



BIS Innovation
Hub



Monetary Authority of Singapore

GenAI in Action: Transforming Data Use in SupTech

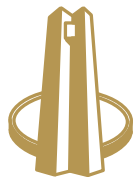
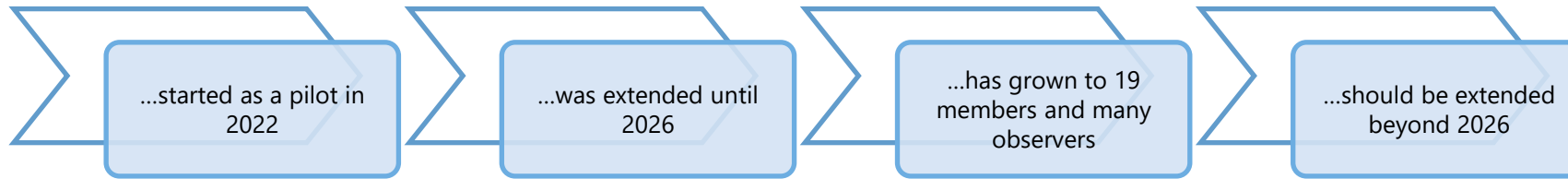
Dr Patrick Hoffmann, Maha El Dimachki, Kenneth Gay, Sivasubramanian Ramanathan, Harry Lee
February 2025

EDKP CC: Innovation through collaboration

- Supervisory activities heavily rely on data, but this data is often template-based and outdated.
- Therefore, central banks and regulatory authorities are increasingly turning to **Generative Artificial Intelligence (GenAI)** to address these challenges.
- The EDKP Collaboration Community, facilitated by the **BISIH Singapore Centre** and the **Monetary Authority of Singapore**, offers a unique way to jointly experiment with new technologies, for instance through knowledge-sharing and pooling of expertise.



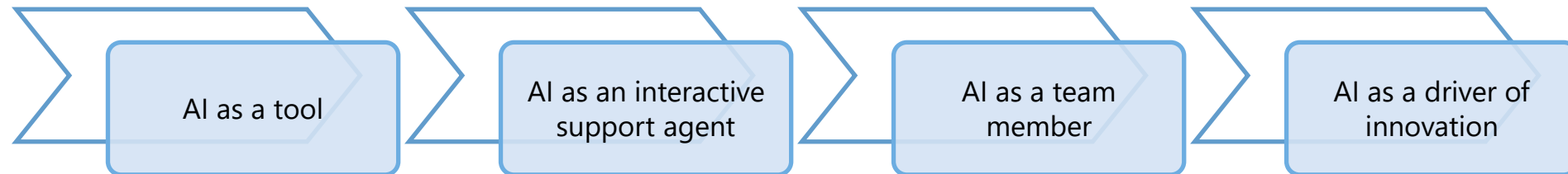
Introducing the EKPD Collaboration Community



Currently, most central banks use AI...

- ... as an innovation tool, or
- ... as an interactive support agent.

The role of AI in central banking will develop over time with increasing capabilities of AI.



