

Twimbit AI Radar

Roundup of innovative enterprise deployments and announcements

#4

Banking Edition



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Twimbit is a research and advisory firm driven by a singular mission: to empower businesses that are making a difference. We specialise in providing invaluable industry intelligence to executives and teams, acting as a catalyst for innovation and growth.

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Summary

This article is part of the monthly AI Radar series, providing a recap of innovative AI deployments and related company announcements in telecommunications, financial services, and customer experience fields of practice. It also offers insights into companies deploying AI, aimed at assisting business executives and technology leaders develop their own AI projects and long-term strategies.

| Company(s) | Deployment/Initiative |
|--|--|
| Morgan Stanley | Morgan Stanley pioneers AI in finance through tools like the AI @ Morgan Stanley Assistant and Debrief, optimizing advisor efficiency and setting new standards for client service and operational excellence. |
| KB Kookmin Bank  | KB Kookmin Bank leverages Deep Brain AI's advanced technologies partnered with VMware Tanzu labs to power its virtual assistant, enhancing customer service and operational efficiency. The AI banker, launched in 2023, has significantly reduced wait times and improved customer engagement through voice and video interactions. |
|  Commonwealth Bank  | Commonwealth Bank (CBA) has partnered exclusively with H2O.ai to enhance its AI capabilities, accessing H2O.ai's AI Cloud and expert team to develop innovative AI solutions and improve customer outcomes. |
|  | Capital One has distinguished itself as a leader in the integration of AI and machine learning within the banking sector. By deploying advanced AI technologies for fraud detection, customer service, and operational efficiency, the |

| | |
|---|---|
| | bank has significantly enhanced customer experiences and established new benchmarks for financial innovation. |
|  | Royal Bank of Canada (RBC) has embraced AI innovation, introducing NOMI Forecast for personalized cashflow forecasting and Aiden AI Trading Platform for optimized trading. Additionally, RBC partnered with TIFIN AG to enhance client engagement through AI-powered insights in wealth management |

Introduction

The financial sector, once a bastion of tradition, is undergoing a seismic shift driven by the transformative power of Artificial Intelligence (AI). No longer confined to science fiction, AI is rapidly infiltrating the banking sector, disrupting traditional practices and ushering in a new era of intelligent automation. From bustling financial hubs to burgeoning fintech centres, banks across the globe are embracing this technology.

The financial sector is undergoing a profound shift driven by economic pressures and the rise of digital banking platforms. Traditional banks, historically cautious with technology, face a pivotal choice: adapt swiftly or risk irrelevance. Embracing AI is crucial to enhance core services, streamline operations, elevate customer experiences, and stand out in a competitive market.

AI is revolutionizing banking by enhancing productivity, security, and customer engagement. Virtual assistants boost advisor productivity by up to 30% and summarize client meetings, while AI chatbots handle inquiries, ensure security, and personalize interactions with emotion recognition. AI-driven machine learning reduces fraud detection false positives by 50% and predicts bills with over 85% accuracy, leading to significant cost savings.

A Microsoft study found that coders using Generative AI tools complete tasks 56% faster, with writing tasks reduced by 37%, potentially increasing labor productivity by 8% by 2030. Banks are using AI for personalized customer experiences and improved AML systems, boosting detection productivity, and employing machine learning algorithms to optimize trading execution and minimize market impact. These advancements highlight AI's transformative role in banking, driving efficiency and redefining customer engagement and risk management. Expect more

groundbreaking applications as AI continues to evolve, reshaping the industry landscape.

Morgan Stanley transform's client interactions with AI

The screenshot displays the 'AI@MS Debrief' interface, which is a tool for summarizing client meetings. The interface is divided into several sections:

- Subject:** Quarterly Review with Rebecca James
- Date:** 1/12/2024
- Contact Type:** Video Conference
- Name:** Rebecca James
- Meeting Note:** A list of key points from the meeting, including changes in salary, investments, and financial goals.
- Email Summary:** A summary of the meeting, including a recap of the key points and a list of next steps.

At the bottom of the interface, there are buttons for 'Save' and 'Finalize Email', and a disclaimer: 'By saving you are confirming you have reviewed the AI generated and have edited or agree with its accuracy.'

