ORLANDO MAY 5-8, 2024

2024 BAFT Global Annual Meeting

BUILDING BRIDGES AMID A CHANGING GLOBAL LANDSCAPE

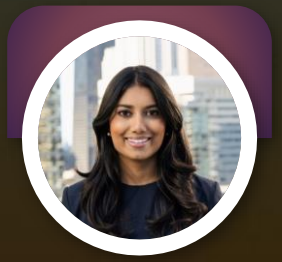
BAFT

Future Leaders Presentation: Harnessing the Power of GenAI to Transform Transaction Banking

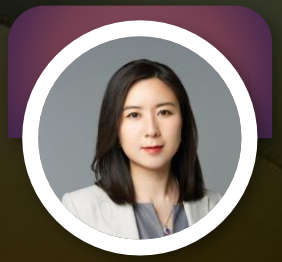
Team

Amin Rehman
Head of Global Implementations
Standard Chartered Bank

Frank Burgman
Vice President, Global FIG Sales
Barclays



Kaylee Karumanchi Lord
Director, Global Trade
Bank of America



Lillian Zhao
SVP, Relationship Management
& Business Development
BNY Mellon

Christian Khouri Chalouhi
Vice President Relationship Manager
Intesa Sanpaolo

Grayson Prickett
FX Trader
First Citizens Bank

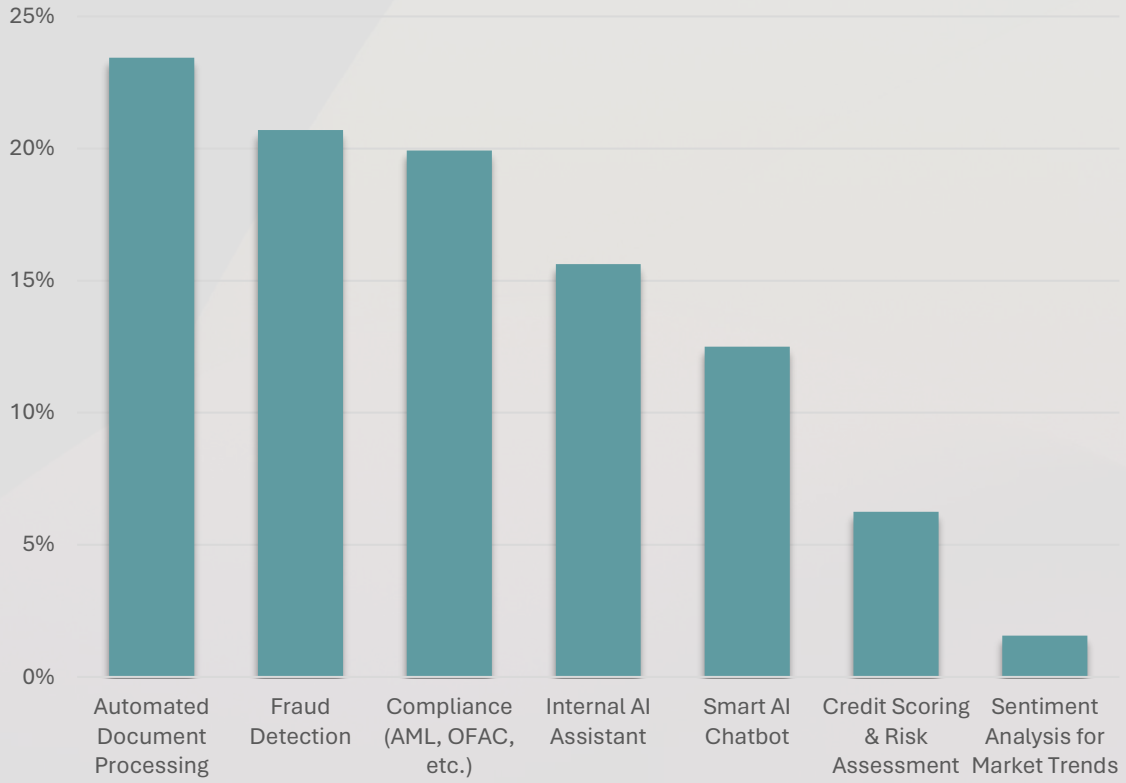
Laura Contelli
Senior Trade Credit Underwriter
American International Group

Patrick Wodetzki
Vice President, Sales - FI
Cash Clearing Services
Credit Agricole Corporate & Investment Bank

