



TEMENOS

Financial Inclusion

FINANCIAL INCLUSION

A scalable, world-class solution
bringing ultimate efficiency to
banking enabling financial inclusion
around the world.



// Productivity of our back office has increased by around 60 percent and therefore back-office staff can devote their time to other activities."

- H. MAHALINGAM, CHIEF TECHNOLOGY OFFICER, EQUITAS



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What do our clients **want and need?**



**Enhanced
efficiency**



**Scalability
and flexibility**



**Single,
complete solution**



**Lower
transaction costs**



**Operational
resilience**



**Enhanced
customer service**



**Innovation
capabilities**



**Business
security**



**Greater
control**



**Multichannel
delivery**



**Quality products
and services**



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Market background

3–4 billion of the global population are either not served or underserved by formal finance. However, NBFIs (Non-Bank Financial Institutions) cite higher **returns on equity at 3% above the average** for the entire industry over the last four years. The past 30 years it has taught us that the poor pay their loans and are good, reliable customers when provided with quality banking services and sustainable transaction fees. However, NBFIs face challenges in servicing this community. These challenges include:

Limited financial means

Many NBFIs are unable to make the large upfront investments to purchase world-class banking solutions that can help them fulfil their ambitious goals.

Cost of outreach

Reaching the unbanked populations of the world means servicing small loan amounts and servicing remote and sparsely populated areas of the planet, which can be dangerously unprofitable without high rates of process automation and mobile delivery.

Diversity of business models

Legacy microfinance systems often offer limited functionality and struggle to support the very broad range of product features and lending group styles which NBFIs aspire to use.



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Lack of scalability

Inflexible systems often struggle to preserve the profitability and performance of NBFIs as they experience high growth rates typical of developing economies.

Inefficiency

Historically NBFi systems don't benefit from real-time information, straight-through processing or an omni-channel experience.

Increasing competition

Ongoing threats from non-banks, particularly in areas of high profit/cross sales opportunities, for e.g. payments, forex, remittances and micro-loans, etc. With shared services and critical mass achieved through social networks and Internet based services, prices are dropping.



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Overview

Financial Inclusion is an integrated banking software solution built upon more than 20 years' experience serving NBFIs. It provides banks of any size access to, including via the Cloud, a world-class solution with pre-configured market-specific functionality. Over 200 NBFIs and community banks in 49 countries already benefit from the advanced efficiency provided in the solution.

Financial Inclusion, with its scalable and highly efficient technology, pre-configured and integrated platform offers the ultimate in adaptable products and services especially designed for the market.

Ultimate efficiency

Enjoy stronger operating metrics than your peers. On average, Temenos clients benefit from 25% higher return on capital, 16% higher return on assets and 2.3% lower cost-to-income ratio than conventional banks running other third party applications. With our digital solutions and leveraging off existing infrastructure along with relationships through agency banking, means that the cost of engagement can be dropped and efficiency of scale with network based banking platforms can also be exploited.

Controls costs

Financial Inclusion supports a broad range of functions in diverse locations while reducing the number of legacy applications. As a Cloud solution, operating continually in real-time, Financial Inclusion can easily extend services at your location and work without the cost of building physical infrastructure. This approach offers the predictability of paying a fixed monthly cost for your IT needs. You only pay for the services you use. And with systems being updated automatically (when upgrades become available) there is no downtime or added cost. Financial Inclusion also includes insightful management information to identify how and where costs are incurred to optimise resource allocation and apply savings.



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Instant flexibility

Financial Inclusion offers a pre-configured solution using enterprise level software. This enables you to benefit from the same award-winning capabilities used by largescale institutions and commercial banks. It caters to the ever-changing requirements of the retail and corporate customer and provides the transparency required by regulators. Enabling you to better understand profitability and financial risk through the provision of timely data and management information.

Advanced digital capabilities

Our real-time Financial Inclusion is highly automated and helps you through straight through processing (STP) across multiple departments, offices and countries, to mitigate operational and financial risk. Financial Inclusion provides a transparent view of each customer's total dealings with the bank, including non- financial transactions. This ensures decisions are made on a sound basis, considering all customer activities, including credit status. Business security is also ensured through elements such as customer mnemonics and interfaces with biometric solutions.

Opportunities for NBFIs using Temenos

- Taking advantage of modern, scalable technology to reach the unbanked populations.
- Increase profitability through efficiency and growth.
- Offer quality products and services to surpass community and conventional banking solutions.



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Functionality

Financial Inclusion is an integrated banking software solution for banks of all sizes active in financial inclusion, community banking and mass-market retail banking.

It provides our clients with world-class banking capabilities that usually are only accessible to larger commercial banks with significant IT budgets. Financial Inclusion, which can be deployed in the Cloud or as SaaS, in addition to traditional on-premise, provides a modern, agile and highly scalable core banking system, as well as a single platform for distribution across all digital and assisted channels, and powerful business analytics.

Financial Inclusion enables our clients to significantly reduce operating costs even when business is growing fast, and to pass on these efficiencies to their end-customers in the spirit of financial inclusion. At the same time, it enables our clients to clearly differentiate themselves with highly responsive service, tailored products and a truly customer-centric experience – even for the very poorest customers and those that are remotely located.



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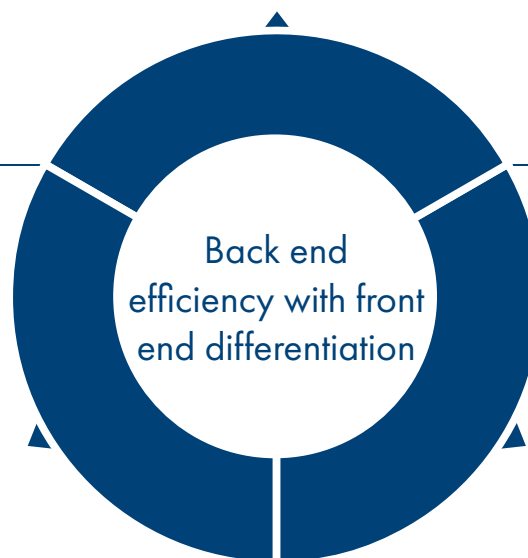
A comprehensive, integrated solution

Channels

Financial Inclusion provides configurable user-interfaces for both bank staff and end-customers via branch, mobile and internet channels, supporting daily business activities such as customer servicing, account opening, cheque and deposit capture and online loan origination and payments.

Core Banking

Fully integrated capabilities, deployable on premise or on the Cloud, highly scalable, built on award winning technology and is available on a one single platform.



Analytics

Financial Inclusion provides business analytics capabilities to perform predictive and prescriptive customer analysis, enabling NBFIs to be more responsive and customer-centric.



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Benefits of Financial Inclusion



Quality products



Greater efficiency



Lower costs, greater revenue



Increased agility and faster time to market

100%

Enhanced customer service

1/2

clients report commercial viability in less than half the time initially forecast

60%

back office productivity increase reported by clients



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Summary

According to the World Bank's Global Financial Inclusion Database, more than 2.5 billion adults globally do not have an account at a financial institution.



With modern fintech in emerging markets exploding at a phenomenal rate, NBFIs have the opportunity to leverage their social relevance with the internet, using technology platforms to deliver modern banking services to their customers. The most cost effective and efficient way to increase financial inclusion is through technology and digital financial services. Temenos Financial Inclusion offers a single, robust, scalable market-leading banking software solution.



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

We have a team of dedicated experts who can discuss your plans and requirements and guide you through the solution and options available to you.

temenos.com

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 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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