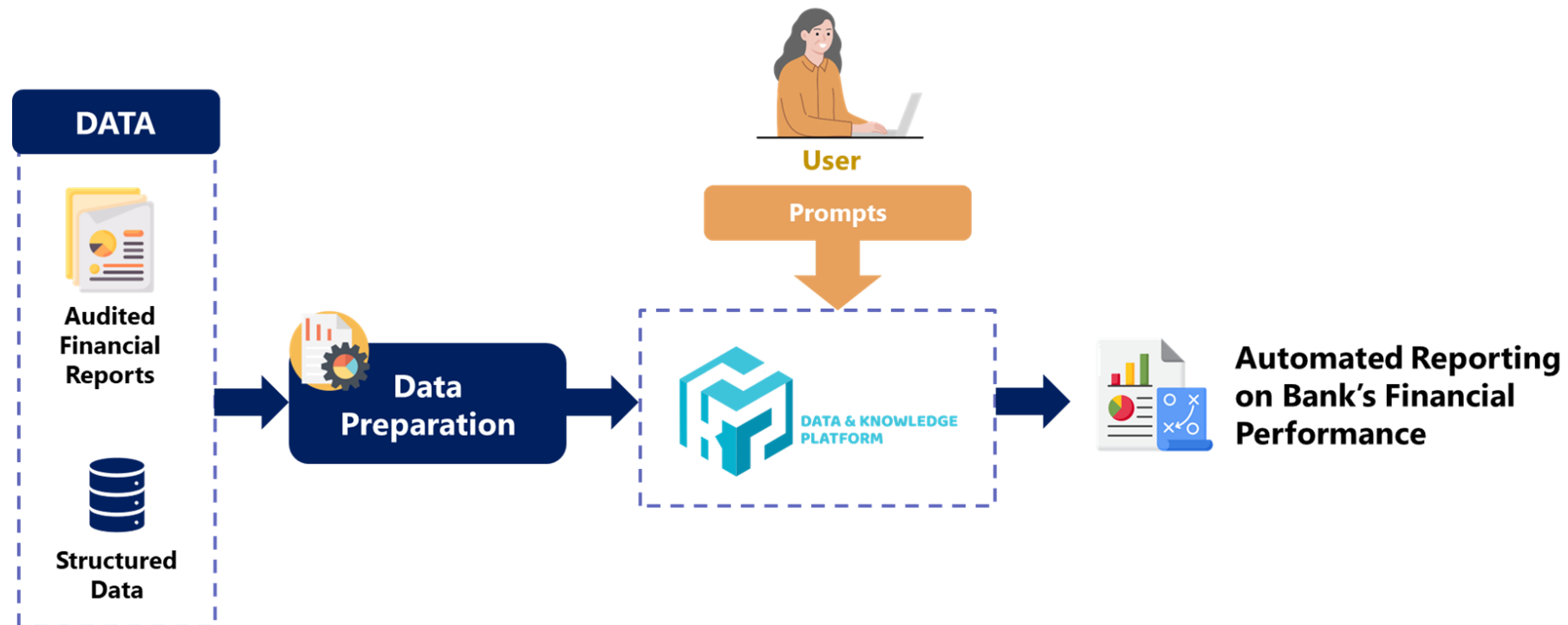
In June 2024, the EDKP CC met for a hackathon in Singapore...

- ... Round about 50 people participated in cross-institutional teams to work on six use cases, four of them on GenAI.



