

For Immediate Release

Fundtech Introduces Global PAYplus Services Component Library[®] – a SOA Initiative to Unleash Global Payment Processing Power

Service Oriented Architecture offers reusable components across the enterprise

SIBOS - Sydney, Australia October 9, 2006 — Fundtech Ltd. (NASDAQ: FNDD), a leading provider of end-to-end corporate banking software and services, today announced the introduction of the Global PAYplus Services Component Library. Based upon its industry leading Global PAYplus platform and the Service Oriented Architecture (SOA) standard, Global PAYplus Services Component Library provides financial institutions with a broad array of payment processing components previously only available in its Global PAYplus product.

With the release of the Global PAYplus Services Component Library, Fundtech is now making available a comprehensive portfolio of payments processing logic, packaged as discretely deployable SOA compliant services. With the individual components of the library designed to work in full harmony with one another, banks can opt to use some or all of these services in building solutions.

The Global PAYplus Services Component Library is targeted at financial institutions that build payments solutions internally. These institutions can now benefit from the rich set of Fundtech payment capabilities currently deployed at a number of the world's most innovative financial institutions.

Fundtech is working with IBM, and other leading SOA technology providers, to streamline the financial supply chain, including the development of interfaces for IBM's Enterprise Payments Platform. Fundtech is demonstrating the Global PAYplus Services Component Library in both the IBM and the Fundtech stands at Sibos.

The launch of Global PAYplus Services Component Library is an integral part of Fundtech's plans to create a single framework of reusable services that encompass the entire financial supply chain. Financial institutions will benefit from the efficiency and speed-to-market of SOA, and will be able to offer their customers more integrated services.

Fundtech's SOA development is part of a strategic initiative that began in 2005 with the formation of a new Global Architecture and R&D group. The team's charter is to implement a SOA framework that encompasses Fundtech's entire product portfolio including cash management, payments, settlements and financial messaging. A set of twelve payment-related services is already available with additional services being launched throughout 2007.

Commenting on the introduction, Michael Sgroe, president & COO of Fundtech said: "Global PAYplus Services Component Library is a vital step for Fundtech and our clients. This extension of our existing family of SOA compliant products will benefit our customers by enabling them to rapidly develop new solutions in an efficient manner, making them more competitive and improving STP. For Fundtech, it offers an opportunity to combine the functionality of our intellectual property to form new assets to enable and accelerate the financial supply chain."

About Fundtech

Fundtech Ltd is a leading provider of software solutions and services to financial institutions around the world. The Company develops and sells a broad array of products across the "financial supply chain" that enable banks to automate their corporate banking activities in order to improve efficiency; while providing their customers with more choices, more convenience and more control. Fundtech offers products in four major categories: cash management, payments, settlements and financial messaging. Fundtech has recently expanded its product line with a securities post-trade settlement processing system.

With twelve offices on four continents, Fundtech is a significant provider of financial technology throughout the world. Fundtech is a publicly traded company, listed on NASDAQ (FNDD) and the Tel Aviv Stock Exchange. The company was founded in 1993. For more information, please visit www.fundtech.com.

Forward Looking Statements:

This news release contains forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements may include, but are not limited to, projections of revenues, income or loss, capital expenditures, plans for growth and future operations, competition and regulation. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted or quantified. When used in this Release, the words, "estimates," "expects," "anticipates," "believes," "plans," "intends," and variations of such words and similar expressions are intended to identify forward-looking statements that involve risks and uncertainties. Future events and actual results could differ materially from those set forth in, contemplated by or underlying the forward-looking statements. The factors that could cause actual results to differ materially from those discussed or identified from time to time in Fundtech's public filings, including its Annual Report on Form 20-F for the year ended December 31, 2004, including general economic and market conditions, changes in regulations and taxes and changes in competition in pricing environment. Undo reliance should not be placed on these forward-looking statements, which are applicable only as of the date hereof. Fundtech undertakes no obligation to revise or update these forward-looking statements to reflect events or circumstances that arise after the date of this Release or to reflect the occurrence of unanticipated events.

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Fundtech Contact:

Amy Osborn
Fundtech Corporation
(201) 215-6555
amy.osborn@fundtech.com

Media Contact:

Audra Tiner/ Ben Jarrold

Write Image Inc.

(917) 320-6457 or

+44 207 959 5492

Audra.Tiner@write-image.com

Ben.Jarrold@write-image.com