

Temenos Payments

Universal payment solution for banks of all sizes.



Introduction to Temenos Payments

Temenos Payments is a universal payment solution that offers banks of any size, full centralisation and real-time control over processing of any type of payment from any channel or source. Available on-premise or hosted on the cloud, it provides a harmonized customer service experience and centralized control of all liquidity management across multiple regions within a single system. This is complimented by sophisticated modules for real-time payments (including support for SEPA Instant Payments), automatic payments repair and payment order management.



Key features and benefits

Universal

Based on the Universal Payments Process, the Payments product family modules enable you to move to an elegant, centralized infrastructure that allows centralisation of all payment operations in one system across multiple territories.

Adds Value

The payment hub enables banks to provide their customers a harmonized payment experience. Banks benefit from a 360° view of all transactions in real-time. Advanced customer services can also be offered through the capability to process both high volume and high value payments in one system.

360°

view of all transactions in real-time

Agile

The state-of-the-art payment hub offers excellent breadth and depth of functionality as well as flexibility. The business functionality is supported by a highly advanced and scalable technical architecture, which is aligned with modern technology standards for platforms deployment and integration. A high degree of flexibility is achieved by the solution being payment type agnostic as well as format, source and channel agnostic.

Secure

Being geared to maximise straight-through-processing the payment hub simultaneously reduces risk by minimising manual intervention. The payment hub speeds up settlement with business and provides numerous dashboards and controls to review authorizations, control risk thresholds and identify potential bottlenecks early to take immediate action.

Control

The Payment Hub solution provides banks a single solution to configure their payment processing for all customers, specifying different processing for high and low care customers by parametrization without requiring any software changes. The payment management offers the ability to skip, prioritise, repair and specify later-date-execution or override changes directly and manage service level agreements without the need for vendor support or testing and redeployment.

Supports

both high volume and high value payments

Enhanced efficiency

A massively scalable, straight through-processing solution combined with comprehensive business functionality and a modern, advanced, secure, open, modular architecture embedded in Temenos award winning Frameworks.

Increase profitability

Generate additional fee income and advanced customer service by provision of accelerated funds availability and reduced settlement charges along with comprehensive payment processing controls.

64%

of corporate treasurers (without real-time payments) say the ability to make real-time payments is one of the top three service/account enhancements they'd find most valuable

- 2017 Transaction Banking Survey, Ovum and Temenos



Market background

The ongoing introduction of payments legislation, ISO 20022 migration, the increased focus on emerging technologies, and the continuing growth in the number of channels and regulations means that financial institutions need to be well positioned and equipped to react quickly to on-going changes to support this role.

Disintermediation from new players

Organizations equipped to handle transaction volume, with the ability to respond to market needs, are using technology to deliver low-cost, customer-centric digital payment services.

Payments as a profit centre

Now viewed as a safe and a reliable profit centre, investments in the payments function continue and banks are looking to offer value added services to generate new revenue and retain and acquire new customers.

Cross-border payments inefficiencies

Bank customers face high charges, a lack of transparency and tracking as well as slow processing times. Cryptorails, which allow currencies and payments to flow cheaply, rapidly and smoothly can address these issues but banks must support this method to competes.

Legacy system complexity and inflexibility

Without moving off the multiple, inefficient payment systems, there is a real danger that costs, some as high as \$250million (and fines linked to associated issues) will continue. As a result, the financial authorities are undertaking a detailed review of bank current systems.

Handling digital payments

Online money transfers and mobile payments, and their associated services, are rapidly growing and banks must support this ever changing channel or risk disintermediation.

Real-time payments

A growth of immediate payment regulation globally reflects growing consumer demand, driven partly by the ubiquity of smartphones and other connected devices, by consumer and corporate expectation for immediacy. However, to support real-time payments banks must have a corresponding agile payments solution.

Straight-through-processing (STP)

STP supports the entire trade process for capital market and payment transactions to be conducted electronically without the need for re-keying or manual intervention, reducing risks and costs and support real-time transactions.



