

temenos

Temenos AI: Generative & Explainable



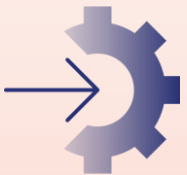
What AI means in banking



Operational
Efficiency



Intelligent
Decision making



Automation



Innovative
Product Design



Personalization

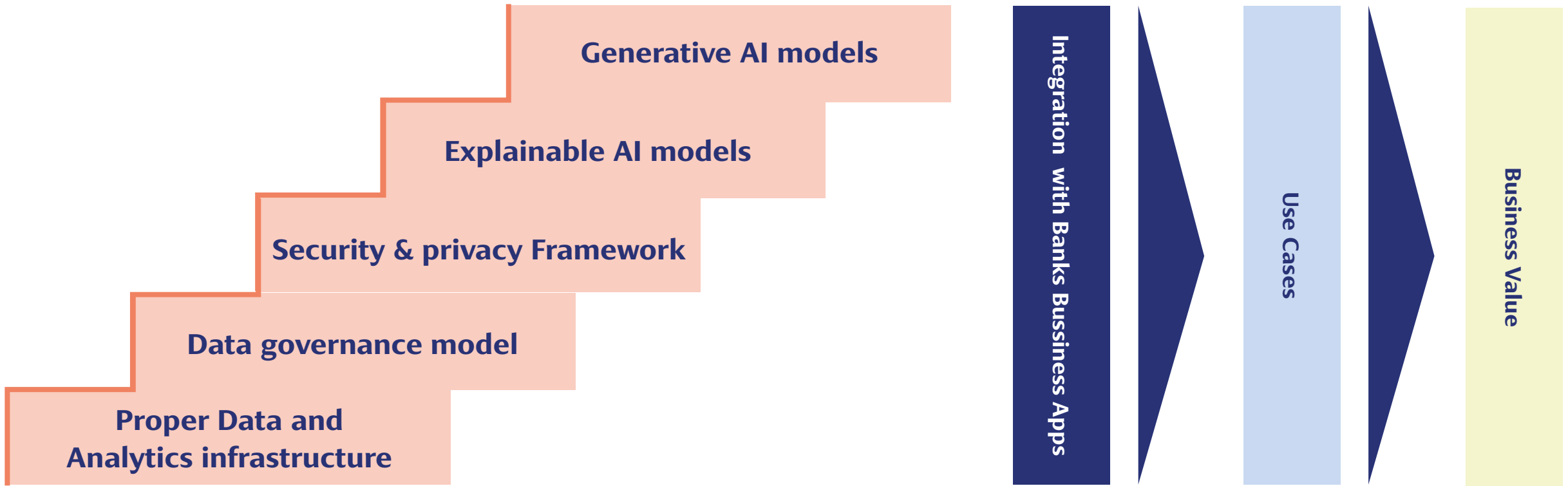


Customer
Experience



Regulatory
Compliance

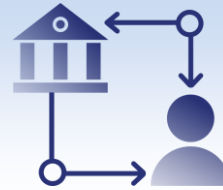
Key Requirements for AI Implementation in Banking



Our AI Approach



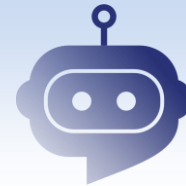
Explainable



AI Private Models



Transparent



Infused

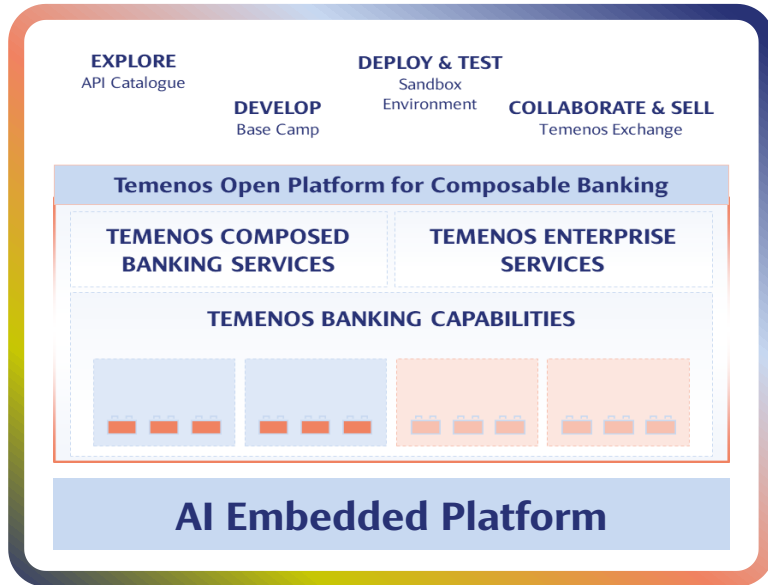


Responsible



Secure, Safe, & Private

Pioneering the Temenos AI Journey since 2016



Generative AI

Explainable AI (2019)

