

# Temenos Financial Crime Mitigation

A single product family incorporating Sanctions Screening, PEP Matching, KYC risk scoring and categorization, AML Transaction Monitoring and fraud mitigation, and support all user functions including alert management, case management, reporting and dashboards.

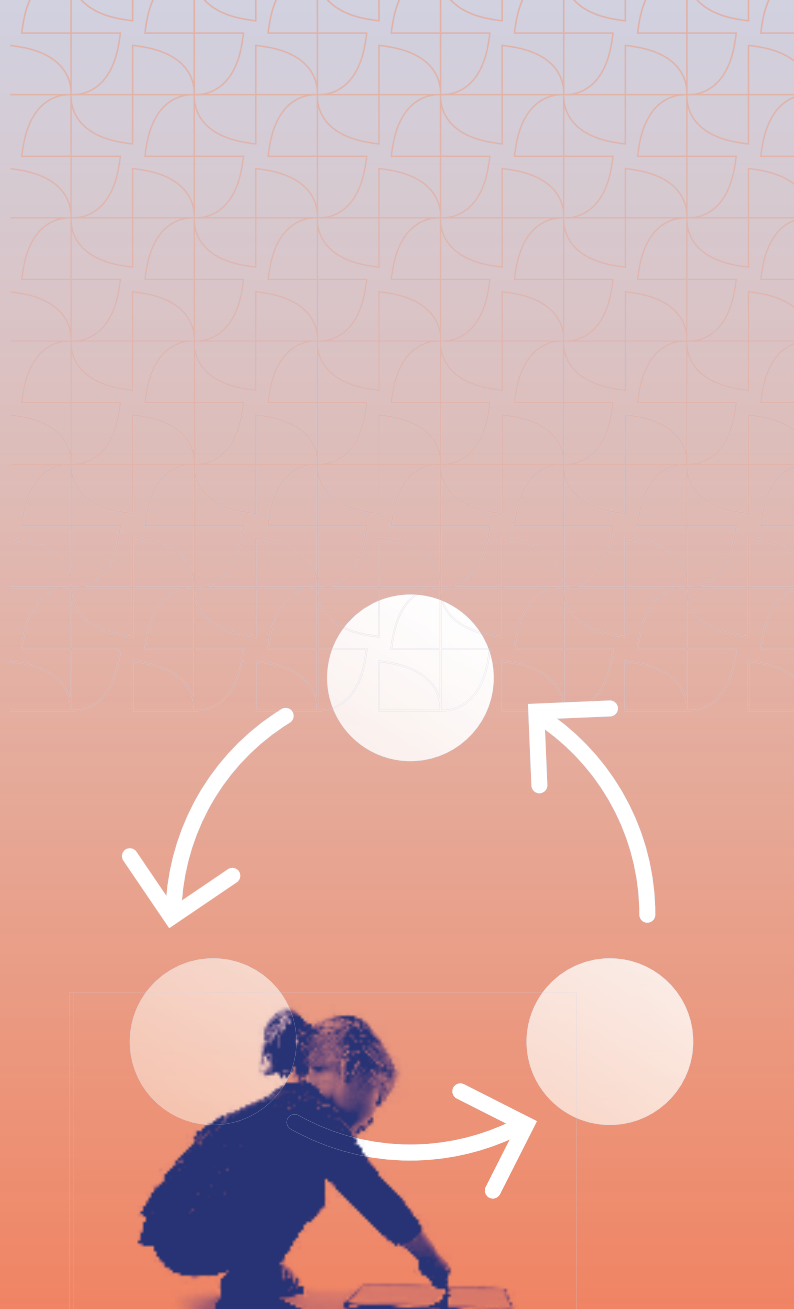
Used by over 300 banks globally (from the global tier 1 to smaller regional Fis), Temenos' award winning Financial Crime Mitigation (FCM) product family enables banks and FI's to avoid regulatory fines, detect fraud and mitigate reputational risks whilst improving throughput and optimizing cost all in line with the banks' Risk Based Approach.