52%

of survey respondents, product agility is now their top strategic priority. New payment players and the likes of Google, Apple, Facebook and Amazon, collectively known as GAFA, know what their clients want and are able to adapt quickly

- Global Retail Banking Report 'Whose customer are you?'
The reality of digital banking', EUI Report 2018

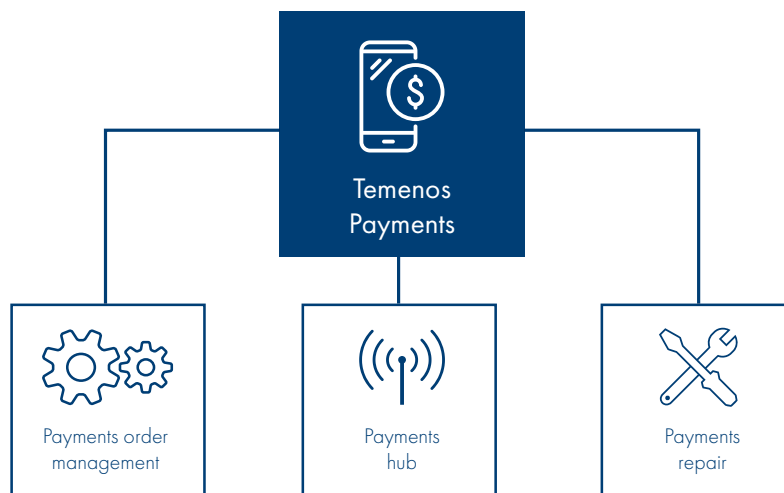


Payments functionality overview

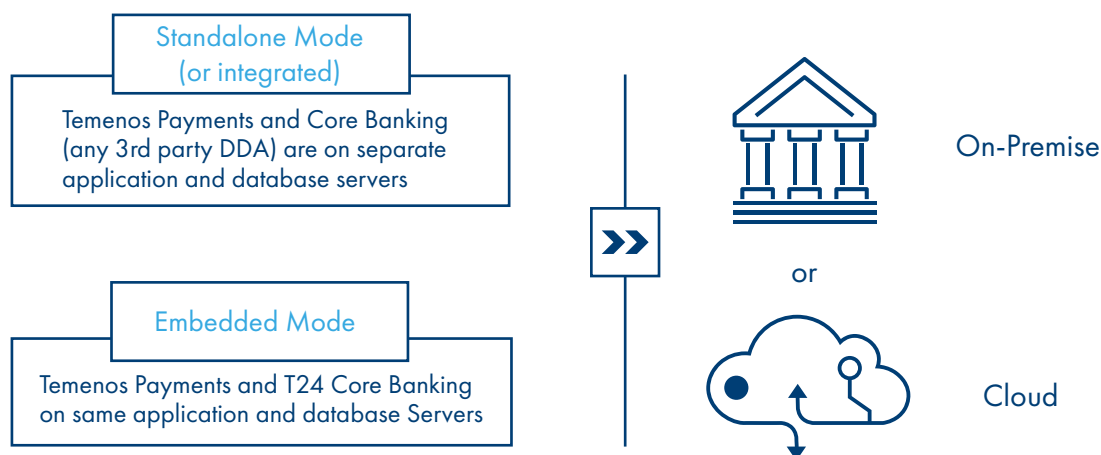
Temenos offers a range of proven products covering the entire payments lifecycle. These products are designed to work separately or together, providing flexibility to tailor a payment solution specific to your individual requirements.

There are currently three modules available within the Payments productfamily: Payments Hub, Payments Repair and Payments Order Management.

All our payment solutions can run in embedded and integrated mode. This innovative approach provides tight, inflexible constraints and interface requirements.



Widest Range of Deployment options



Payment and account processors reside on the same Application Server and Database Server. Payment and account processors are separated. Embedded Mode Integrated Mode Payment processors uses synchronous calls to post.

Payment and account processors are separated. Embedded Mode Integrated Mode Payment processors uses synchronous calls to post. Integration framework used to send requests to third-party hosting other services like GL, Screening, Customer etc.

Payments hub processing

Available standalone or embedded into Temenos Core Banking system. This flexible solution can be hosted in the cloud on Microsoft Azure or on premise. Our Payments Hub module offers an advanced architecture which provides product flexibility, tailored services and increased processing capacity to your mass payments capabilities. Based on Open System Architecture, the Payment Hub system user interface is fully on-line and entirely web-based, with the ability to process payments in real-time, batch or both, based on payment type.