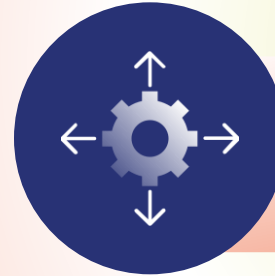
Predictive analytics (2018)

Prescriptive analytics (2016)

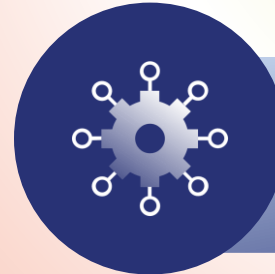
Responsible AI



Infusing AI into Temenos Banking Platform




Enabling banks to deploy and **implement** Temenos solutions **faster and better**



Enabling Temenos **Internal operations**

Explainability

Temenos XAI is Uniquely Positioned

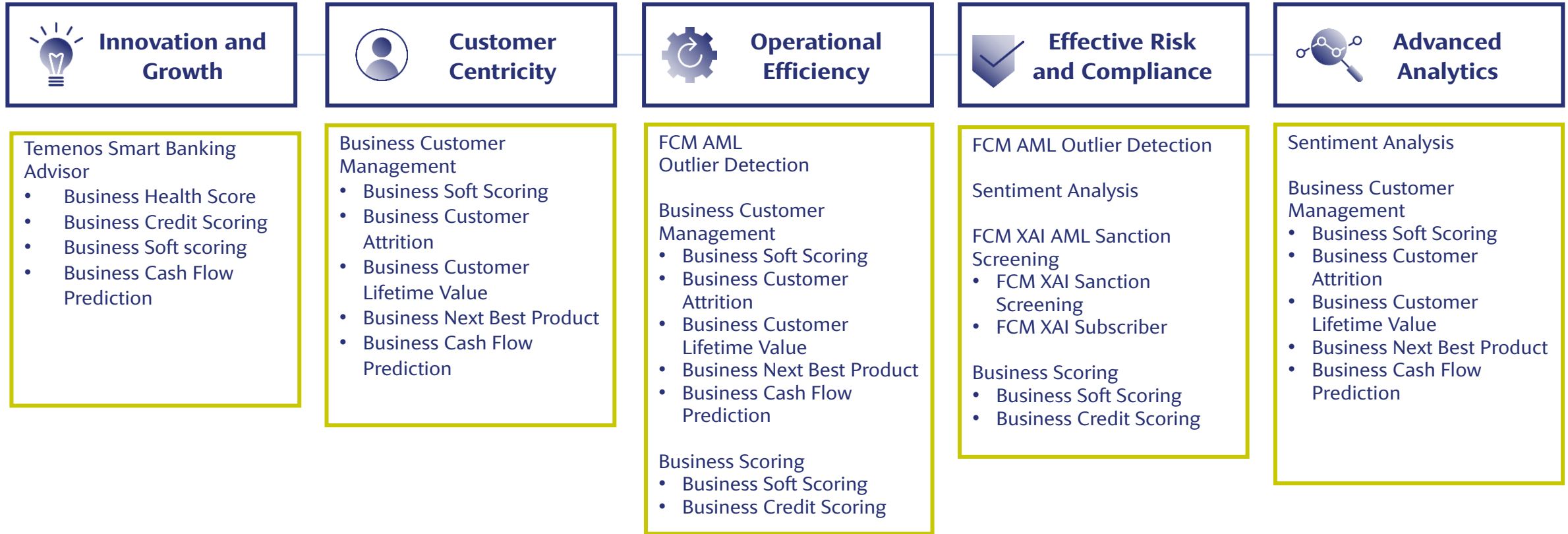
	Temenos Explainable AI (XAI)	Other XAI 
Data driven models	✓	✓
Fully Transparent models	✓	✗
Fully auditable rules	✓	✗
Integrate human experience to augment and edit	✓	✗
Governance	✓	✗
AI predictions mirroring human intuition	✓	✗
Unique patented techniques	✓	✗

