

Temenos takes explainable AI product global

Article

The Switzerland-based banking software provider will roll out globally the explainable AI (XAI) product **Temenos Virtual COO**, which it initially **unveiled** in March as a collaboration with **Canadian Western Bank (CWB)**. The product is built on Temenos' omnichannel offering, Temenos Infinity, with an XAI component geared toward small and medium-sized businesses (SMBs). Temenos Virtual COO **helps** companies make financial decisions by modeling different

business scenarios; aggregates data to give overviews of companies' financial health; and cuts their administrative workloads.

Temenos Virtual COO shows how AI can streamline banks' back-office functions. Financial institutions increasingly are turning to AI solutions, **per** Insider Intelligence's 2020 AI in Banking report. Other initiatives include :

- **BNY Mellon's** AI-driven email-sorting solution sends inbound emails to its most relevant departments. Human involvement is kept to a minimum in the process, which US-based BNY Mellon adopted for its operations team in 2019. The bank **attributes** savings of “hundreds of hours” to AI and estimates a 90% accuracy rate.
- **Santander Consumer Bank** has been piloting Robotic Process Automation (RPA) in the Nordic region since 2019 to process account activity. The Spain-based banking giant reported in July 2020 that the pilot saved **30,000** man hours in 2019, along with **more than \$2 million**. The RPA pilot utilized 150 intelligent bots, offered by **Automation Anywhere**, to automate tasks such as loan processing.

XAI-based offerings enable banks to automate complex day-to-day operations. Temenos Virtual COO marks the company's latest product to include XAI—following last year's mid-pandemic **rollout** of XAI models that help banks with their lending processes for SMBs. Both products give Temenos' banking clients XAI-based options for automating complicated tasks for SMBs, **including** responding to growth opportunities and assembling comprehensive financial pictures. Temenos' decision to offer its Virtual COO globally signals that it's been successful in its initial CWB collaboration—and it may also resonate with other financial institutions.

What Do Bank Executives Worldwide Believe Will Be the Most Valuable Use of AI for Banks?

% of respondents, February-March 2020

Improving UX through greater customer personalization capabilities

27.2%

Customer fraud detection

15.7%

Digital marketing

12.1%

Product development (design and pricing)

8.5%

Customer profiling—Micro segmentation

8.5%

Back office productivity optimization

8.2%

AML/KYC compliance

6.6%

Onboarding customers more easily

5.6%

Voice recognition banking

5.2%

Regulatory compliance

2.3%

Note: The coronavirus pandemic emerged halfway through the survey.

Source: The Economist Intelligence Unit, sponsored by Temenos, "Forging new frontiers: advanced technologies will revolutionise banking," May 27, 2020

Methodology: The Economist Intelligence Unit, on behalf of Temenos, surveyed 305 global banking executives on themes relating to the digitization of banking. The survey included respondents from retail, corporate, and private banks in Europe (25%), North America (24%), Asia-Pacific (18%), Africa and the Middle East (16%), and Latin America (17%). Respondents performed different job functions: marketing and sales (18%), IT (13%), customer service (7%), and finance (14%), while almost half were C-suite executives (49%).

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