Morgan Stanley has been actively deploying several AI applications, enhancing various aspects of its services and operations:

Next Best Action (NBA): Personalized Client Recommendations

The AI @ Morgan Stanley Assistant, known as "Next Best Action" (NBA), is an advanced AI tool that enhances financial advisors' productivity by offering personalized recommendations based on client profiles, financial goals, and market conditions. Using machine learning algorithms, NBA analyzes data from market trends, client portfolios, and financial news to suggest relevant actions, strengthening client relationships with timely communication. The tool automates routine tasks and data analysis, saving up to 30 minutes per client meeting, and ensures compliance with regulatory standards through integrated risk assessment tools. NBA's continuous learning capabilities allow it to refine recommendations based on new data, enhancing client service and advisor efficiency. Currently, 98% of Morgan Stanley's advisor teams use NBA, benefiting from seamless integration, ease of use, and comprehensive training programs.

Debrief Assistant: Streamlining Post-Meeting Reviews

The AI @ Morgan Stanley "Debrief Assistant" is an AI tool that automates and enhances the post-meeting review process for financial advisors. Utilizing natural language processing (NLP), it generates detailed summaries of client meetings, tracks follow-up actions, provides reminders, and integrates with Morgan Stanley's CRM systems. The tool ensures compliance, supports voice-to-text functionality, and uses sentiment analysis to offer insights into client satisfaction. Benefits include significant time savings, improved compliance, and enhanced client service with comprehensive records and actionable insights. Debrief Assistant saves advisors an average of 20 minutes per meeting and increases follow-up task completion rates by 25%, supporting exceptional client outcomes through ease of use and ongoing support.

KB Kookmin AI BANKER Revolutionizing Kiosks Experience



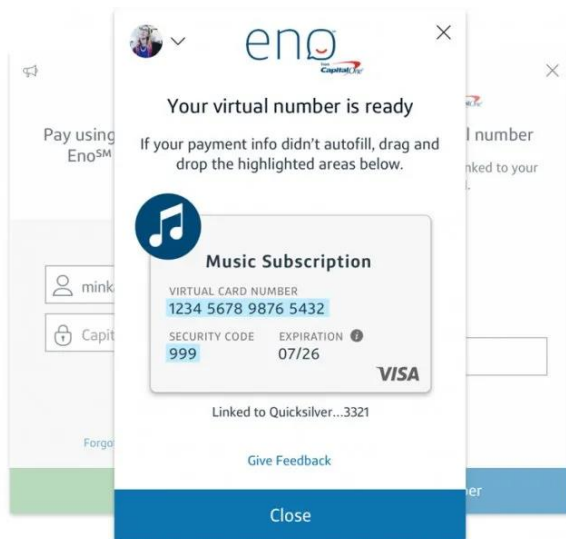
KB Kookmin Bank has partnered with Deep Brain AI to enhance customer service and operational efficiency with its virtual assistant, the AI banker. Utilizing advanced technologies like speech and video synthesis, natural language processing, and speech recognition, the AI banker handles customer inquiries through voice and video interactions at kiosks. It assists with using ATMs and Smart Automated Machines (STMs), introduces financial products, and provides directions to nearby kiosks. Since its 2023 launch, it has improved customer engagement with quick, accurate, and contactless service.

Key Statistics:

- **Customer Interactions:** Managed over 500,000 interactions, averaging 3 per session.
- **Efficiency Improvement:** Reduced wait times by 40%.
- **Adoption Rate:** Over 70% of customers prefer the AI banker for routine inquiries.
- **Coverage:** Installed in 50% of branches, with plans to expand to 90% by end of 2024.

The AI banker supports various functions, including financial literacy and providing additional services like weather updates. It leverages KB-STA, a financial language model, to ensure accurate information. According to Deep Brain AI CEO Eric Jang, plans include extending the AI banker to mobile devices, enhancing user experience with natural gestures and human-like behaviour. This initiative reflects KB Kookmin Bank's commitment to modernizing customer service through innovative AI technology, improving efficiency and satisfaction.