Temenos delivers the only fully transparent XAI modelling technique



Temenos XAI Platform and Available Models (Business Customers)

Performance drivers



Temenos Risk Models: clients save tens of millions using efficient explainable credit scoring

Banks use Temenos **customer management** models **worldwide** for significant operations efficiency and personalization

Temenos FCM XAI provides enhanced **sanctions screening**, improved AML scanning, and radically **reduces false positives and** revolutionizing **FCM operations while providing 100% protection against true hits**



Temenos XAI Platform and Available Models

Performance drivers



Business Customer Management

- Business Soft Scoring
- Business Customer Attrition
- Business Customer Lifetime Value
- Business Next Best Product
- Business Cash Flow Prediction

Reduces Customer attrition by more than 10%, Increase cross sell by more than 9.5% and reduce Front Staff Admin Tasks by more than 10%.

Temenos Smart Bank Advisor:

- Business Health Score
- Business Credit Scoring
- Business Soft scoring
- Business Cashflow prediction

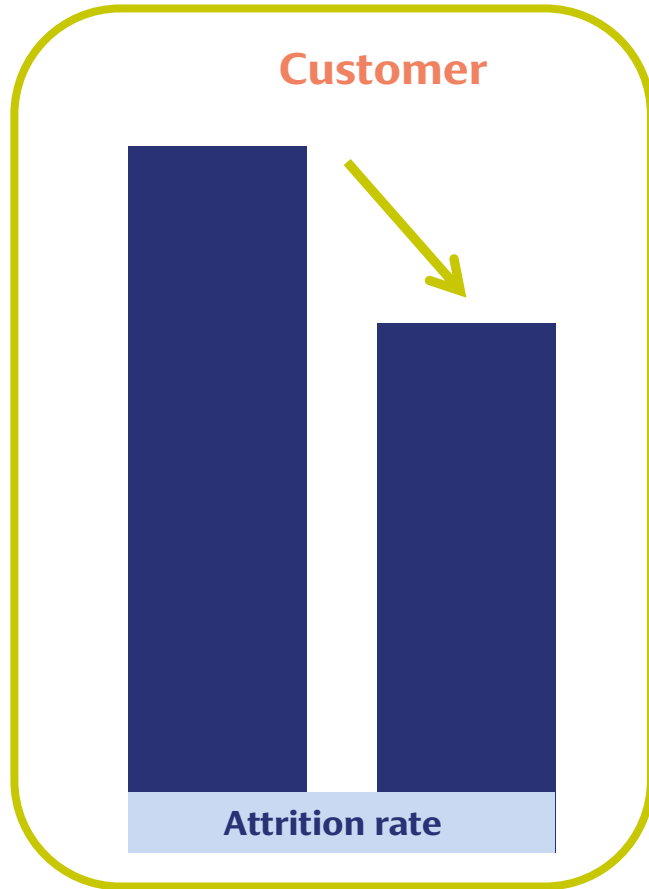
An accurate and explainable Business scoring model enabling more **than 20% reduction customer default rate and more 15% reduction** in good application rejection rate by enriching simple credit score-based decisions - and all with complete transparency in the automated decisions made and actionable insights for the customer