In terms of deployment Temenos FCM allows you to focus on the business problem of financial crime and compliance, offering ultimate flexibility, allowing clients to choose from private or public cloud, On-premise or to be consumed as a fully managed service (SaaS).

Either choose the entire solution or in part to meet immediate needs and pay only for what is used.



**temenos**



### Reducing Investigator Team Size

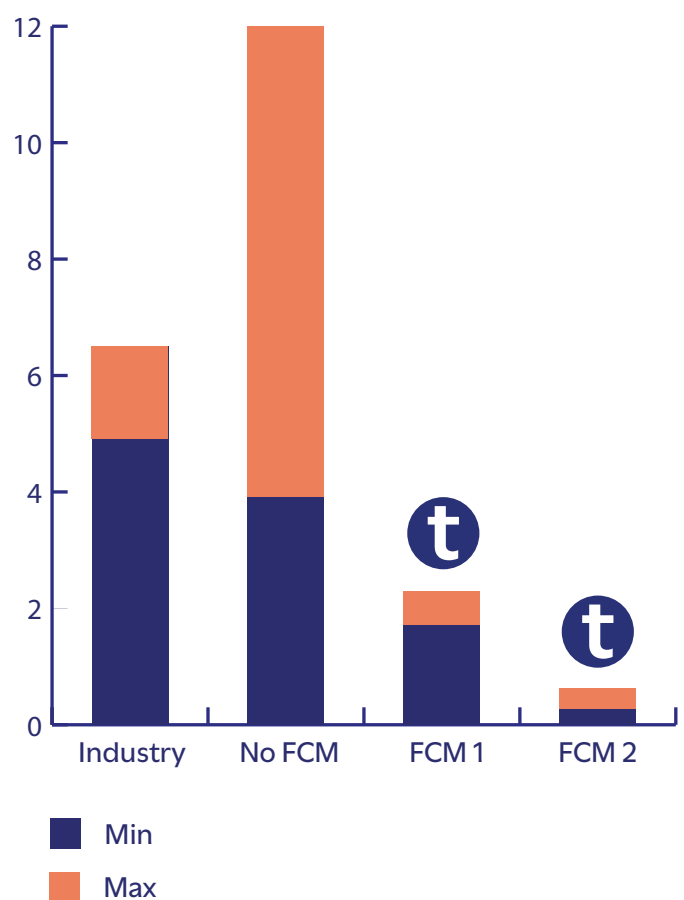
3-6% of the investigators required

### Supporting a higher volume of business

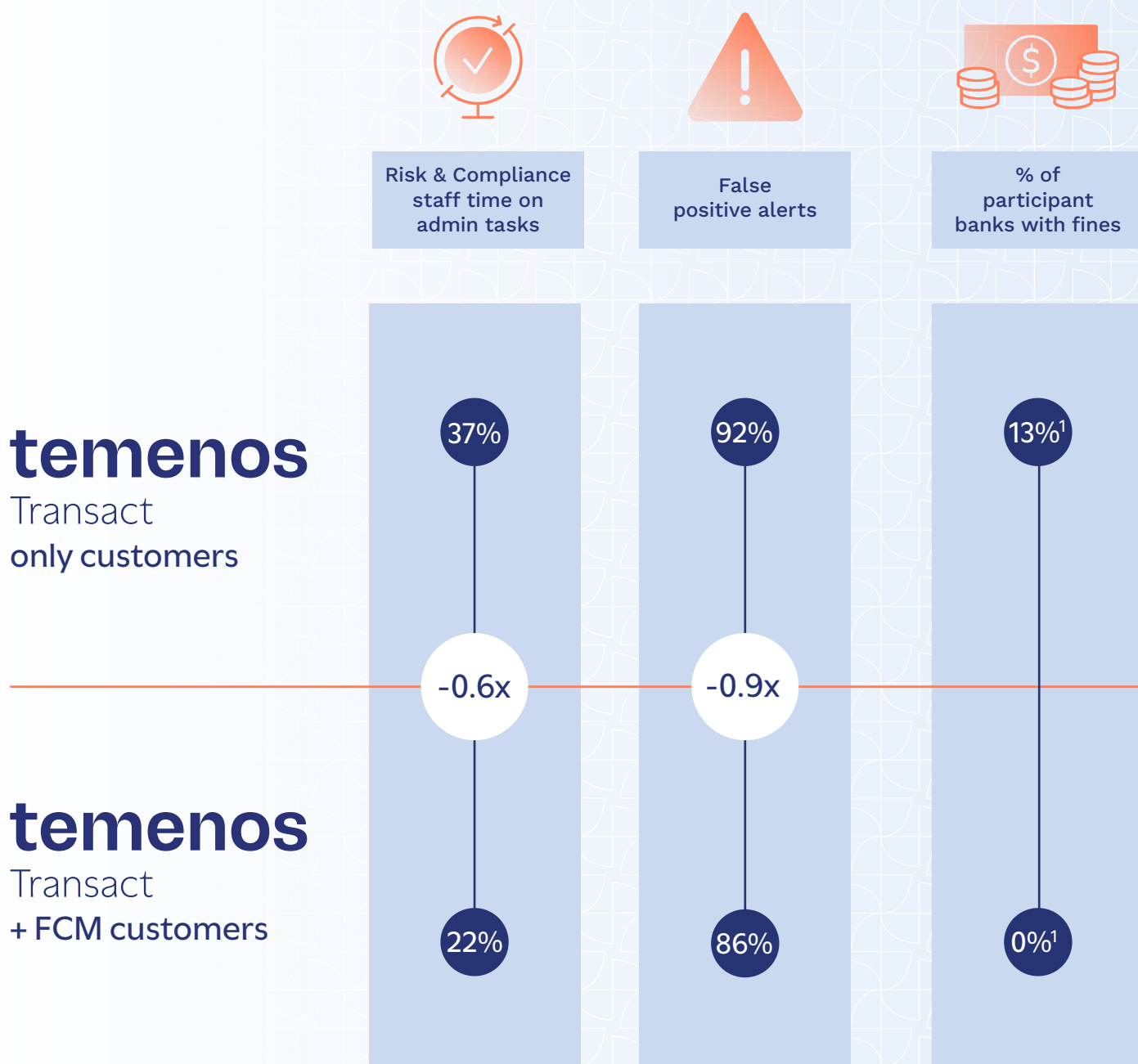
3-20 X volume of payments per investigator

FCM delivers real world efficiencies. According to Dow Jones, industry averages of false positives in sanctions screening detection range between 5-7% of all payments being blocked incorrectly. Typically, most prospects Temenos meets prior to selecting and deploying Temenos FCM for sanctions screening experience a range between 4 and 12% of payments being blocked incorrectly.

Examples of Temenos clients, processing millions of payments per day, over a sustained number of years in Tier 1 FI's prove that a false positive rate at 2% or less is achievable on a sustained basis, and investigator throughput of remaining hits is substantially increased freeing-up scarce resources in Compliance.



Additionally, Temenos performance benchmarking program (TVB), which measures and compares banking peers, shows that Financial Institutions running FCM experience greater efficiency. Of alerts generated across Sanctions Screening, AML Transaction Monitoring and Fraud Mitigation on average only 86% of these generated alerts are adjudicated as false positives (compared to 92% when using other products). Finally, due to the combination of their Risk Based Approach and Temenos capabilities, in the last year, TVB finds that none of these financial institutions has been sanctioned with a related regulatory fine.



