

## Message from the CEO

# ACHIEVING EXCELLENCE RESPONSIBLY

Max Chuard  
Chief Executive  
Officer



and enabling new entrants with new services and business models. At the same time, society is making new demands on business. Compared to their parents, tech-savvy millennials expect more transparency, trust, and equitable and ethical growth from the businesses they work for and the brands they buy from. This is changing the role of business.

Understanding the changing needs and meeting the expectations of our stakeholders is an important aspect of our corporate strategy. Operating Responsibly is in our DNA, part of our Temenos values. For 25 years, we have been committed to working with all our stakeholders to build strong, long term relationships and create sustainable value for them. These commitments have guided the way we operate internally, innovate and deliver on our business mission.

In May 2018 we renewed our commitment to the 10 UN Global Compact principles to making it a part of our strategy, culture and day-to-day operations, to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals and to annually reporting on our progress to our stakeholders and the general public.

These commitments brought us together with other business leaders, regulators and international organizations for the World Economic Forum Sustainable Development Impact Summit in New York in September. For two days, we brainstormed on how to respond to emerging social and environmental trends and how to shape the agenda for action on sustainability.

I am proud of the contribution Temenos is making to the global effort to achieve the SDGs. As a global company, it is our ethical responsibility to use our technology, expertise and resources to help the world's most vulnerable communities. This is a global issue that is particularly close to our hearts. Some two billion people in the world have no access to financial services or a bank account, which means no credit and no chance to pay for education, start a business, or save for the future. With every new software system we implement in emerging markets, we are helping banks lower the cost of financial services, enabling access to financial services, thereby making them more affordable to the people who need them most.

We are committed to giving back to the communities where our employees, Partners and clients live and work. In 2018, through the Temenos Adopt iT project, we built computer labs in three schools in India.

In addition, we focused our actions on encouraging gender equality and inclusive education for all, by building girls' restrooms in two schools in India, helping girls stay in school and gain equal access to education and opportunities in life. Temenos employees volunteered their time and expertise in helping over 1,500 high school students gain digital skills and unleash future opportunity with access to jobs, health and finance.

Our Temenosians are the most important and valuable Company asset constituting the Temenos culture and helping the Company bring exceptional value to our stakeholders. We pride ourselves in relying on and investing in our employees, a global team of diverse, highly committed and talented people. We strongly believe in adding value every day and we want our employees to feel the same. Our People are the KEY.

In 2018, we celebrated a number of achievements:

- > The inclusion of Temenos into the SXI Switzerland Sustainability 25<sup>th</sup> Index – among the 25 Swiss stocks from the SMI<sup>®</sup> Expanded Index with the best sustainability scores;
- > The Best Workplace award by Great Place to Work<sup>®</sup>, together with our people in Greece; and
- > The Prize of the Geneva Economy 2018 by the Geneva Chamber of Commerce, Industry and Services (CCIG), together with our people in Geneva

All of these are recognizing our contribution to our global commercial success, as well as the local economy by helping attract and retain talent in these countries.

2018 was also an important milestone on our long term environmental sustainability path. Temenos received ISO 14001:2015 certification for having implemented an Environmental Management System (EMS) in the Company's three offices in India (Chennai and Bangalore), which account for 52% of the total global employee workforce and are the hub of our product development activities, demonstrating our commitment to improving our environmental performance and addressing climate change.

As we look to the future, I would like to thank all our stakeholders for their commitment and trust in Temenos. We will continue to make our commitments clear to all our stakeholders, further the social dialogue and drive continuous improvements to meet and exceed their expectations. Our people together with our expertise and digital technologies can and should be enablers for social change.

Max Chuard  
Chief Executive Officer

*"We are committed to giving back to the communities where our employees, Partners and clients live and work."*

**As I reflect on 2018, I am proud of what we have accomplished together with our people.**

In November we celebrated our 25-year anniversary together with our people in our 67 offices in 41 countries, a landmark during our Temenos journey. More change has taken place in banking over the last five years than in the previous 20. After having served the industry for 25 years, we have built one of the world's most dynamic banking communities, where we share best technology banking practices and see their impact on our stakeholders. The banking industry is undergoing a once-in-a-generation reinvention.

Climate change, the depletion of natural resources and rising poverty and inequality are interlinked and pose challenges to our communities, businesses and governments. Technology is changing and shaping social behavior by enabling new ways to produce, distribute and consume information while playing a major role in business strategy, performance and social development. Digital technologies combined with tougher regulations and competitive market conditions, are accelerating change, changing consumer habits

## ABOUT TEMENOS

Founded in 1993, Temenos AG 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 clients 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.

Headquartered in Geneva, Switzerland, the Company currently has 64 offices in 40 countries and had non-IFRS revenues of USD 840 million for the year ended 31 December 2018. Temenos has been a public company listed on the SIX Swiss Exchange (TEMN) since June 2001. Temenos employs 5,744 people worldwide, including full-time employees and contractors. In December 2018, Temenos acquired Avoka, a US-based leader in digital customer acquisition and onboarding. For more information please refer to Strategic acquisitions and investment on page 9.

## OUR VISION

*To provide financial institutions, of any size, anywhere in the world, the software to thrive in the digital banking age*

## HOW WE ACHIEVE IT

*We do this by building, delivering and supporting the world's best packaged, continuously upgradeable end-to-end banking software which is both cloud native and cloud agnostic; through design led thinking, we orchestrate all our customers' touchpoints to create a frictionless customer journey*

## OUR VALUES



### We see things differently from everyone else

Average people see difficulties, exceptional people see opportunities.

[Read more on page 20](#)



### We believe in the power of people

People make things happen. People define our destiny.

[Read more on page 66](#)



### We operate responsibly to build a sustainable business

We walk the extra mile to build strong and lasting relationships with our stakeholders and create sustainable value for them.

[Read more on page 50](#)



### We inspire, through living up to our full potential

We dream big and pursue our goals fearlessly.

[Read more on page 24](#)



### We place clients at the core of what we do

Everything starts and ends with our clients' goals.

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