FCM XAI AML Sanction Screening

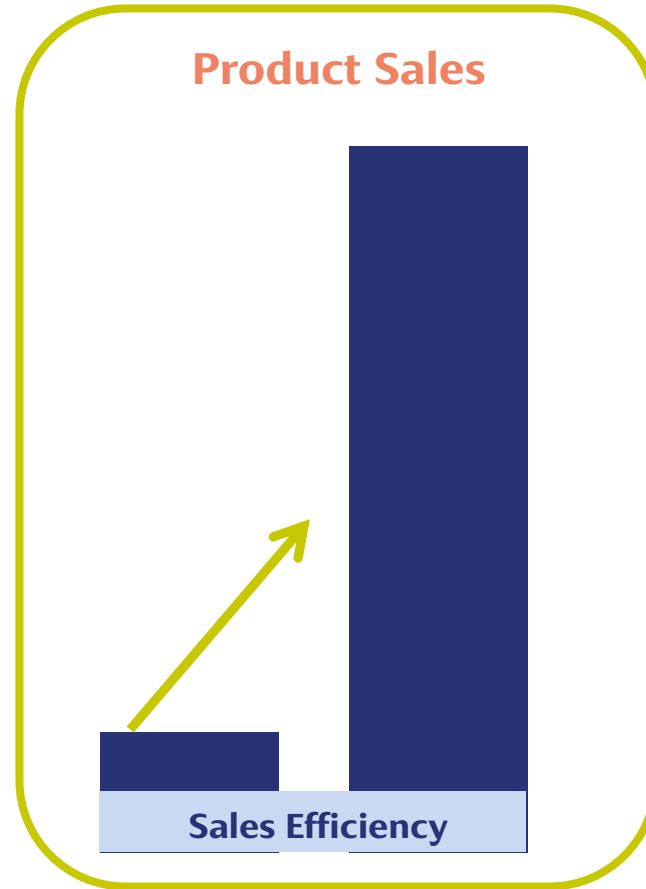
- FCM XAI Sanction Screening
- FCM XAI Subscriber

The FCM XAI models for AML sanction screening model will cover the payment messages and provide ML (Machine learning)/XAI (explainable Artificial Intelligence) functionality to build human understandable rules. The rules Reduction of False Positives by further 20-40% or raised alerts.

Temenos XAI added value



Reduced Attrition rate by 20% by using our **attrition model**



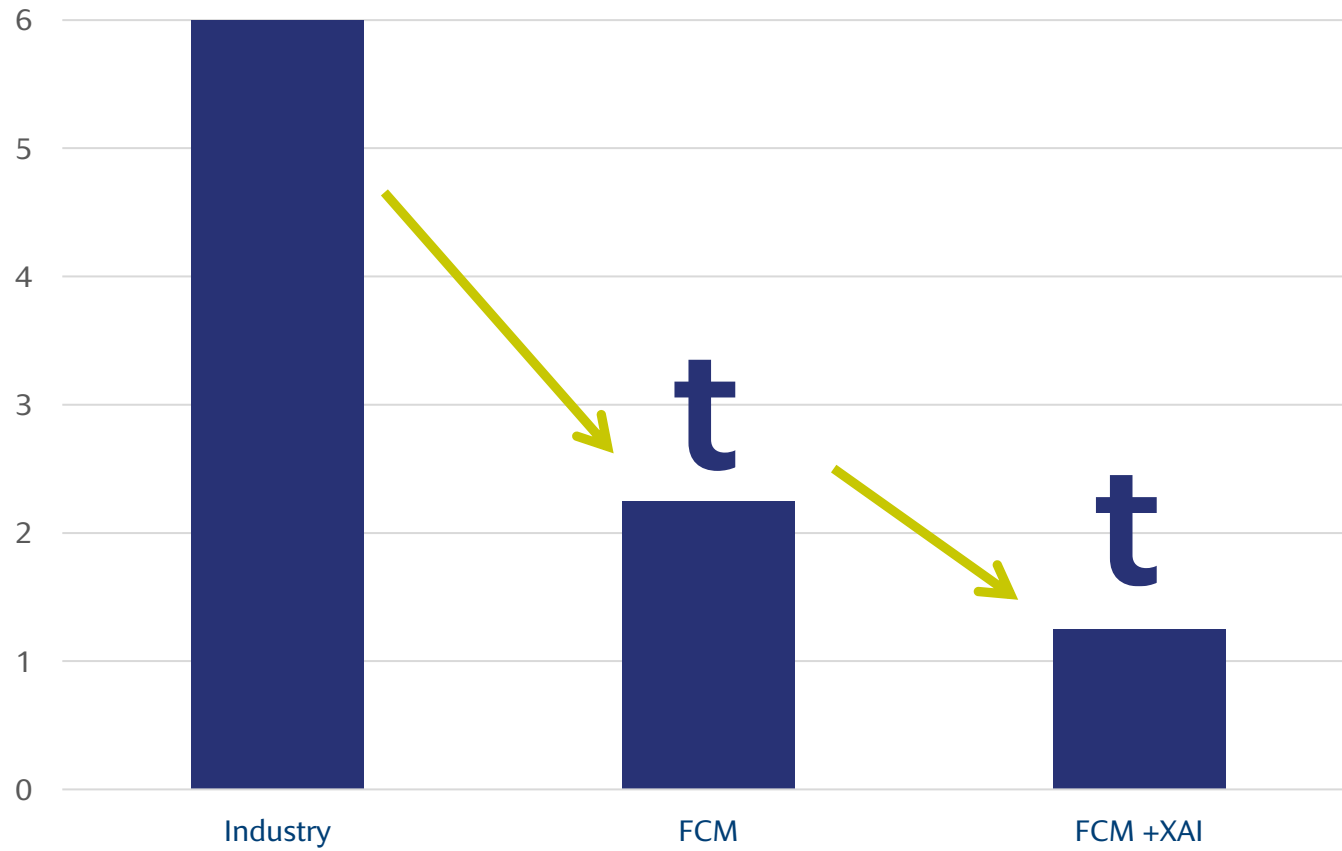
Increased sales efficiency by 73% with the **next best product model**



