



TEMENOS
Islamic Banking

| **Islamic Trade Finance**



I Introduction

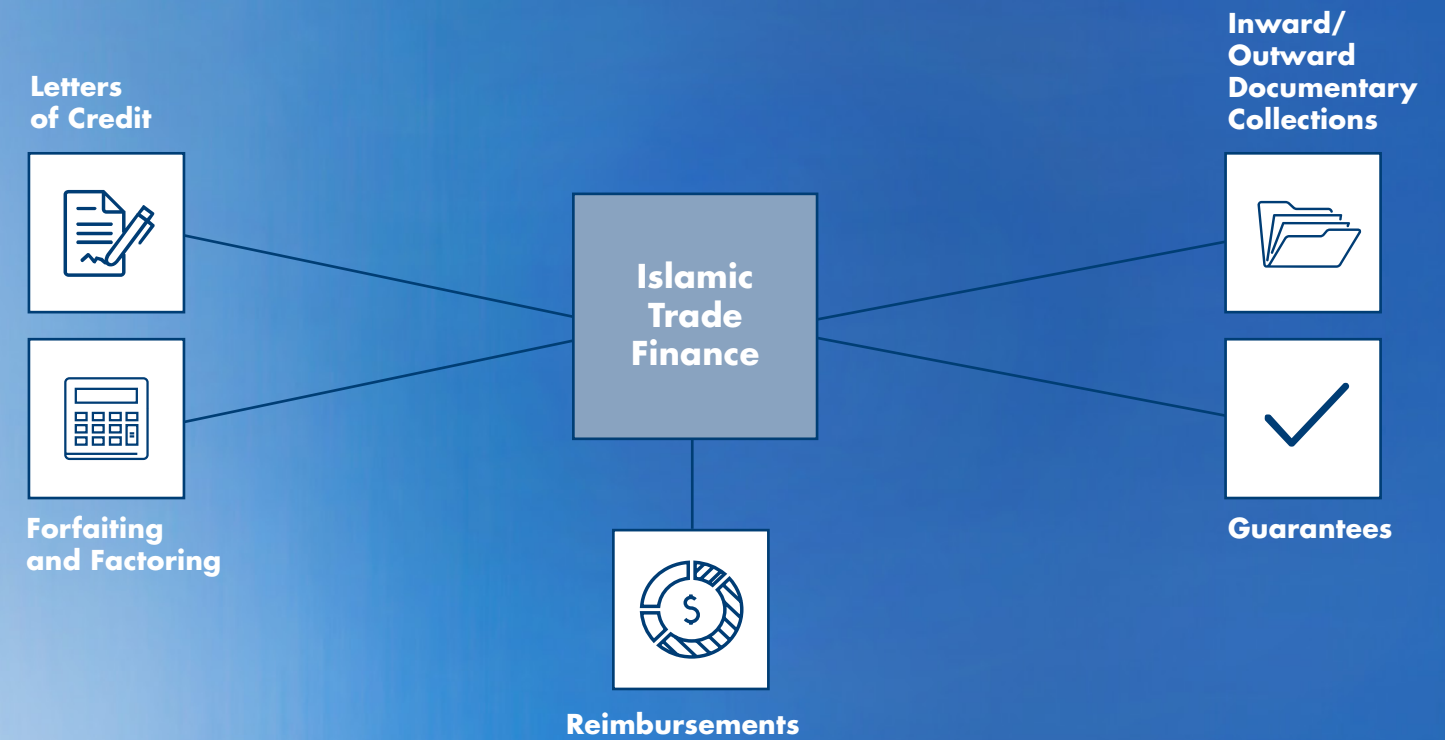
Our Islamic Trade Finance module has been created to support even the most complex of structures across multiple geographic locations. Created as part of our award winning core-banking solution, it benefits from the support of a complete front to back-office and product lifecycle management software. Fully automatic and online, efficiency and security are enabled through a real-time solution that supports a paperless environment while reducing operational and financial risk. Ultimately, with the components within the Temenos Islamic Trade Finance module your clients can react faster to changing market conditions through a complete, single view.



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The speed in which we have reached go-live is testament to Temenos' experience and capabilities and vindicate one of the many reasons for which we chose their core software platform. Our aim is to be the leading bank in Bangladesh and, with the support of Temenos, we believe we can achieve this.

Mr. S M Amjad Hossain - Chairman of South Bangla Agriculture & Commerce Bank Ltd

Select from a range of components that easily integrate into your core banking solution to support Islamic Trade Finance:



Highlights

Supports required standards and compliance

All of our Islamic Trade Finance products are compliant with Uniform Customs and Practices (UCP) as approved by the Banking Commission of the International Chamber of Commerce. SWIFT message standards for outward and inward messages are supported. Every year, new SWIFT standards are incorporated into our core platform well before the live date, giving users ample time for clients to familiarise themselves. Furthermore our solution is fully compliant with Islamic banking standards for trade finance transactions. With Temenos Islamic trade finance module, you can create different Islamic structures like Murabaha LC, Musharaka LC, Ijara LC & Musawama LC In addition to Islamic LGs.

