

# Temenos Asset Finance

Accelerate lending growth, enhance customer loyalty,  
and unlock revenue opportunities



Temenos Asset Finance is a functionally rich, flexible, and agile asset leasing software solution powered by our industry leading core banking system. We enable banks to define and launch products such as Hire Purchase, Finance Lease, Contract Hire/Operating Lease, Fleet Finance, and Chattel Mortgages for various asset classes.

The solution also provides end-to-end servicing for leasing, contract, asset management, workflows, regulation, and compliance.

As an optional module of Temenos Core banking, it can be deployed in the cloud, as SaaS, or on-premise.

## The Opportunity in Asset Finance

Asset finance can provide opportunities for many businesses and consumers, even those with sufficient capital. Investing surplus cash into capital expenditure can leave a business vulnerable to cashflow shortages for its operations or limit it from exploring growth opportunities. Even consumers are increasingly looking to protect their cashflow positions when investing in significant purchases such as vehicles.

This demand for more flexible and less capital-intensive ways to finance high-value purchases has contributed to the growth of the global leasing market by roughly 70% over the past decade\*. This growth is expected to accelerate as businesses look to acquire technologically advanced equipment to stay competitive. To take advantage of this lucrative market, financial institutions will need software that can cater to complex requirements for a range of assets, adapt to a changing regulatory landscape, and offer innovative solutions for changing business and consumer demands.

\*World Leasing Yearbook, 2023





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\*World Leasing Yearbook, 2023

70%



## Why now?

Business models for core asset purchases are evolving quickly as part of an ecosystem of services. Demand for usage-based leasing is increasing as businesses shift away from capital investment to improve their financial ratios and banks rethink their business models.

Moreover, embedded finance is changing the way businesses can access asset finance, with point-of-sale done directly

or through brokers, dealers, or BaaS providers. Banks therefore need to be able to provide capability across the value chain.

The growing sophistication of asset finance is making it harder for banks to compete against their peers as well as against newer, specialized, market entrants.

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# Features that Temenos Asset Finance provides

## Product Management:

- Create and manage leasing products and bundles of third-party products with asset finance agreements, such as insurance, repair and maintenance, residual protection, extended warranty, etc.
- Set up product definitions and criteria

## Contract Management:

- Collection of deposits, down payments, and advance rental
- Calculates rental calculation payments and manages invoice/billing and settlement
- Ability to set up and collect charges and commission
- Calculates and collect the taxes due
- Manages midlife amendments and creates adjustments to the contracts
- Set up and recovery of maturity options and residuals
- Manage payment holidays and deferrals including collection of skipped payments
- Manage past due, chaser, and forced termination and supports control of restructuring arrangements
- Manage early termination and payoff, including simulation and customization of early payoff scenarios and collection or rebate of taxes due
- Create and manage master fleet agreements that enable leasing of multiple assets

## Asset Management:

- Supports the full lifecycle of leased assets, including a range of depreciation options and financial ledger and accounting

## Pricing/Rate Cards:

- Manage interest rates as a fixed or variable rate based on index plus margin and allows for periodic revision of rates based on usage standards
- Manage fees, margin/rate tiers
- based on agreement's term, finance amount, loan-to-value ratio, asset class/type, financial ratios
- Support penalty rates as contract rates plus penalty spread
- Fully compatible with various pricing mechanisms, such as relationship, regional and package pricing available in Temenos Core

## Partner Management:

- Manage partners such as dealers and their agreements using the Agent Product Line and links to asset finance agreements
- Set up partner specific product availability, pricing model, rental sharing terms, buyback guarantees, and fee-sharing terms—document fee, upfront fee, etc

## Regulation and Compliance:

- Supports IFRS 16 standards
- Recovery of tax/VAT—full or partial, configurable by asset class/type

# How can Temenos Asset Finance help?

Temenos Asset Finance is powered by our industry leading core banking system which enables:

Single platform for asset lending and leasing, with ability to view all loans in one place