Reduced customer defaults by 20% and increased good applications rate by 15% by using our **credit soft scoring models**

XAI drives dramatic reduction in investigator headcount

Daily False Positives as a % of Payments



Reducing Investigator Team Sizes

- 20-40% less investigators required

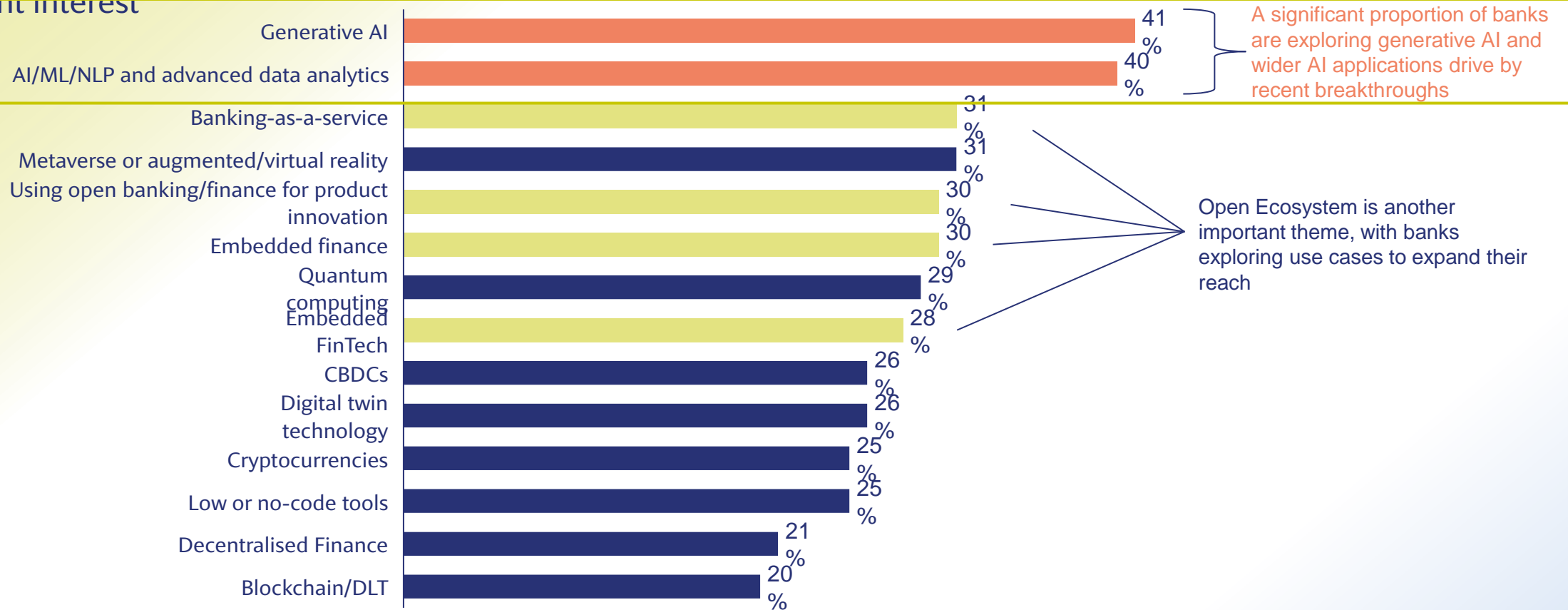


Improves customer satisfaction

- 20-40% of false alerts no longer delayed
- For the remaining alerts the speed of process will increase due to XAI prediction helping the human investigator decision