Islamic Trade Finance: a single, clear customer view

Trade Finance Officer Last signed on 28 MAY 2014
Help Tools Sign Off

Worklist

Messages

Transaction

Customers

LC Enquiries

Collection Enquiries

Guarantees Enquiries

Swift Messages

Trade Finance

Guarantees

Inward Trade Finance Swift Messages

Miscellaneous Messages

To-Do Summary: Diary Events : 1 ; Queue Items: 0

Customer Details

Customer Name

Relationship Manager

Address

Date of Incorporation

111661

Sony

Trade Finance Officer

1-7-1 Konan Minato-ku

07 JUN 1865

Basic Details

Address

Documents

Delivery Preferences

Messages

Customer

111661

Short Name

Sony

Title

Full Name

Sony Corporation

Date of Incorporation

07 JUN 1865

Sector

Corporate

Industry

Computer Hardware

Target

Corporate Entity

Customer Status

Corporate - Large

Nationality

Japan

Residence

Japan

Accounts

Loans

Import LC

Export LC

Inward Collection

Outward Collection

Guarantee

Customer Liability

Account Details

Account	Account Type	Ccy	Ledger Balance	Cleared Balance	Locked Amount
65011	Current Account	EUR			
65027	Current Account	GBP	-500,000.00	-500,000.00	
65038	Current Account	SGD			
65003	Current Account	USD	1,230,838.89	1,230,838.89	
68829	Current Account	EUR	42,280.04	42,280.04	
68907	Current Account	GBP			
68918	Current Account	SGD			
68241	Current Account	USD	-18,810.30	-18,810.30	
68993	Current Account with Overdraft	USD			

Product

Transaction Ref

Customer Id

Customer Ccy

Principal

Interest Rate

Start Date

Maturity Date

No Deposits to display

Truly agile

It is parameter driven to enable easy customisation. Input is through a single transaction, which automatically creates all necessary postings. There is no need for users to understand the underlying business rules or code, so flexibility, business agility and productivity are boosted simultaneously. Parameters will also allow you to centrally setup goods that are acceptable from an Islamic banking perspective.

Single, real-time visibility

Running 24/7 and in real time, instant access to information is available through internet banking applications, and your customers also benefit from a clear understanding through features such as live monitoring of bank, country, project, and counter-party exposure. You can also now access to information faster due to the on-line availability of applications, issued letters of credit, amendments, drawings, and shipping guarantees etc. And with this clear visibility operational and financial risk is mitigated.

Flexible charging/periodic commission

Parameterization allows the creation of any number of charge and fees types. The calculation methods used can follow industry standards, or can be tailored specifically based on the customer or Shariaa board requirements. If parameters are not comprehensive enough, a technical extension specifies charge and periodic commission types to be added thereby allowing for any calculation method the bank may wish to employ. Charges and periodic commissions can be taken in any currency, even if the currency is different to that of the transaction. It will automatically default the rate based on the central rate table, or allow the user to input the rate for the charges manually. Collateral in any currency can be taken at a limit or transaction level for Islamic Trade Finance transactions and can be defined at customer level and by type of product. This allows cash collateral to be used for a single transaction, or if at a facility level, for various transactions concluded for the customer concerned. Partial collateral is also possible, with the system automatically checking the limit for the uncollateralized portion of the transaction. In addition, Islamic Trade Finance also supports the ability to automatically release collateral at payment.

Complete control

Assignment of proceeds is supported with up to 999 assignee's per transaction with full assignee amount control. This allows the bank to track what has been paid on a multi drawing transaction to the assignees versus the beneficiary or transfer party. In addition, with workflow management, designed to meet various needs for differing bank roles, control is complete ensured.

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.

Automatic

Supporting automatic payment for confirmed export and import letters of credit, the system will automatically settle payments under the above transactions should the bank require. In addition, it will also send the relative reminders/ payment message on or before the due date as the bank/ transaction requires. Islamic Trade Finance provides superior workflow management facilities. These workflow processes have been specially designed to meet the various needs for differing roles within the bank. To ensure clarity and efficiency, these streamlined processes are available within each individuals worklist for action within the process.



Letters of Credit (LoC)

This enables you to efficiently manage the full document life-cycle from pre-advise of the LoC to final maturity of any underlying drawings. A fully automated solution, it offers front-to-back processing and functionality including limit checks and tracing facilities. It delivers a diverse range of services including cash provisioning, silent confirmations and full channel independent advice creation. It gives simple access to the tools, documents and templates that are required including clause and text reference templates, plus users can change views or determine access levels.

Easy access to Import and Export LoC's through a single view

Basic Details

Address

Documents

Delivery Preferences

Messages

Customer

111661

Short Name

Sony

Title

Full Name

Sony Corporation

Date of Incorporation

07 JUN 1865

Sector

Corporate

Industry

Computer Hardware

Target

Corporate Entity

Customer Status

Corporate - Large

Nationality

Japan

Residence

Japan

Accounts

Loans

Import LC

Export LC

Inward Collection

Outward Collection

Guarantee

Customer Liability

Export LCs Outstanding

Transaction Ref	LC Number	LC Type	Issue Date	Expiry Date	Ccy	Amount	Outstanding Amt
TF1411226667	ENG54123	LC Export Sight Confirmed	22 APR 2014	25 JUN 2014	GBP	88,700.00	88,700.00