**Built
by banks for banks**

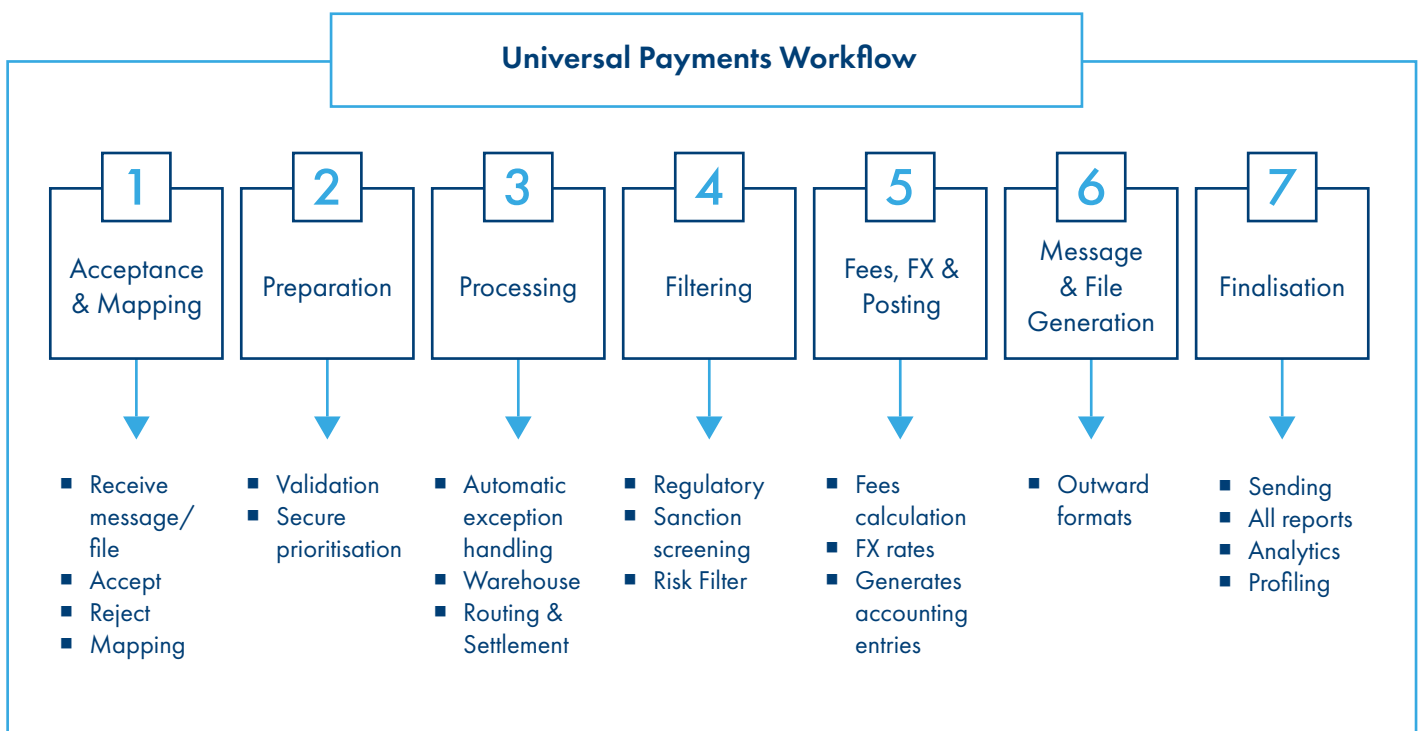
**Supports both high volume
and high value payments**

The completely agnostic system is made up of components which follow a structured process to allow seamless processing. The workflow components are orchestrating the process flow by calling components one after the other. The workflow components are the boundary of the transactions. The module can also approve dual payments ahead of processing, process high value and high volume and prioritize payments, which once prioritized, ensures that only those payments receive the necessary and relevant processing.

#1 best-selling core banking system



#2 best-selling payments system



Payments hub processing



Payments Hub – Made by banks for banks



One banking system
(payments hub AND core
banking platform) for true STP



Select stand-alone option
now, move to single
solution later



Intelligent Routing and
Settlement finds best
payment route



Adapts according to
geographical, formatting,
currency and scheme
requirements



Supports different payment instruments including
Credit Transfers (Instant, RTGS, ACH), Direct
Debits and Cheque collection and clearing of
domestic and foreign cheques



Lowering costs, increasing value



Low cost per
transaction
(with cloud)



High value
AND high volume in
one payments hub



Highly configurable
(rule/data driven) for
quicker time to market



Approves dual
payments ahead of
processing



Fully on-line
and entirely
web-based



True flexibility, quick realization



Adopt a phase
approach at any level
(regional, branch etc.)



Agile, easy,
out-of-the-box
implementation



Seamless integration
with multiple
business systems



Open technology and flexible
configuration options



Processes payments in
real-time, batch or both



Payments in the Cloud



An industry first, the Temenos' Payments hub (TPH) is now available in the Cloud. Available in Microsoft Azure, now banks can have a natively cloud ready payments solution that is standalone or embedded into their core, while benefiting from the security and flexibility of a private cloud. Banks and FIs can access market-leading, end-to-end payment hub services that deliver compelling strategic benefits with little or no capex.

