



STRATEGIC ACQUISITIONS TO ACCELERATE ORGANIC GROWTH

Our three pronged approach
to M&A to accelerate organic growth

01

Accelerated R&D roadmap in
key markets and segments

02

Increased scale

03

Adjacent markets and
complementary products

In 2019, Temenos made three acquisitions that brought significant new products, technology, market presence and expertise.

A strong track record
of strategic M&A

2019	3 acquisitions Kony Logical Glue hTrunk
2018	1 acquisition Avoka
2017	1 acquisition Rubik
2015	2 acquisitions Multifonds Akcelerant



September 2019 – Temenos acquired Kony, the US #1 digital banking SaaS company

In September, Temenos acquired Kony, the fast-growing US #1 digital banking SaaS company. The acquisition significantly enhanced Temenos' scale and capabilities in the US, adding significant digital expertise and accelerating Temenos Infinity, the breakthrough digital front office product. Temenos purchased Kony for an enterprise value of USD 559 million.

Kony had already achieved rapid growth with both top tier and mid-market banks in the US and internationally with its Kony Digital Banking Experience product (Kony DBX) which was recognized as a leader by top analyst firms such as Gartner, Forrester and IDC. With 1,500 employees and deep expertise in digital and cloud technologies, Kony had been helping banks transform the experience for their customers with digital banking applications and its market leading development platform, all of which are served through a cloud hosted SaaS model.

The Kony DBX product included a suite of mobile banking apps delivering exceptional omni-channel experiences including support for conversational interfaces, AI, augmented reality, and wearable technologies. Key to this success was Kony's development platform that accelerates product cycles and increases agility by reducing the load on bank IT to design and iterate user experiences. Kony's banking clients had been able to transform the banking experience with some achieving over 20% increase in mobile deposits, 64% increase in mobile credit card payments and significantly reducing abandonment rate from 20% to 3%.

The combined strength of Temenos, Kony and the recently acquired Avoka, further strengthened Temenos Infinity, covering all banking verticals and offering customer acquisition and onboarding, omni-channel banking, customer retention and marketing, and modules supporting payments, wealth advisory, financial crime, risk and compliance and analytics.

logical glue

July 2019 – Temenos acquired Logical Glue, a SaaS-based Explainable AI (XAI) platform to accelerate its AI roadmap and expertise

In July, Temenos acquired Logical Glue Ltd., a London-based provider of a patented, award-winning Explainable AI (XAI) platform with financial clients in the UK and Europe. The acquisition accelerated Temenos' AI roadmap by bringing together a patented, proven, industry-first XAI platform, AI credit scoring models that are immediately available worldwide as well as deep AI and Machine Learning expertise.

Logical Glue's XAI platform addresses one of the key challenges for banks using AI applications, which is that they typically operate as 'black boxes' offering little if any discernible insight into how they reach their decisions. Regulators globally are increasingly mandating that financial institutions should be able to explain to their customers the results of automated decisions that affect them. For example, Europe's General Data Protection Regulation (GDPR) includes 'a right to explanation' for all decisions made by AI algorithmic systems while the US Equal Credit Opportunity Act compels creditors and lenders to provide specific reasons to borrowers when negative decisions have been taken. Through this acquisition, Temenos brings cutting-edge innovation to the banking industry by helping banks explain in plain language to their customers and regulators how AI-based decisions are taken.

The Logical Glue XAI platform has been embedded within the cloud-native, cloud-agnostic Temenos banking platform and made available with all Temenos software including digital front office, core banking, wealth management, payments and fund administration products. This provides banks with the next generation of AI-powered applications irrespective of the choice of cloud platform or on-premise deployment. By embedding AI and Machine Learning into its products, Temenos is accelerating the release of explainable models that will underpin new AI use cases focusing on creating seamless customer journeys and automating manual processes with self-learning capabilities.

The XAI platform is also fully integrated with the Temenos Data Lake to give banks a real-time, end-to-end Smart Data Lake, offering higher quality and richness of data through multiple sources. This means that banks can make faster, more accurate and explainable decisions driven by AI algorithms. All these products can be consumed either through an easy-to-use interface or through APIs and can be delivered on-premise, in the cloud or as a SaaS offering. The provision of XAI as part of the Temenos platform is central to the Temenos strategy to deliver both cloud-agnostic as well as on-premise products to banks.



February 2019 – Temenos acquired hTrunk, accelerating its analytics and big data solutions

In February, Temenos acquired hTrunk, a fast-growing company providing big data and analytics solutions to the banking industry. This accelerated our strategic vision for data and analytics. Through the integration of hTrunk, Temenos strengthened its Analytics product, which was already recognized as a leading analytics solution in the banking space. Temenos is now able to help banks leverage big data technologies, implement modern data lake architecture efficiently and unlock the value of their data.

With the addition of hTrunk's comprehensive data lake product, Temenos Analytics is able to ingest, blend, store and process both structured and unstructured data in real-time, allowing the creation of next-generation, analytically-driven banking applications.

Founded in 2015, hTrunk had 30 employees and was based in Bangalore, India. hTrunk provided big data and analytics solutions, primarily to banking clients, including a number of Temenos Transact customers. hTrunk accelerates Temenos' ability to offer a productized data lake solution as a fundamental component of its banking software platforms.

"We are excited to combine our strengths with Temenos' expertise, reach and passion. Together, I am sure we will be able to transform the industry."

Professor Hani Hagras

Co-Founder and Chief Science Officer
at Logical Glue Ltd.