1. Figures are based on the Temenos Value Benchmark 2019 participants provided dataset

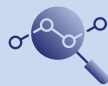
# How we address your goals and challenges

Temenos Financial Crime Mitigation is a complete solution that offers banks access to smart, modern technology that can help them reduce IT overheads and running costs (cost of compliance) whilst improving customer service and protection.

Addressing global regulatory challenges as well as FI's own operational challenges the key features of the solution work across Sanctions Screening, KYC Scoring and Categorization, AML Transaction Monitoring and Payment Fraud Mitigation.

Features include:

## Purpose Built Optimized Analytics



Proven combination of rules, algorithms, AI and machine learning, optimized for best in class detection

## Alert & Case Manager



Achieves ultimate productivity through fast and intuitive design with 360-degree visibility and optimized user journeys. Provides full end-to-end and holistic oversight, enabled through rapid follow up of suspicious incidents within a single repository

## Workflow Manager



Full user empowerment through customizable workflow processes that can be easily adapted to local requirements as well as one step role and access right control. The workflows support 2 eye, 4 eye, 6 eye processing etc. as required by the bank

## Automated Alert Evaluation Module



Limits investigator workloads by reducing time spent on initial triage of alerts by suggesting the next best action (discard or send to review) or automating that process based upon risk based approach and learning from previous investigation out-comes

## Reporting Tools



Allow complete flexibility through a configurable report engine for the full design, generation and scheduling of reports along with a set of pre-defined templates. Supporting simple report configuration by business users as well as more complex report template generation by IT users

## Dashboards



Enable a cockpit view through graphical summaries to measure and govern module efficiency (for example Screen, KC+, Profile, SAP) and effectiveness based on a variety of specified criteria

## Audit Logs



Offers full transparency and auditability to authorised bank users, by recording and monitoring all actions and activity while providing thorough analysis at all stages of workflow and system configuration changes made via the user interface.

# What our solution covers

Temenos award-winning Financial Crime Mitigation is a complete solution that covers watch-list screening, anti-money laundering, fraud prevention, and KYC through a range of intelligent and flexible modules that seamlessly embed into any core system to ensure the highest detection rates at the lowest costs.

With more than 300 active clients, from global tier 1 banks to smaller regional FIs, and challenger banks our complete FCM solution offers financial crime protection across all Temenos products, integration to 3rd party core banking and payment systems and can now be consumed as a Cloud Service (SaaS).

## INDUSTRY LEADING LEVELS OF DETECTION AND FALSE POSITIVES

### Industry leading false positive levels (Screen):

Sophisticated algorithms, smart contextual whitelists and robotic process automation, dramatically reduce overheads and costs.

### Record hit rate evaluation:

Clients report double their hit evaluation efficiency (a 250% increase while head count is up only 30%).

### Efficiency through AI:

Proven combination of algorithms rules and Artificial Intelligence

### Proven rules, algorithms and AI combination

Based on key metrics such as income, spending patterns, and transaction types, a unique financial fingerprint or “DNA” is assigned to each customer.

Together with prebuilt typologies and self-learning algorithms, this enables identification of both usual and unusual behavior.

### World-class performance and throughput

High performance: Vertical and horizontal scalability ensure FCM delivers exceptional performance together with the highest possible availability. A trusted, fast, and resilient solution, handling exceptional high volumes of transactions and throughput in the industry, the solution is relied upon from small financial institutions to very large banks.

# Enterprise-wide solution



## Complete solution

for all financial crime mitigation needs from watch-list screening, KYC, anti-money laundering, and fraud prevention. FCM employs a risk-based approach monitoring ongoing transactions for continual risk assessment, thus enabling financial institutions to focus their effort and resources where most needed



## Award winning

### #1 Best-selling

Ncompliance and risk management system (IBS Intelligence Sales League Table 2019)



## Leading FCM solution

as highlighted by IDC, Ovum & KapronAsia analyst review reports

### Flexible and configurable

A flexible and configurable solution that is fit for institutions of all sizes in all regions, can run on-premises and in the cloud to achieve cheaper implementation efforts and greater efficiencies. Using highly configurable business rules, it allows coverage of specific regional requirements and can easily connect at any core banking system, offering the quickest implementation time in the market.