Capital One use AI to boost banking service



Capital One has hired AI leadership from companies like **Facebook, Bell Labs, and Fidelity.**

Capital One has been a pioneer in deploying artificial intelligence (AI) and machine learning technologies in banking from 2022 to 2024, implementing several significant AI initiatives:

Intelligent Virtual Assistant - Eno

Capital One introduced Eno, an AI-powered virtual assistant, to assist customers in managing and safeguarding their accounts. Eno answers customer service enquiries, notifies users of suspicious charges, and provides virtual card numbers (VCNs) for online purchases, thereby enhancing security and reducing the risk of card information compromise. Eno's machine learning models can detect payment pages with up to 20% greater accuracy, and its emotion recognition capabilities have resulted in positive customer feedback.

Crypto Fact Checker

An AI programme has been developed to verify the credibility of cryptocurrency-related information in real-time by scanning news sources and social media for misinformation and scams. Additionally, 58% of bankers believe AI will improve customer engagement and satisfaction.

AI-Driven Mobile App Failure Resolution

An AI-based system has been developed to improve the responsiveness of the mobile app during failures by integrating data from various monitoring tools and employing machine learning to diagnose issues, thus reducing incident resolution times by up to 50%.

AI-Based Anti-Money Laundering (AML)

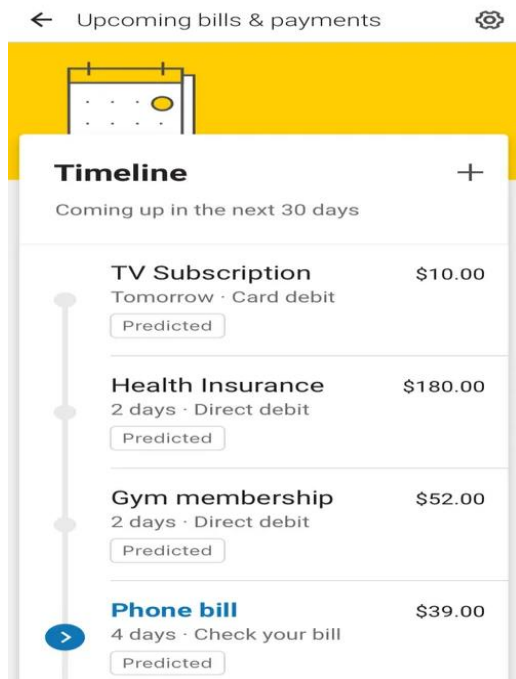
Capital One transitioned from rule-based to AI-based AML monitoring, leveraging machine learning models to identify suspicious activities more effectively, increasing detection productivity by up to 45%, with over 60% of banks using AI for regulatory compliance and reducing false positives.

Fraud Detection and Prevention

Capital One utilises AI to develop real-time fraud detection models that analyse customer data and transactions to identify and prevent fraudulent activities, significantly reducing false positives by up to 50% and achieving a 4% reduction in loan default rates.

In summary, Capital One utilises AI to enhance customer experiences, prevent fraud, and improve operational efficiency, positioning itself as a leader in the deployment of AI within the financial sector.

CBA offers insights for smarter banking experience



Commonwealth Bank of Australia (CBA) has been actively exploring the potential of AI to enhance its digital banking services and improve customer experience. Here are some notable AI deployments and use cases:

BILL SENSE: Predictive Payment Management

CBA's BILL SENSE is a predictive tool using machine learning to help customers manage regular payments. With over 85% accuracy, it analyses past transactions to forecast future bills, aiding budgeting and reducing financial stress. This AI-driven feature offers personalized insights and automated notifications, enhancing financial control and customer experience.