Basic Details

Address

Documents

Delivery Preferences

Messages

Customer

111661

Short Name

Sony

Title

Full Name

Sony Corporation

Date of Incorporation

07 JUN 1865

Sector

Corporate

Industry

Computer Hardware

Target

Corporate Entity

Customer Status

Corporate - Large

Nationality

Japan

Residence

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Customer Liability

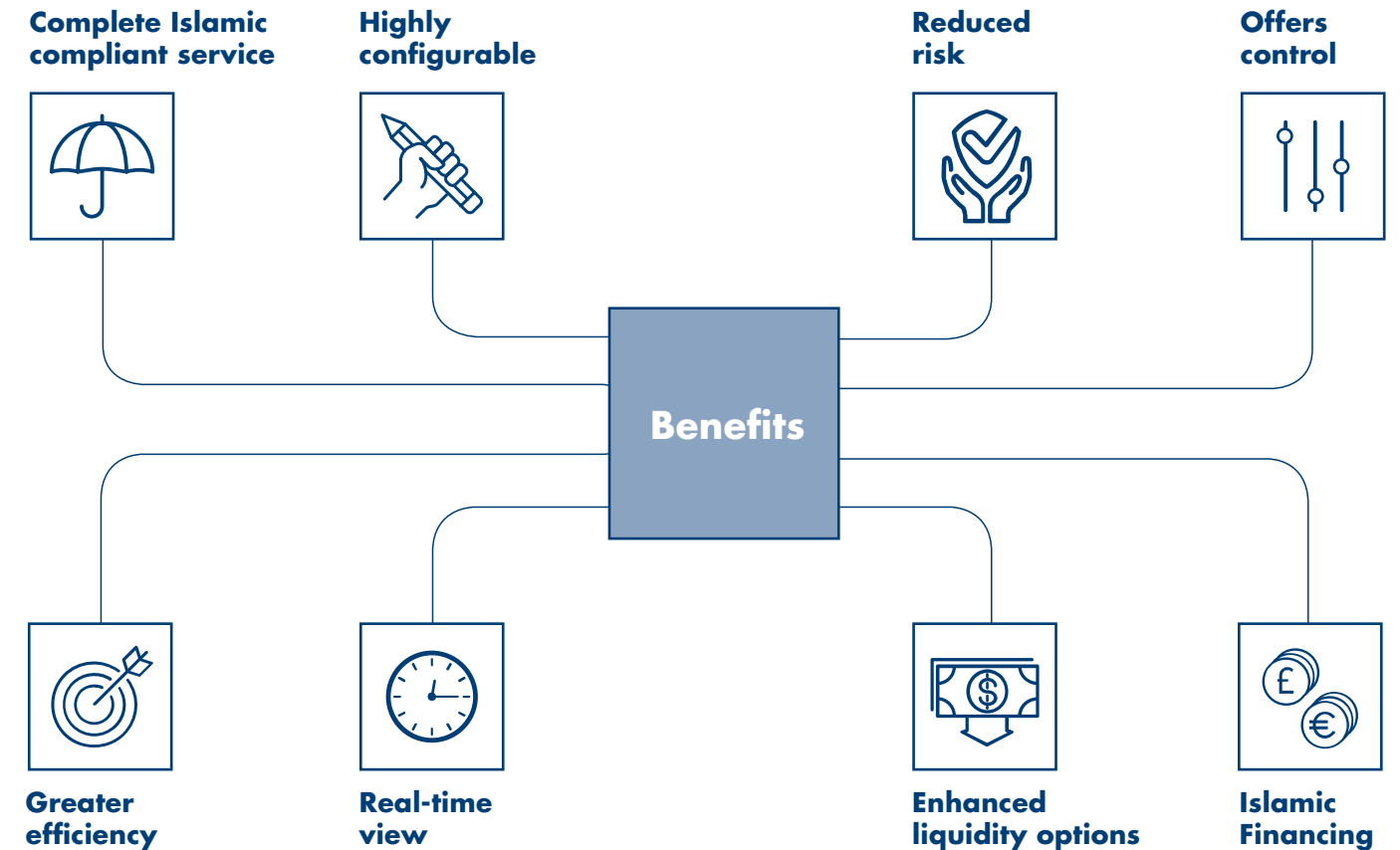
Import LCs Outstanding

Transaction Ref	LC Number	LC Type	Issue Date	Expiry Date	Ccy	Amount	Outstanding Amt
TF1409804604		LC Import Acceptance Unconfirmed	08 APR 2014	08 AUG 2014	USD	200,000.00	210,000.00
TF1409888074		LC Import Sight Unconfirmed	08 APR 2014	08 AUG 2014	USD	150,000.00	165,000.00
TF1411246046		LC Import Sight Confirmed	22 APR 2014	20 DEC 2014	USD	60,000.00	60,000.00
TF1411291203		LC Import Sight Confirmed	22 APR 2014	31 DEC 2014	USD	600,000.00	660,000.00



In addition, financing through Islamic contracts like Murabaha, Ijara, Musharaka or Musawama are possible for both collections (inward and outward) and LoC's (import and export). All products benefit from full amendment processing and support. Full financing integration such as financing/discounts with predetermined margins is also available. Other features such as defaulting the bank name in case of Murabaha LC and documents per customer and mode of shipment which enables the automatic check of received documents and highlights anomalies and automated collateral management, available at transaction level or limit level plus automatic release upon payment if required ensures a complete solution.