### Easy to deploy, supporting gradual adoption and migration

Based on pre-built models that are configurable to an individual bank or FI's needs, FCM offers fast implementation with low impact installation, and the option to install only those components needed. The phased implementation allows gradual adoption and migration at any level.

Additional specialist consultancy services available provided by Temenos Professional Services for Risk Based Approach guidance on AML, Sanctions and KYC best practice.

### Enhanced user productivity with workflow management

Configurable workflow management drastically reduces the total cost of ownership by providing highly efficient tools like case management, alert management, and report builder. This fully flexible solution satisfies all the operational needs of any FI.

### Technology

Using the most advanced cloud native, cloud-agnostic and API-first technologies, FCM can be deployed on-premise, in private or public cloud or delivered as a service (SaaS).

# SaaS

(Software-as-a-Service)



Although On-premise, private and public Cloud adoption is high, we are seeing a SaaS as an attractive option for our clients.

Consumed as secure, continually evolving solution(s), FCM Software-as-a-Service de-livers faster compliance and time to market.

Relieving our clients not only of the burden of installing the software but also the as-sociated work of managing the software, including network, storage and infrastruc-ture.

## FCM SaaS customers benefit from:

- ✓ Pre-built configuration for **fast compliance and time to market**
- ✓ **Guaranteed HA and performance** - infrastructure scales to meet demand
- ✓ **Compliance**; Industry Standard Certifications spanning risk, security and da-ta privacy.
- ✓ In-built DR and Security reduces IT overheads
- ✓ **Easily extendable** through the use of a defined extensibility framework i.e. start with Sanction Screening and easily add AML
- ✓ **Pay only for what is used**, no longer a need to ringfence infrastructure for peak loads or anticipated growth

# Features

A single product family designed to mitigate the full range of financial crime activities and support all user functions including alert management, case management, reporting and dashboards.

Componentized elements reusable across different solution modules, the product can be deployed in its entirety or partially to cover only specific business needs. Customers can then add capability as these needs change or evolve.

## Fraud Detection – ‘Suspicious Activity Prevention

S.A.P. uses a combination of sophisticated algorithms and expert business rules to block suspicious transactions based on real-time behavioral analysis. In this way it allows clients to identify in real-time fraudulent transactions as they occur. It uniquely builds user and customer profiles to detect and stop suspicious transactions. Looking at attributes such as balance, frequency, transaction amount, currency, and transaction type parameters can be combined and compared to “usual behavior” or predefined patterns.

The Peer Group Identifier (PGI) extends SAPs’ capabilities, by providing of a comparison of a customer’s activity to other customers who under normal circumstances provide a similar financial activity footprint, allows banks to focus the detection and investigation efforts on the highest risk transactions. Once deployed, PGI provides for the comparison of customer behavior to that of their peers, or for the time based comparison of overall peer group behavior. In this way, enhanced detection and subsequently improved alert quality may be provided for.

## Anti Money Laundering – ‘Profile’

Profile is a pre-packaged anti-money laundering solution, provides web-enabled, end-to-end customer profiling, and transaction monitoring which easily integrates into any core-banking platform. Full control is also ensured through flexible configuration as well as automatic report generation templates and customized reporting reducing your data mining costs. Profile’s processing and detection engines are accurate, fast, easy to configure, and simple to use. It ensures clarity through comprehensive dashboards and reports.

The Peer Group Identifier (PGI) extends Profiles’ risk based approach capabilities, by providing of a comparison of a customer’s activity to other customers who under normal circumstances provide a similar financial activity footprint. Once deployed, PGI provides for the comparison of customer behaviour to that of their peers, or for the time based comparison of overall peer group behaviour. In this way, enhanced detection and subsequently improved alert quality may be provided for. a similar financial activity footprint. Once deployed, PGI provides for the comparison of customer behaviour to that of their peers, or for the time based comparison of overall peer group behaviour. In this way, enhanced detection and subsequently improved alert quality may be provided for.