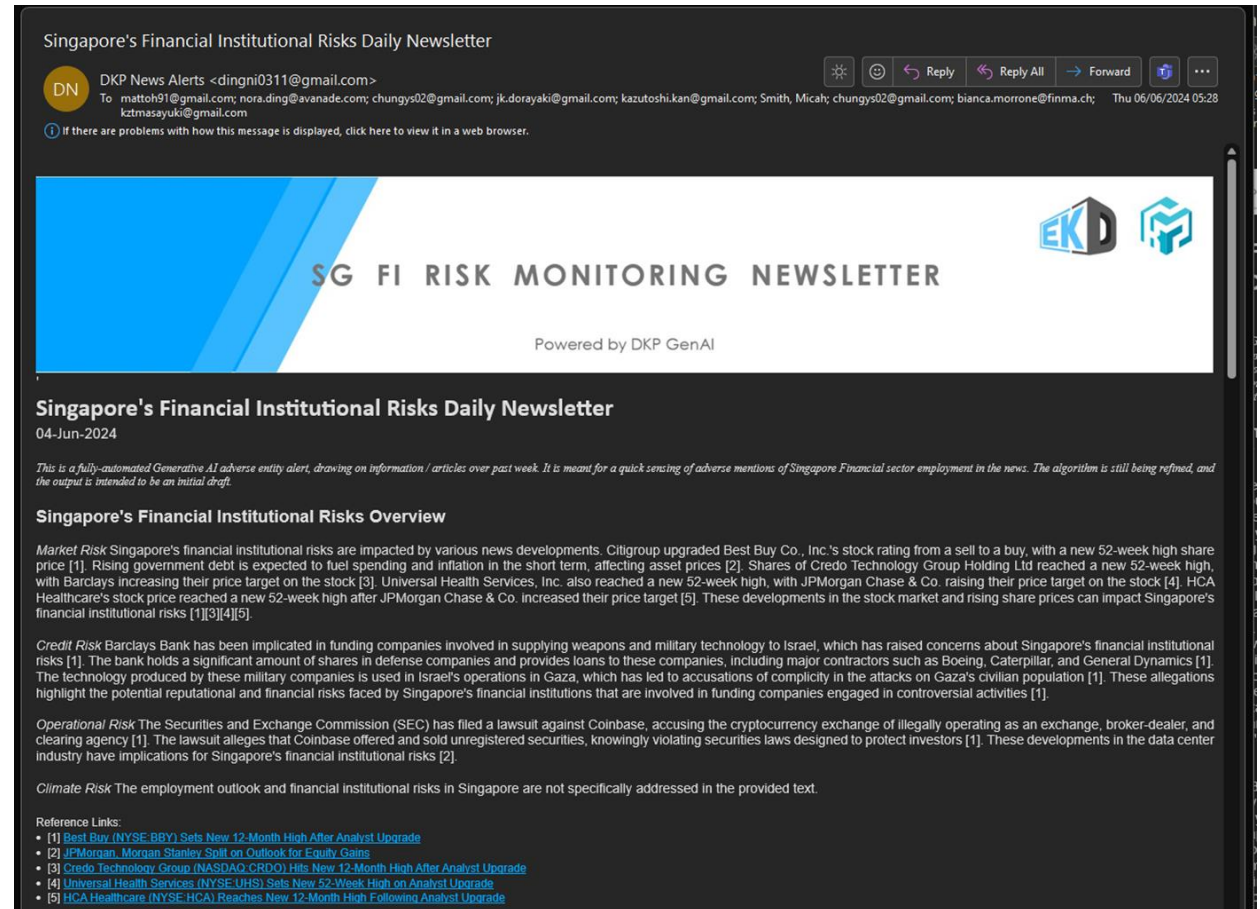
EDKP CC Hackathon - GenAI use case 1

- **AI-Powered Regulatory Insight:** Team 1 explored the application of GenAI in summarizing and analyzing regulatory reports and disclosures. The team aimed to develop a system capable of extracting insights regarding a bank's financial condition and generating automated reports that summarize financial statement assessments.



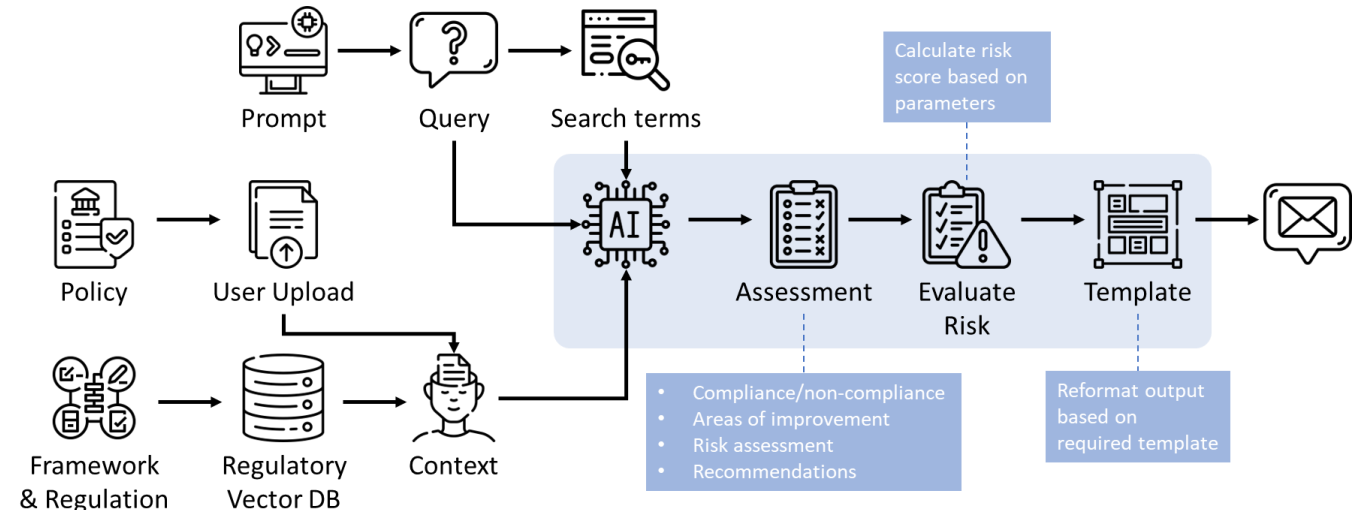
EDKP CC Hackathon - GenAI use case 2

- **AI-Driven Financial Newsletters:**
Team 2 investigated the potential of GenAI in scanning information feed for information of interest. The team focused on developing a system that automatically generates and distributes newsletters containing only articles that covered topics of interests (e.g. credit risks), thereby reducing manual effort and mitigating information overload for recipients.