Benefits to you and your clients



Inward/Outward Documentary Collections

This component supports clean, documentary inward and documentary outward requirements as an alternative payment arrangement to cash in advance or open account terms. It features, automatic tracing facilities allowing the tracer sending frequency to be specified on unpaid/unaccepted items. Supporting all payment types (inward/outward SWIFT message integration), the component offers full advice creation (through channel independence) and full financing integration such as financing/discounts for predefined margins.

And your clients benefit too; efficiency is enhanced through advanced liquidity options such as automated collateral management, available at transaction level or limit level and the ability to waive credit approval and track transaction status of your documentary collections. In addition, increased business opportunities can be realised through the ability to avoid using a line of credit or specific Import.

Easy access to Import and Export LoC's through a single view

Basic DetailsAddressDocumentsDelivery PreferencesMessages

Customer111661Short NameSony

TitleFull NameSony Corporation

Date of Incorporation07 JUN 1865

SectorCorporateIndustryComputer Hardware

TargetCorporate EntityCustomer StatusCorporate - Large

NationalityJapanResidenceJapan

AccountsLoansImport LCExport LCInward CollectionOutward CollectionGuaranteeCustomer Liability

Transaction RefCollection TypeDrawerRemitting BankCcyAmountOriginal Due Date

No Documentary Collection Outstanding

Basic DetailsAddressDocumentsDelivery PreferencesMessages

Customer111661Short NameSony

TitleFull NameSony Corporation

Date of Incorporation07 JUN 1865

SectorCorporateIndustryComputer Hardware

TargetCorporate EntityCustomer StatusCorporate - Large

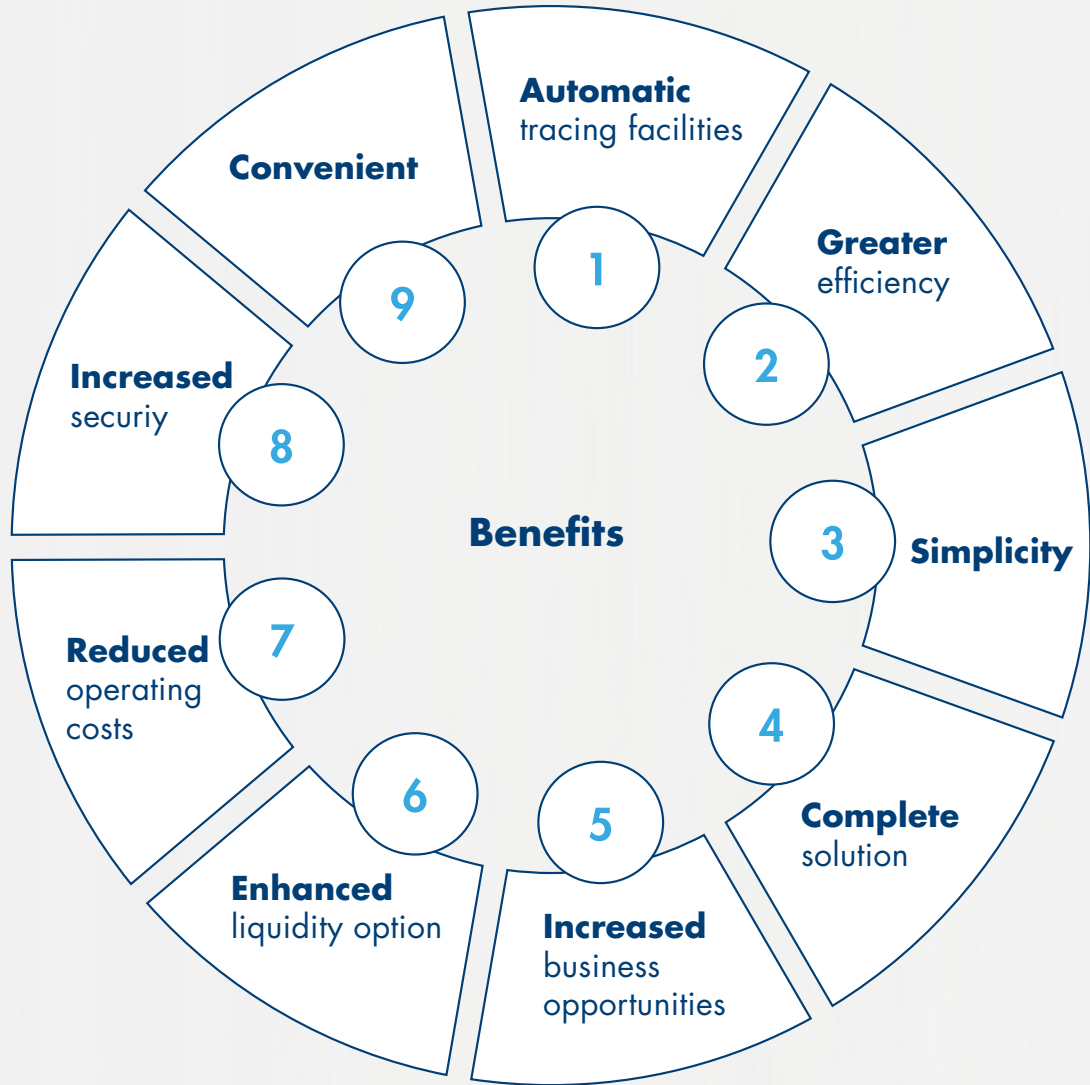
NationalityJapanResidenceJapan

AccountsLoansImport LCExport LCInward CollectionOutward CollectionGuaranteeCustomer Liability

Transaction RefCollection TypeDrawee IdDraweeRemitting BankCcyAmountOriginal Due Date

No Documentary Collections Outstanding

Benefits to you and your clients



Guarantees

This Islamic Trade Finance component covers Inward and Outward guarantees including invocations and payments. The components offer a complete solution, supporting a huge range of guarantees including Issue Performance bonds, Shipping guarantees, Receipt, Bid bonds and Generic guarantees as well as additional guarantees such as soft configurable.