Scam & Abusive Behaviour Detection: Ensuring Security

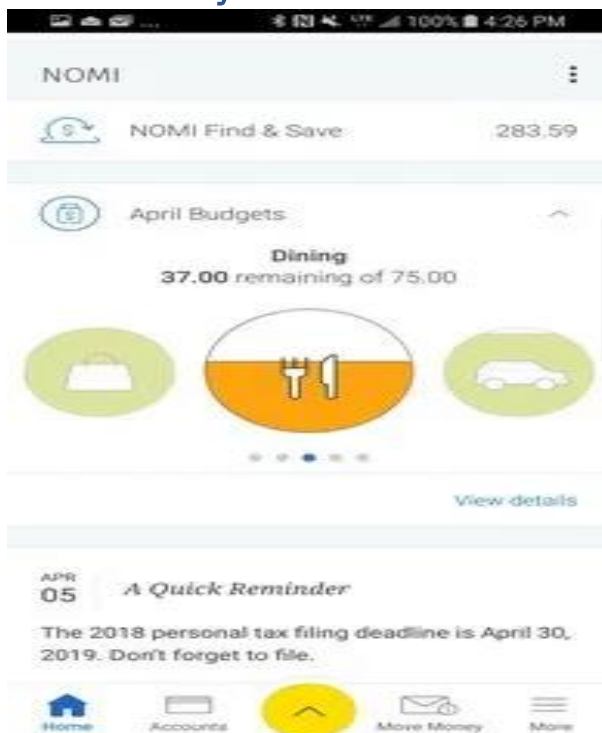
CBA employs AI to detect and prevent scams through Name Check and Caller-Check, verifying customer identities and preventing fraud. AI also identifies abusive behaviour in transaction descriptions, blocking over 300,000 transactions and addressing technology-facilitated abuse. Measures include de-linking accounts, setting up safe accounts, and referring victims to support organizations, ensuring a safer banking experience.

CBA's AI-Driven Customer Service Innovations: Boosting Engagement

CBA's AI initiatives improve customer engagement and operational efficiency. The Customer Engagement Engine offers relevant product recommendations, while the AI-powered "Benefits Finder" has helped customers access over \$1 billion in grants and rebates. Machine learning tailors marketing to individual preferences, and the "Smart Weather" model supports customers before major weather events. AI automation has increased software engineer efficiency by 30%, allowing focus on impactful work.

CBA's AI applications demonstrate its commitment to enhancing customer experience, reducing costs, and improving operational efficiency through innovative technology solutions.

RBC: Enhancing Financial Insights and Trading Efficiency with AI



Royal Bank of Canada (RBC) has made significant strides in integrating advanced AI technologies to revolutionize both customer-facing and trading operations, showcasing a commitment to innovation and excellence within the financial sector.

NOMI Forecast

Developed by RBC's Borealis AI, NOMI Forecast is an AI-powered feature in RBC's

mobile banking app. It uses machine learning to analyze transaction histories and predict future cashflows and account balances, providing a seven-day financial outlook. With over 900,000 users, NOMI Forecast enhances mobile engagement and supports seamless financial planning.

Aiden AI Trading Platform

RBC Capital Markets' Aiden, powered by Borealis AI, is an AI-driven electronic trading platform using deep reinforcement learning. It optimizes trading operations by dynamically executing trades in real-time, with a notable VWAP algorithm that minimizes market impact. Aiden's precision and efficiency earned it The Banker's "Most Innovative Trading System" award, showcasing RBC's commitment to innovative trading solutions.

AI-Powered Insights

In collaboration with TIFIN AG, RBC Wealth Management-U.S. launched AI-Powered Insights to enhance financial advisor capabilities. This program uses AI to analyse client behaviours and generate actionable insights, improving client engagement and decision-making. By integrating AI-driven insights into advisor platforms, RBC fosters deeper client relationships and demonstrates leadership in wealth management innovation.

The Road Ahead: Embracing AI Responsibly in Banking

AI's impact on banking extends far beyond a simple facelift. It's a complete overhaul, transforming the industry from a reactive to a proactive institution. By leveraging AI's analytical prowess, banks can anticipate customer needs, personalize financial products, and mitigate risks before they arise. This translates to a future where banking seamlessly integrates into our lives, offering real-time financial guidance and automated tools for budgeting, saving, and investing. However, alongside the undeniable benefits, ethical considerations and potential drawbacks demand attention. Ensuring transparency in AI decision-making, mitigating bias in algorithms, and protecting user privacy remain crucial aspects to address. As AI continues to redefine banking, collaboration between financial institutions, technology providers, and regulators will be essential to foster a future where AI empowers both institutions and customers.

In essence, AI is not just changing the way banks operate; it's redefining the very relationship between finance and our daily lives. By embracing AI responsibly, the banking sector has the potential to become a silent guardian, working behind the scenes to safeguard our financial well-being and fuel economic growth.