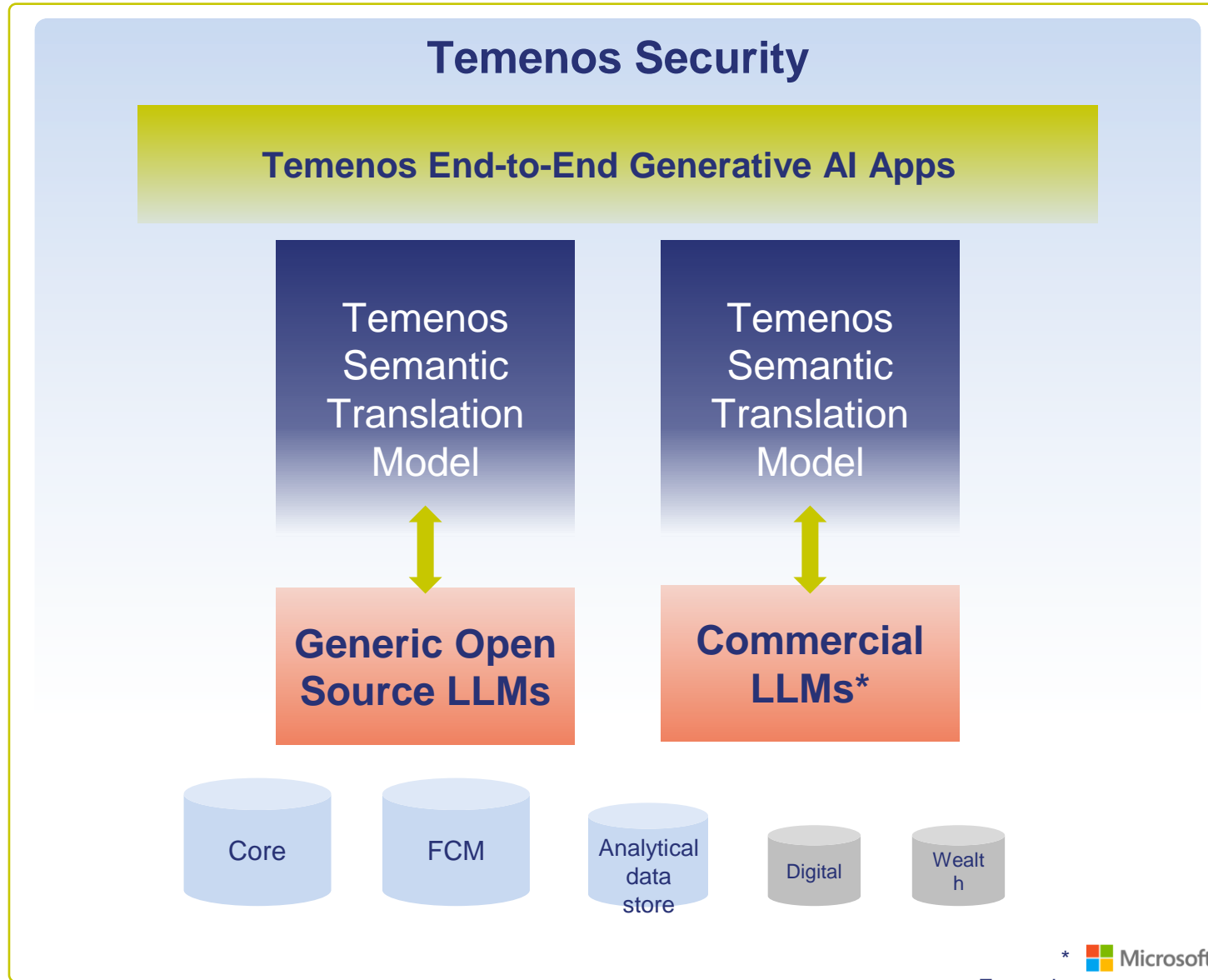
Generative AI

AI under focus; drivers of Open Ecosystems also receiving significant interest



Source: Celent, Technology Insight and Strategy Survey 2023. Retail Banking Question: What is your organisation's current approach to using, or attitude towards the following areas of emerging technology/business models? All responses for 'Experimentation or exploring use cases, including PoC'

Agnostic Generative AI @ Temenos



Generative AI Example

Corporate Banking Generative AI

listed by currencies, What is the revenue received from Corporate loans?