Its guarantee types are configurable within the Guarantees module. This allows the bank to deal in any type of guarantee, rather than allowing only the products the system is delivered with. This is achieved through the judicious use of parameters. The Miscellaneous Deals component caters for all guarantees, both received and issued.

With easy access to tools, templates and information on guarantees and full automation of limit checks including collateral management and charges/ commission defaulting, it offers full advice creation ability through channel independence. Guarantee defaults are also supported, including full invocation processing allowing for the various stages of default process.

Your clients benefit from a complete live view, supporting monitoring of bank, country, project, and counter-party exposure. The component ensures faster issuance/advising of guarantees including amendment processing and claims/invocations.

Easy access to information on guarantees

Basic DetailsAddressDocumentsDelivery PreferencesMessages

Customer111661Short NameSony

TitleFull NameSony Corporation

Date of Incorporation07 JUN 1865

SectorCorporateIndustryComputer Hardware

TargetCorporate EntityCustomer StatusCorporate - Large

NationalityJapanResidenceJapan

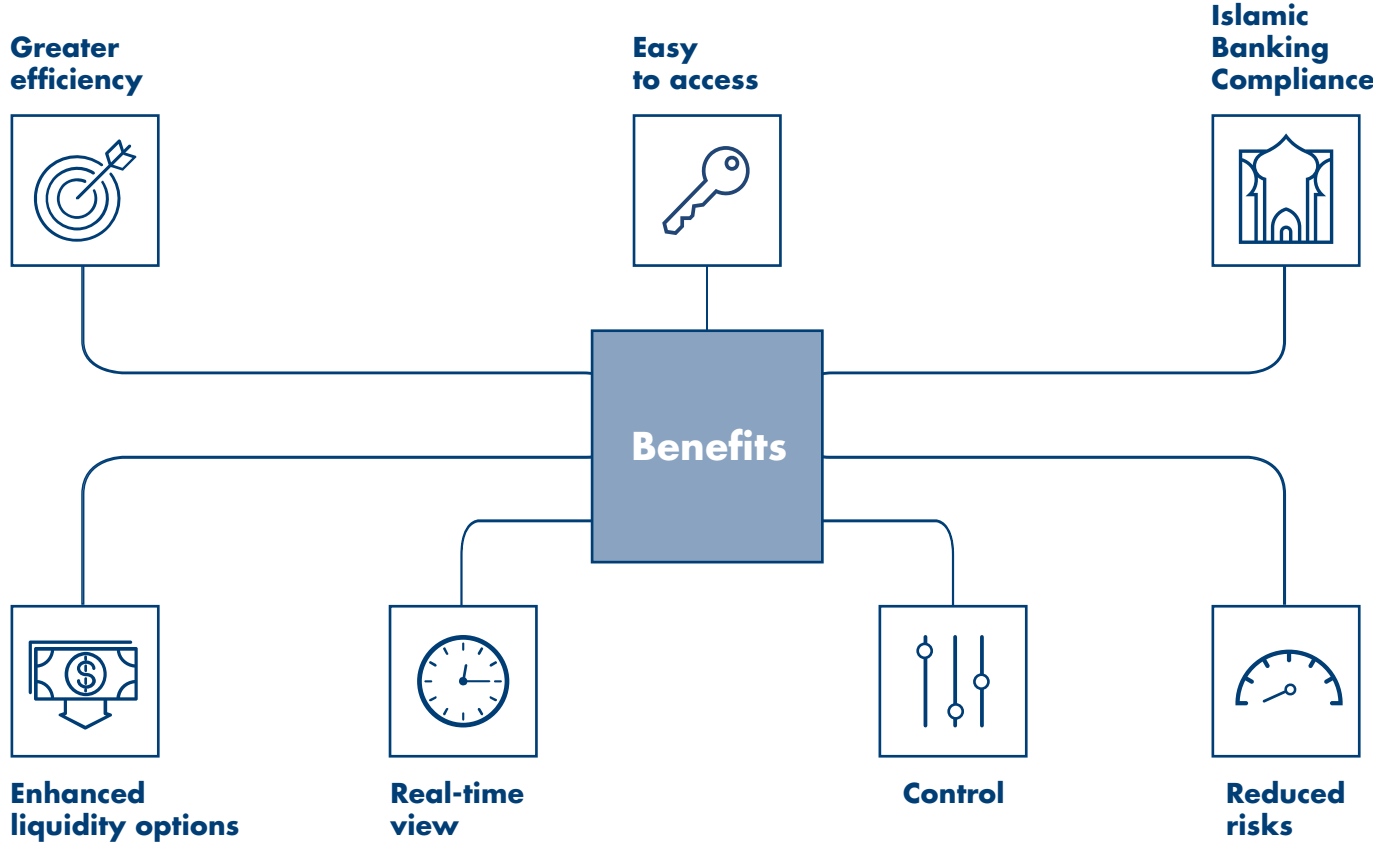
AccountsLoansImport LCExport LCInward CollectionOutward CollectionGuaranteeCustomer Liability

Guarantees Issued

Transaction Ref	Customer	Type	Issue Date	Ccy	Amount	Beneficiary	Maturity Date
MD1409736710	Sony	BBOND	07 APR 2014	USD	72,000.00	REEBOK	07 OCT 2014
MD1409728393	Sony	GTISS	07 APR 2014	USD	60,000.00	WALLMART	07 OCT 2014



Benefits to you and your clients



Reimbursements

The Islamic Trade Finance module has been designed to support both automatic and manual processing of reimbursement under letter of credit related messages. It offers front to back auto processing of authorities and claims with full advice creation ability through channel independent.