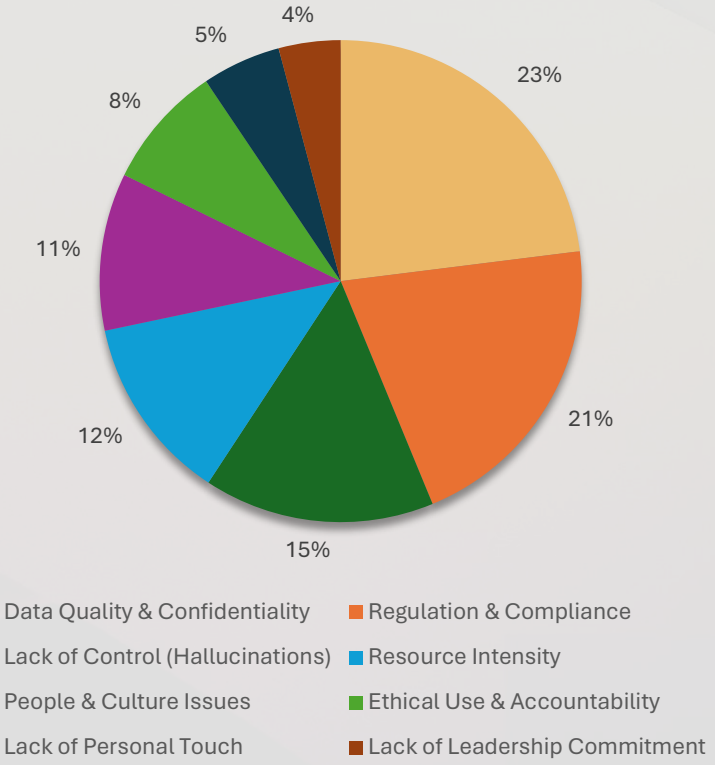
Survey Results | Use Cases & Challenges

96 BAFT Respondents gave insight into perceived top use cases & challenges for GenAI in transaction banking:

Top Use Cases



Key Challenges



Considerations from Industry experts

10+ interviews with professionals in banking, tech, & academia

Start internal: find a suitable, accessible data pool

Make the use cases task specific

Start with the problem.. ..not the technology

Create a culture that enables experimenting

Make the business case work *..it costs money..*

Understand limitations & possibilities

Use case #1: Intelligent Document Processing

Fundamental capability

Reads
1000x faster

Understands
1000x faster

Writes
1000x faster

Challenges

Data Quality

Context

Hallucinations

Applications: *Search, Summarize, Advise....*

Tailored client engagement and risk assessment	**Generation of customer profiles** by extracting and processing data from forms and documents
Automation of basic Functions	**Streamlines essential banking functions**; processing documents, account opening/closures
Decision-Making Support	**Assists in decision-making processes** by analyzing data from annual reports, providing valuable insights into chosen parameters
Policy Drafting and Document Generation	**Drafting of new policies and the generation of contracts and documents** by extracting relevant information from various sources

Use Case #2: Internal AI Assistant

Prompt

- Detailed prompt is written in natural language
- ex. “Show me X client’s transaction data for the past two years”
- Prompt engineering can be learned to optimize outputs

Data Assembly

- Prompt is converted by LLM into code to access database and access the relevant information

Output

- Data is converted back into natural language, giving the user an output
- ex. Client X sent $123M in transactions in 2023 and $27M YTD 2024. Due to projections, they will end the year at $128M.”
- Output may also include charts and recommendations

Examples of open-source pre-trained LLM models:

- ChatGPT (Open.ai / Microsoft)
- LLaMA (Meta)
- Alpaca (Meta)
- Gemini (Google)
- Orca (Microsoft)
- Vicuna (IBM)
- Bedrock (AWS)

Use cases #3 & #4: Compliance support tool

AML

- Construct scenarios by analyzing historical data and identifying patterns indicative of potential money laundering activity

Fraud Detection

- Enhanced anomaly detection
- Synthetic data generation
- Personalized risk assessment

Sanction Screening

- NLP can be used to replace manual paper instrument analysis

Examples

- Drafting of SAR Reports
- Drafting of KYC reports
- Reviewing supporting documents
- Fact checking documentation and information

"In the next five years, generative AI could fundamentally change financial institutions' risk management by automating, accelerating, and enhancing everything from compliance to climate risk control." – McKinsey & Company

Implementation Best Practices

Combat “black box effect”

Transparent decision making

Lookback reviews

Governance model

Navigating regulatory requirements

Better resource allocation

Information sharing

Questions?

Team

Frank Burgman

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Christian Khouri Chalouhi

Grayson Prickett

Amin Rehman

Patrick Wodetzki

Lillian Zhao

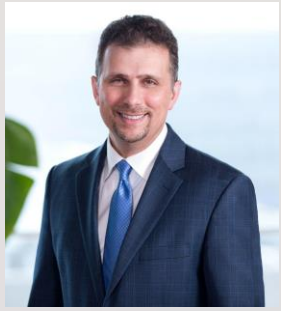
Mentors

Ambar Mardikar

Anathi Mkhize

Sponsors

Eddy Almonte



Sabry Salman