## Watchlist Screening / 'Screen'

Using sophisticated algorithms, smart contextual whitelists, and robotic processes automation dramatically reduces overheads and costs by reducing “false positive” alerts. Screen protects your business by screening your customers and all types of transactions against watch lists (including sanctions). Its versatile, risk-based approach integrates lists from various sources; public, commercial or private applying geographical and business rules. Sophisticated algorithms and highly effective scanning methods deliver the lowest rate of “false positive” alerts in the industry without compromising your detection accuracy. Screen’s flexible workflow framework allows you to define roles/access rights, context-based validation and 2, 3 or any number of review steps (including 4-eye) with the objective of operator productivity and accuracy. Screen provides additional complementary features such as sophisticated wizards to further reduce false positives; a comprehensive solution for all your screening needs.

## KYC & EDD – ‘Know Your Customer Plus’

KC+ is a risk-based solution that allows banks to formalize information and calculate risk based on customer attributes. KC+ allows banks to formalize customers’ information according to their risk profile. At the account opening process, but also during the entire customer life cycle, KYC workflow builder is using configurable dynamic forms to enable tailored questions to each specific profile. More thorough and advanced than standard KYC (Know Your Customer) solution it uses a detailed matrix including the status, range, and counts to calculate the risk based on customer’s attributes. The system offers the ability to add search criteria filters or create, amend or delete assessments. It uses advanced and fully configurable algorithms to calculate compliance risk scores of new and existing customers based on the customer profile. In this way, the system provides greater flexibility, accuracy, and control.



# Benefits



Supports Risk Based Approach to Compliance



Improve customer protection and trust



Protect against fines and fraud loss



Reduce risk



Improve operating cost (cost of compliance)



Reducing IT overheads



Improve Straight through processing rates



Turn compliance into a business enablement function

Temenos Financial Crime mitigation will secure your bank's reputation against financial crime, affording your customers the best service and protection at the same time as reducing overheads and cost.





Within the last two years using the financial crime tools from Temenos, we were able to reduce our TCO by approximately 50%, following a major project to identify our cost saving potential by identifying gaps, centralizing as much as we could and making use of our economies of scale.”

**Peter Haener,**  
Head of AML Monitoring  
and Surveillance Compliance, UBS



Temenos FCM, which incorporates cutting-edge technologies like AI and machine learning, will give us the highest level of protection against financial crime and at the same time enable us to deliver seamless customer experiences. Running FCM in the cloud will also provide us with unparalleled agility to adapt and scale as we grow our business in the Nordics.”

**Morten Sønderskov,**  
Chief Operating Officer at Lunar



# More information

Temenos provides pre-packaged financial crime protection within its banking solutions. Integrated with the cloud-native, cloud-agnostic Temenos Infinity and Temenos Transact, the award-winning Financial Crime Mitigation (FCM) product, which is also available for standalone use, enables financial institutions to enhance operational efficiency, improve customer service and protect their reputation by building client and regulator trust and confidence.

To learn more about FCM check-out tutorial videos on <https://fcm.temenos.com/app/?4> or contact us at [sales@temenos.com](mailto:sales@temenos.com)

## About Temenos

Temenos AG (SIX: TEMN) is the world's leader in banking software. 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 and AI-driven front office, core banking, payments and fund administration software enabling banks to deliver frictionless, omnichannel customer experiences and gain operational excellence.

Temenos software is proven to enable its top-performing clients to achieve cost-income ratios of 26.8% half the industry average and returns on equity of 29%, three times the industry average. These clients also invest 51% of their IT budget on growth and innovation versus maintenance, which is double the industry average, proving the banks' IT investment is adding tangible value to their business.

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

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