Increased efficiency is ensured through straight through processing from inward/outward swift auto creation of transactions and subsequent Temenos standard checks. For inward messages, users can pick up records at anytime for further processing and also have the option to view the inward message. All unprocessed messages relating to reimbursement are easy to identify through the user friendly interface, ensuring that users have full control at all time.

A complete view of all inward message information

AUTHORISER Last signed on 17 NOV 2014 at 06:11
Help Tools Sign Off

Trade Finance

Contract Maintenance

Import LCs

Export LCs

Back to Back LCs

Inward Collections

Outward Collections

Charge Processing

LC Reimbursement Processing

LC Reimbursement Transactions

Reimbursement Authorisation

Unauthorised LC/Collection Transactions

Guarantees

Receivable Processing

Inward Trade Finance Swift Messages

Miscellaneous Messages

To-Do Summary: Diary Events : 0: Queue Items

Amend Authority

Awaiting Authority

Register Claims

Pay Claims

Modify Claims

Today Claims

Summary

Inward Reimbursement Messages

Inward Authority

Inward Authority Amendment

Inward Claims

Processing of Repaired Messages

Results 1 - 9 of 9

List of Reimb Authority on Hold

Transaction Ref	LC Type	Ccy	Amount	Inward Delivery Ref	Message Type	Status	Inputter
TF1411200412	LC INWARD	GBP	180,000.00	R20141104473635392501	MT740	IHLD	391_INPUTTER__OFS_LC
TF1411200668	LC INWARD	EUR	450,000.00	R20141112868055439001	MT740	IHLD	782_INPUTTER__OFS_LC

Full control through clear view at all times

Amend Authority

Awaiting Authority

Register Claims

Pay Claims

Modify Claims

Today Claims

Summary

Inward Reimbursement Messages

Inward Authority

Inward Authority Amendment

Inward Claims

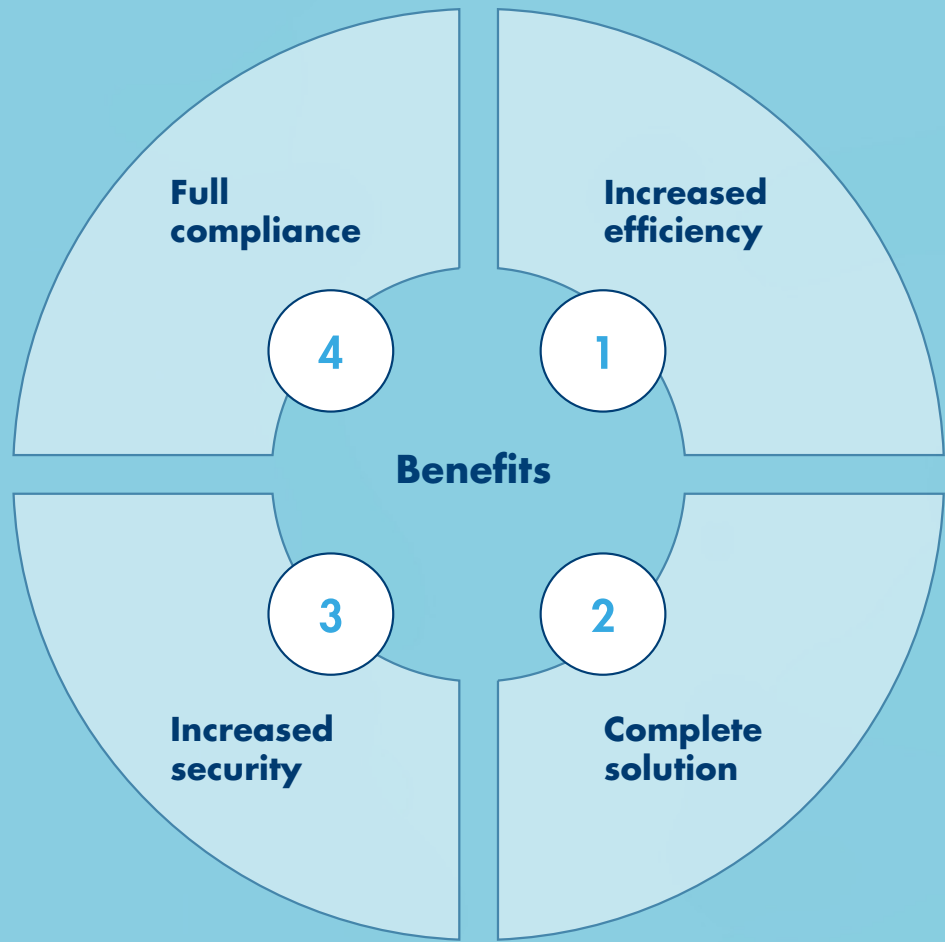
Processing of Repaired Messages

Results 1 - 1 of 1

Inward Trade Finance Swift Messages

Received From	Msg Type	Message Name	Received Date	Received Time	Status	Transaction Ref
AMERICAN EXPRESS BAN	747	AMEND TO AN AUTH OR REIMB	22 APR 2014	14:08:42	Record not created	

