

SWISS AI SUMMIT 2024

Roundtable: *AI – Thoughts within the financial sector*

Report

At the first SWISS AI SUMMIT on November 14, 2024, SFTI organized a roundtable on the topic "About AI – Thoughts within the financial sector".

The goal of the event was to create an informal platform for open, cross-industry exchange among banks, insurance companies, and consulting firms where current topics could be identified, and best practices discussed generally. Insights were shared on current trends, successful use cases, and general approaches that should help to leverage Artificial Intelligence (AI) meaningfully and safely. The focus was also, but not exclusively, on use cases in the area of generative AI. Finally, opinions regarding potential AI regulation in Switzerland were expressed, and the State Secretariat for International Finance (SIF) offered their perspective.



The following insights emerged from the discussions:

The Human Edge

The representatives of the participating companies are striving to comprehensively prepare their employees for the integration of AI

into their daily work. But simply providing the technology is far from sufficient. Employers should convey to their employees an understanding of the new technology, its opportunities, and associated risks through a knowledge transfer, to ensure meaningful, efficient, and safe application. The discussion revealed that many companies in the financial sector are already providing their employees with AI-related learning programs and training, encouraging them to engage creatively and critically with AI. Employees should within a given framework incorporate their acquired knowledge in the field of AI into their daily work (e.g., through efficient interaction with AI or ideas for use cases) and thus create added value for the company and themselves. Ultimately, it is in the interest of both employers and employees to automate repetitive tasks, reduce error rates, and use the additional time for more complex tasks.

Use Cases

Numerous use cases emerged from the discussion round, illustrating how AI can be successfully applied in the financial industry today. Here is a selection:

A frequently mentioned use case that some participants would not want to miss is the easy-to-use AI-based querying of in-house knowledge databases (so-called knowledge management). Today, information that used to be tediously searched in shared folders or SharePoint can be accessed within seconds via the company's in-house chatbot. This is a highly practical use case that offers enormous gains in efficiency. However, companies see the challenge in sensitizing employees to detect possible misinformation. Considering highly convincing outputs laced with company-specific information, appropriate

sensitization and understanding of AI's functionality are even more important.

In customer service, some companies increasingly rely on AI for customer identification, in addition to widespread chatbots. Instead of time-consuming security questions, an individual voiceprint is created within seconds. With over 500 features such as frequency and sentence rhythm, authentication takes place within a few seconds. The extra time is directed towards more intensive consultations, allowing customer concerns to be addressed faster and more comprehensively. This procedure combines efficiency, security, and customer proximity for companies, including banks.

The current state of AI integration in the financial sector shows that also in the insurance industry, manual processes, and correspondingly unstructured data, for example in connection with the recording of claims notifications, can still be encountered. Here, the use of AI can offer significant relief. The benefit is evident: With the ability to automate manual processes, companies can not only increase their efficiency but also improve the accuracy and reliability of their data processing.

Interdisciplinary Exchange

Currently, particularly in the consulting of banks, it can be observed that AI applications are primarily used to digitize existing processes. As a result, existing processes are being rigidly automated rather than fully reimagined. A rethink is required within companies to fully exploit the potential of AI. The strategic preparation of internal organization and processes for the integration of AI requires a deep understanding of core processes. This understanding must encompass all areas involved in the process as well as the technology itself (with its potentials and limitations). The interdisciplinary exchange necessary for this often proves to be a significant hurdle on the path to transformation.

The discussion yielded the following general insights regarding successful interdisciplinary collaboration on AI projects within companies:

(1) Sticking together: From management to employees, all company levels and departments should be involved early in AI projects to foster acceptance and understanding;

(2) Purposeful responsibilities: The roles and functions responsible for AI projects must have the necessary interdisciplinary skills and experience; and

(3) Keeping one's ears open: A project idea can be initiated by unexpected situations or departments. It is important to communicate that ideas or needs are always welcome and to specify who acts as their point of contact.



Regulation

Regarding the regulation of AI, company representatives agree that targeted, sector-specific, and outcome-oriented regulation would align best with the interests of the Swiss economy both short-term and long-term. There is also consensus among the participating representatives that adopting restrictive European standards according to the AI Regulation would not benefit the Swiss financial center in any way. Moreover, current legal provisions already largely cover processes involving AI technology due to their technology neutrality and principle-based approach.

The analysis by the Federal Department of the Environment, Transport, Energy, and Communications (DETEC) to the Federal Council, along with specific clarifications regarding the financial sector and a potential

regulatory approach to AI in Switzerland, is awaited with great interest.

The speed at which progress is being made in the AI sector presents increasing challenges not only for companies but also for regulators. A regulatory approach that is not technology-neutral could become obsolete in a short time due to technological breakthroughs, which is why the legislator is currently deeply engaged with the latest developments related to AI.

Governance

The implementation and use of AI presents not only a multitude of opportunities but also requires additional technical and organizational measures, for example, in the auditing and monitoring of AI-based services that are provided in collaboration with service providers or wholly sourced from service providers. This includes, for instance, clarifying, documenting, and integrating into one's governance the exact functionality of the AI models or systems used, their data basis, and various cybersecurity aspects for comprehensive oversight.

In addition to strategic decisions, the successful operationalization of AI also requires clear governance. Companies should therefore ensure that they have the necessary skills, resources, and processes. These include regular audits (especially regarding traceability and biases), sufficient documentation and continuous training for employees to keep up to date with the latest technology and regulatory requirements.



A Glimpse into the Future

The ongoing advances and versatile applications of AI will continuously transform the financial sector, forcing companies to develop strategies for integrating and utilizing the technology. Both employees and customers must be central to the transformation process to ensure that the implementation of AI meets actual goals and expectations. Furthermore, an innovative and creative approach to AI applications is recommended to ensure long-term success and competitiveness, with companies needing to be ready to explore new paths and go beyond traditional process optimizations.

Moderation: Cornelia Stengel

Report: Jonas Tresch