Progressive renovation

Our award winning solution supports:

- Progressive renovation: Our order management capability means that banks and FIs can tailor a progressive renovation approach that suits (e.g. start by moving a particular type of payment to cloud for example instant payments adoption) or use this cloud solution for all payment and core banking needs.
- True SaaS model: There are no hardware or maintenance expenses and no software licensing, installation or upgrade costs.

True SaaS model

FStech
awards 2018

Winner: Payments Innovation of the Year

Temenos Payments Hub in the Cloud

“Temenos was selected for FSTech Payments Innovations of the Year Award for leading the way in the industry with the launch of its Payments hub in the cloud, breaking down barriers between payments processing and core banking, and opening up possibilities with the scalability of the cloud.”

Peter Walker - Editor - FSTech



Instant Payments

Our stand alone Instant Payments modules, support both domestic and SEPA schemes. Have been especially designed to support any stand-alone, fully compatible, instant payment modules to support. Instant Payments is a truly flexible solution to adapt to changing scheme rules, ensuring you and your customers ultimately benefit.

Features:

1. 24/7 instant payments processing
2. Omni channel support
3. Generic workflows and rules
4. Real-time accounting, status information, dashboards etc.
5. Automated Exceptions handling
6. Cloud or on premise solution
7. Stand alone or embedded solution *
8. Runs domestic and international systems (EBA RT1, NL Instant Payments, UK FASTER payments, US...) in parallel

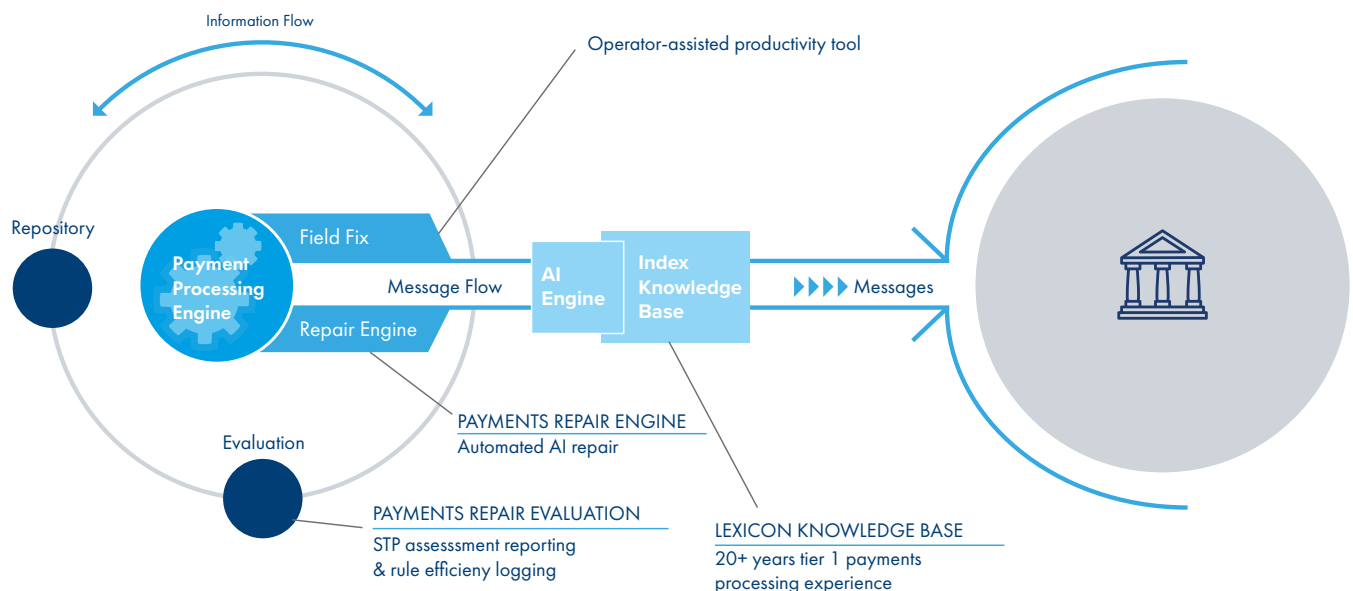
Payments repair

Our Payments Repair module markedly improves straight through processing (STP) rates by automatically repairing and enriching messages. This enables payment transactions to be conducted electronically without the need for re-keying or manual interventions.