Benefits to you and your clients



Forfaiting and Factoring

The automated Forfaiting and Factoring component is a powerful sales tool for banks to support clients, which assists in creating positive cashflows for the corporate. The advanced rule based solution allows bank to finance to corporates based on their cashflows. This reduces risk as well as offering corporates the service of giving accurate status of their collections. In essence, it allows the Exporter to simultaneously be fully protected against interest and/or currency rates moving unfavourably during the credit period.

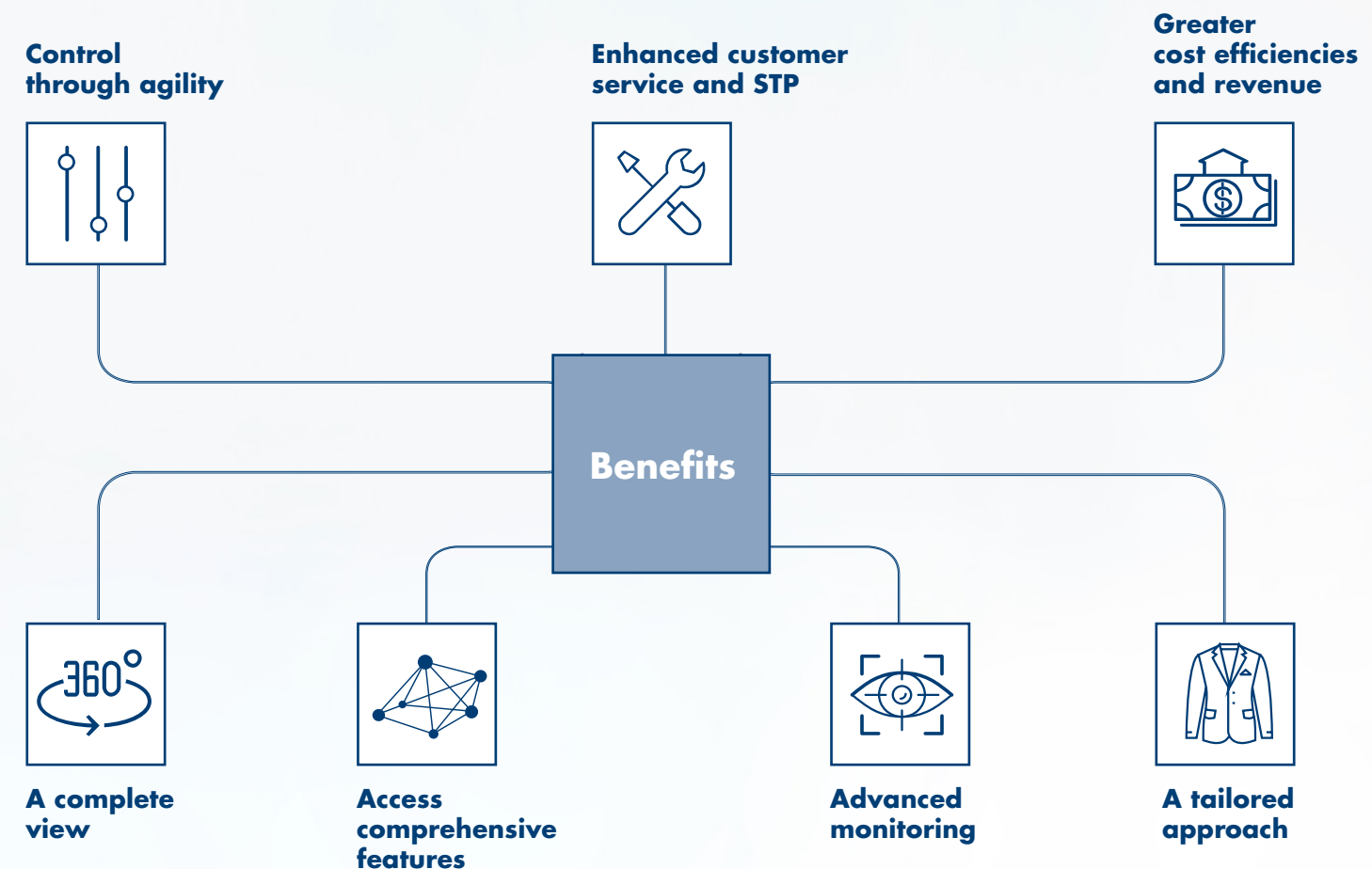
Analysis is now easy; details of invoices (often in multiple formats), can be uploaded into a spread sheet or other agreed format and automatically. The Forfaiting and Factoring application automates a high proportion of the invoice management with inbuilt monitoring functionality supporting limit checks and a rich set of screens and reports for easy management of invoices. This not only results in greater cost efficiencies but also reduces the chance of errors occurring at these stages. It offers multi-dimensional risk control which allows you to define your risk against multiple parties like the buyer, seller, insurer etc. It also allows conditions to be defined for updating the Product Type based on the default conditions or customer specific conditions. Whilst, duplicate checks against upload history and status are also available enabling a full understanding of the invoice to be established where required. In addition, flexibility is ensured through conditions that can be defined for updating the Product Type based on default or customer specific requirements.