11:02 am, 25 Oct



Based on the table, the bank generated the most revenue from corporate loans in the GBP currency, followed by USD and EUR. The total revenue from corporate loans in GBP was over 869,000, while the revenue in USD and EUR were approximately 770,000 and 674,000, respectively.

Currency Code	Total Revenue
GBP	869,145.19
USD	769,094.72
EUR	674,466.75



Explain SQL Query



Export Report

listed by currencies, What is the revenue received from Corporate loans?

SQL query generated to fetch from Data Analytics

This SQL statement is querying the database to find the total revenue (sum of all the amounts) for a specific product category (3304) in different currencies. The result will be a list of currencies and their corresponding total revenue. The data is being joined with the V_FBANK_CURRENCY table to get the currency codes, and then grouped and ordered by the total revenue amount in descending order.

```
SELECT V_FBANK_CURRENCY.CURRENCY_CODE, SUM(CAST(V_FBANK_CATEG_ENTRY.AMOUNT_LCY AS  
FLOAT)) AS TOTAL_REVENUE FROM V_FBANK_CATEG_ENTRY JOIN V_FBANK_CURRENCY ON  
V_FBANK_CATEG_ENTRY.CURRENCY = V_FBANK_CURRENCY.CURRENCY_CODE WHERE  
V_FBANK_CATEG_ENTRY.PRODUCT_CATEGORY = 3304 GROUP BY V_FBANK_CURRENCY.CURRENCY_CODE  
ORDER BY SUM(CAST(V_FBANK_CATEG_ENTRY.AMOUNT_LCY AS FLOAT)) DESC
```



Explain SQL Query



Export Report



the GBP
P was over
000,

59,145.19

59,094.72

74,466.75

Generative AI
Demo

Security & Privacy

Categories

- Role
- Rule
- Permission
- Obligation

Roles

Search category roles by name

- AI-AGENT
- COLLABORATOR
- CONTRIBUTOR
- CUSTOMER
- MANAGER
- New untitled Role

AI AGENT ✓ X

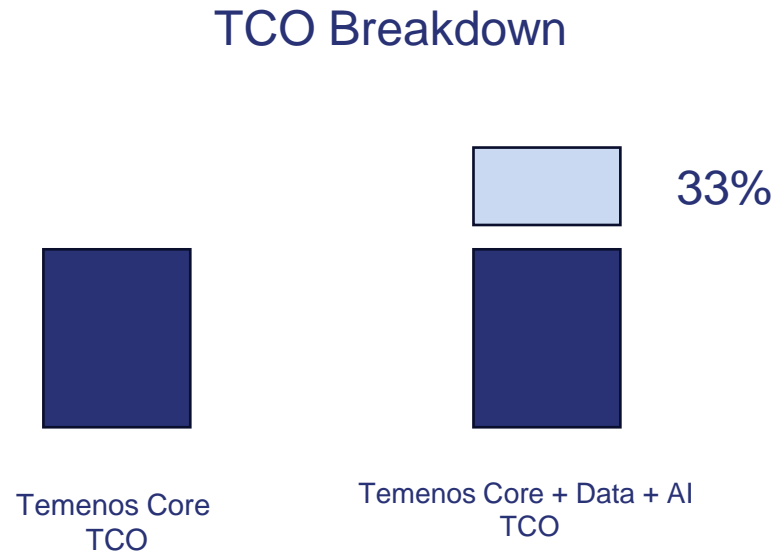
Role	Identifier *	Description	Algorithm *
AI-AGENT	AI-AGENT		deny-unless-permit

Permission	Identifier *	Description	Product *	Algorithm *
Allow_enquiries	Allow_enquiries		T24	permit-unless-deny

Resource Type	Operator Type	Resource
ENQUIRY	equal	CUSTOMER

Generative AI Unlocked business value

AI Investment & ROI



Unlocked business value

1. Reduce FTE admin costs up to 10%
2. Reduce Customer attrition by 10%
3. Increase product-cross selling by 9.5%

Realise ROI between : 127% and 300%

* ROI Calculation based on banks with a customer base of 100K customers to 1M customers

Thank you

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