricity by offering lifetime support that evolves to meet the changing needs of both individual and corporate customers.
- Launch product offers tailored to meet customers' needs and make them accessible through the channels of your preference.

## Reduced cost of loans and deposits processing with Temenos single platform

- No need for multiple and disperse systems with complex integrations.
- Optimized business flows for loans and deposits including a high degree of automation for servicing, decisioning and monitoring.

## Sustainable innovation

- Temenos consistently dedicates 20% of its annual budget to research and development (R&D), ensuring effective risk mitigation against obsolescence on both technical and functional aspects.
- Leverages N°1 technology platform in banking.
- 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)