With Forfaiting and Factoring, corporates can now monitor risks against another corporate. This translates into greater customer service by automating much of the process, from how a batch is created, what products and services are to your client, to the detailed processing thereof. They can also benefit from 100% financing with the risk appetite being determinable with or without recourse. And cash flows are improved; as receivables become current cash in-flow, this enables exporters to improve financial status and liquidation ability to increase fund raising capability.

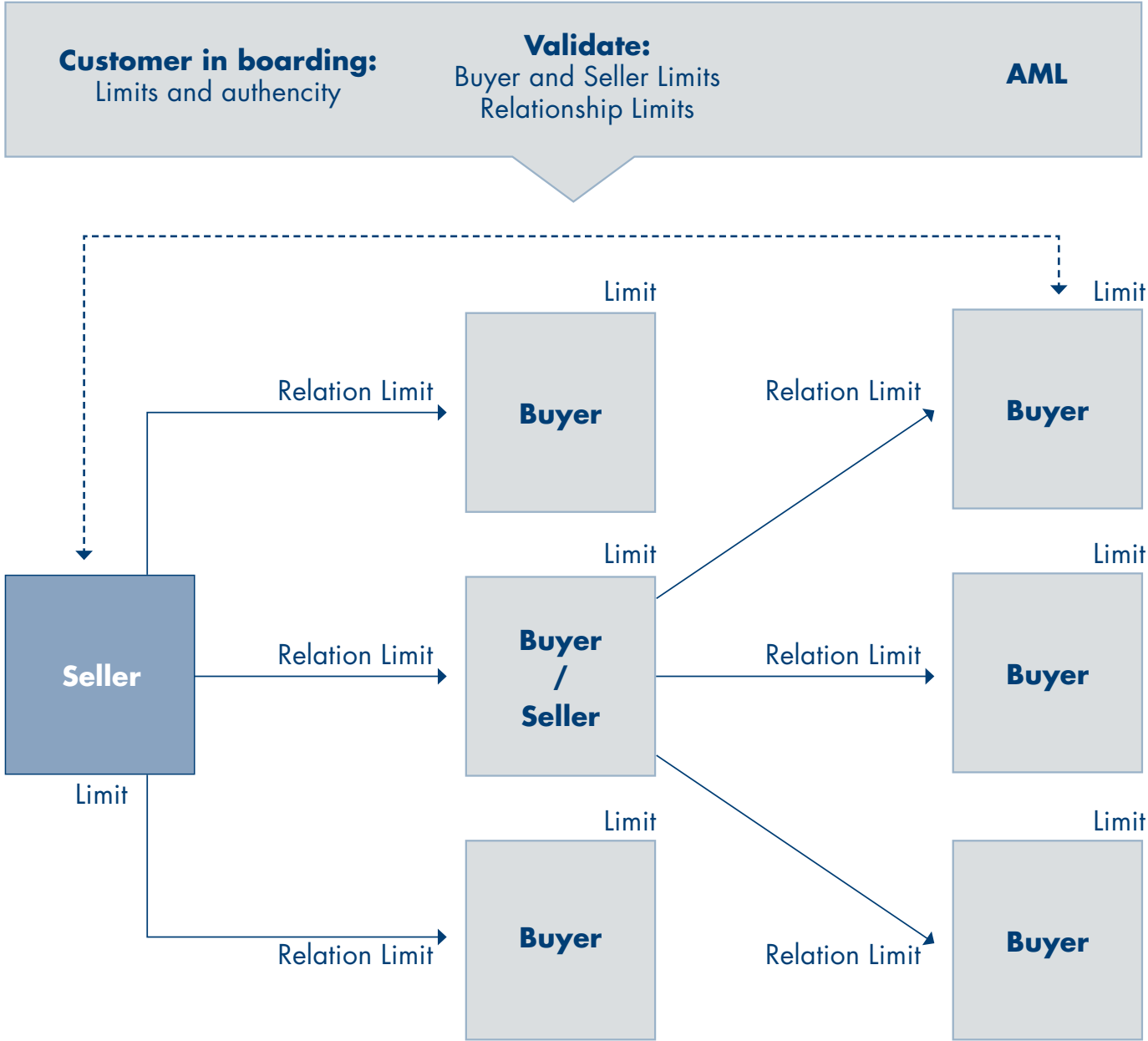
Corporate also benefit from reduced administration costs through the full management of receivables for exporters and effective control of forward position hedging to reduce risks. Trade opportunities are also increased as now the exporter is able to grant credit to his buyers freely, and thus, be more competitive in the market.



Benefits to you and your clients



Efficiency through automation



About Temenos

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 banks 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 software is proven to enable its top-performing clients to achieve industry-leading cost-income ratios of 25.2% and returns on equity of 25.0%, 2X better than the industry average. These clients also invest over 53% of their IT budget on growth and innovation versus maintenance, which is 2.5X better than the industry average, proving the banks' IT investment is adding tangible value to their business.

For more information please visit www.temenos.com.

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THE BANKING SOFTWARE COMPANY