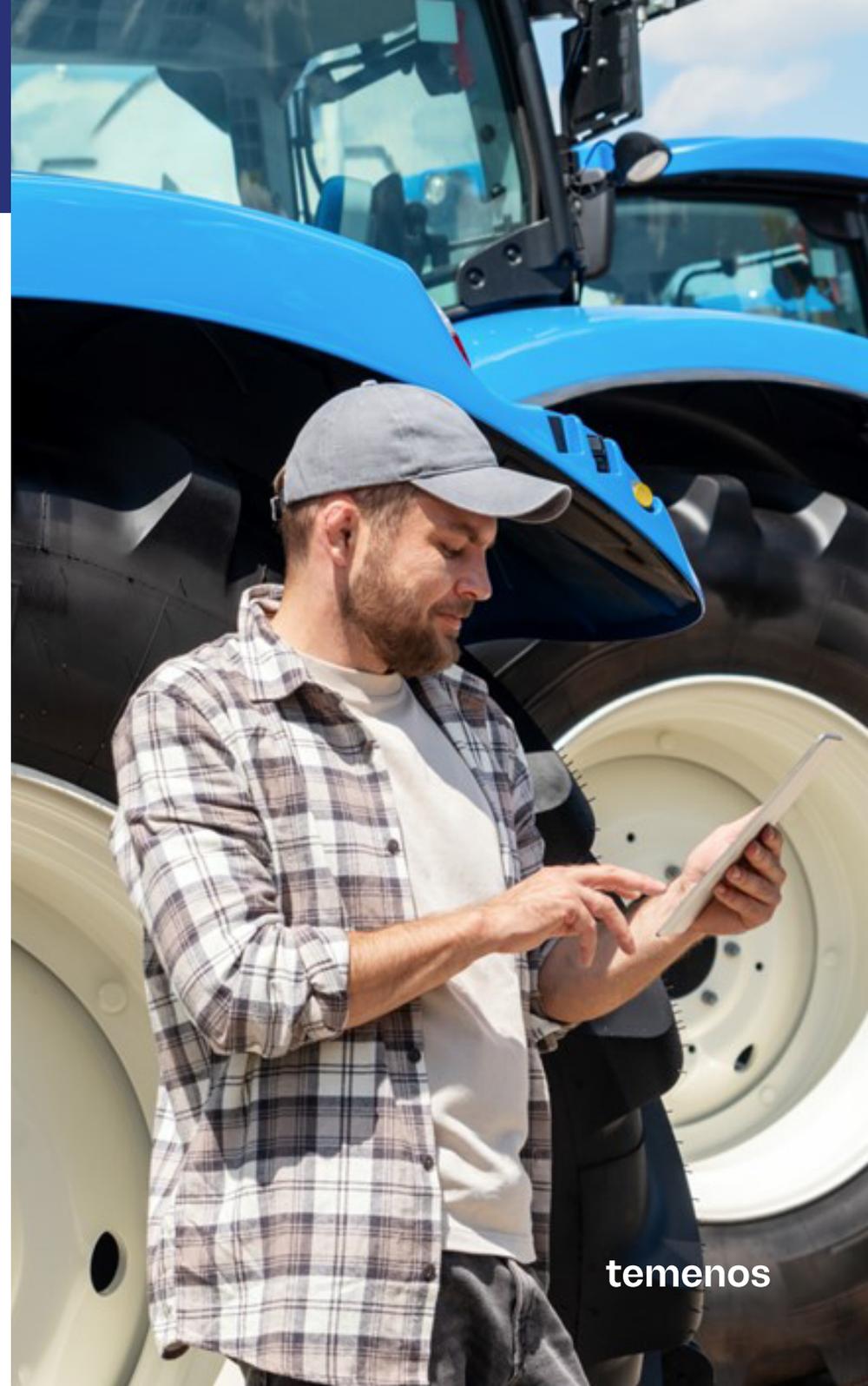
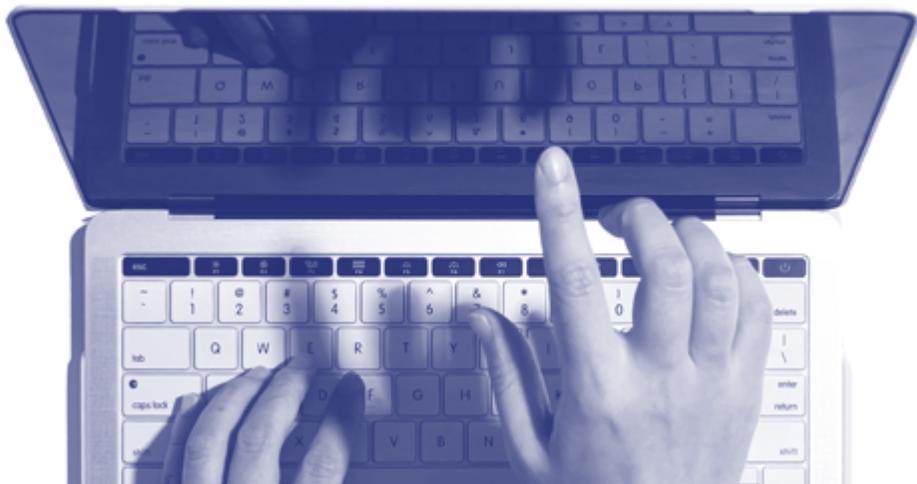
Seamless integration of third-party products makes it easier to bundle and add new services

Simple as well as more complex products, like asset usage-based plans, can be configured with the Product Builder

A unified invoicing and payment experience removes the complexity of dealing with multiple vendors for the end consumer

Convert “transactional” customers into longer-term relationships by swiftly addressing both market and cross-selling opportunities

Fast time-to-market, driven by the initial products provided as well as the ability to launch new ones quickly



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Temenos Asset Finance is available on Temenos SaaS. Our clients leverage our SaaS offering to access resilient, secure, and continually updated banking capabilities as-a-service, allowing them to focus on their customers and deliver at speed. Temenos SaaS offers the largest set of end-to-end banking services that are proven by banks around the globe across retail, business, corporate and wealth in over 30 regulated jurisdictions.

**For more information about Temenos Asset Finance for business banking, visit our website or contact us.**

**Business Banking**

**Contact Us**

Temenos (SIX: TEMN) is the world's leading platform for composable banking, serving clients in 150 countries by helping them build new banking services and state-of-the-art customer experiences. Top performing banks using Temenos software achieve cost-income ratios almost half the industry average, and returns on equity 2X the industry average. Their IT spend on growth and innovation is also 2X the industry average.

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

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