+90%
Improved STP Rates

Lexicons encapsulate 20 years of STP error corrections by our top tier global bank user community

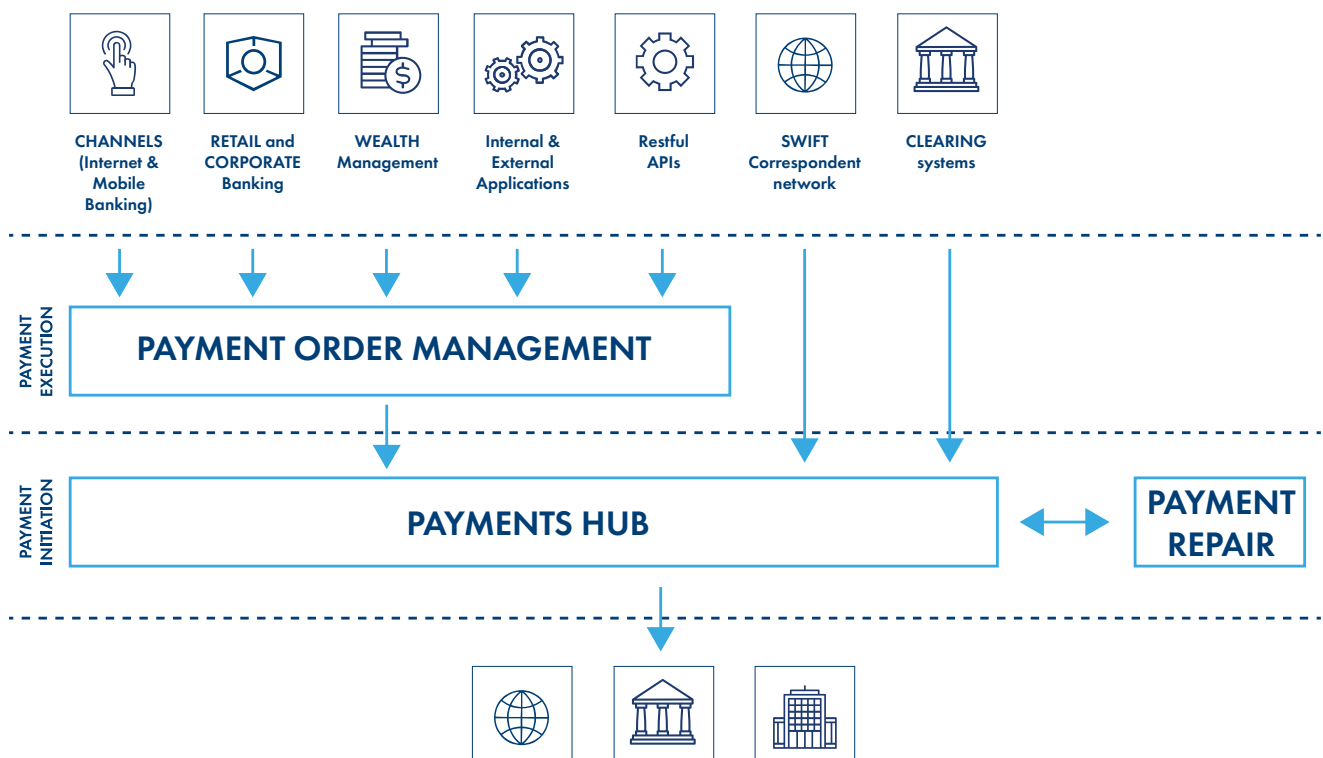
It is based on artificial intelligence type technology combined with a unique Temenos Banking Community-generated Knowledge Base, which integrates seamlessly into payment platforms and operational systems. The module is made up of sophisticated STP management products including opportunities for routing and back-charging all of which mean that you can look to improve STP Rates to above 90%.



Payments order management



Our Payments Order Management module captures payments requests for submission to the payment system which has the logic and provides the rules for payment processing. This highly flexible system provides all necessary work-flow for approval of an order and ensures that a valid order request is formed to ensure minimal error rate.



Turning challenges into opportunities

Challenges

- Increasing payment volumes
- Multiple complex systems
- Lack of control and efficiency
- Lack of visibility
- Reduced income
- New competition
- New standards and technologies
- Regulatory risks
- Unstable and rigid architecture



Opportunities

- Real-time processing
- E2E real-time payment monitoring
- Processing flexibility
- Advanced payment services
- Reduced risk by high-level of automation
- Agility
- Full technical & operational control
- Simplified operations

Summary

65% of banks say their payment infrastructure will need significant renovation in the next three years, and 14% in the next year. Banks are investing in payment modernization to meet compliance requirements, drive efficiencies, and better compete. Those that delay or defer this work risk falling behind the rest of the market.

– Source: Temenos and Ovum 2018 report: Making the Business Case for Payment Transformation, Lessons from the field

More about this product



Next steps

To hear more on Payments, contact us at sales@temenos.com



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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. For more information please visit www.temenos.com.

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