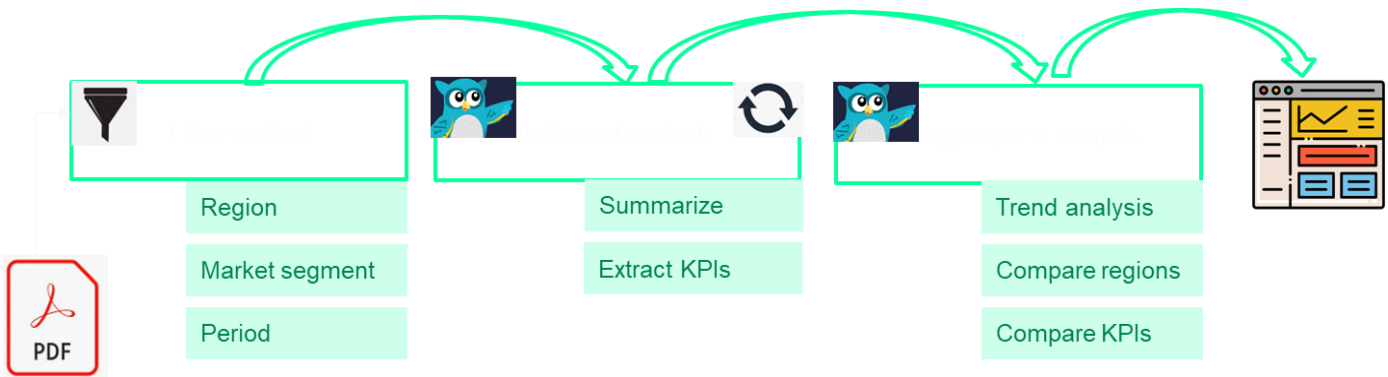
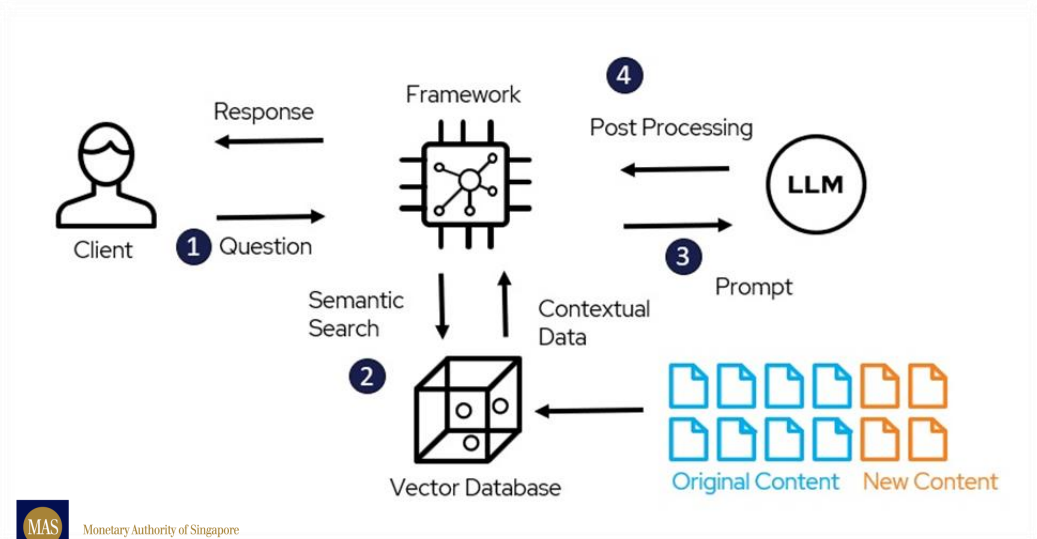
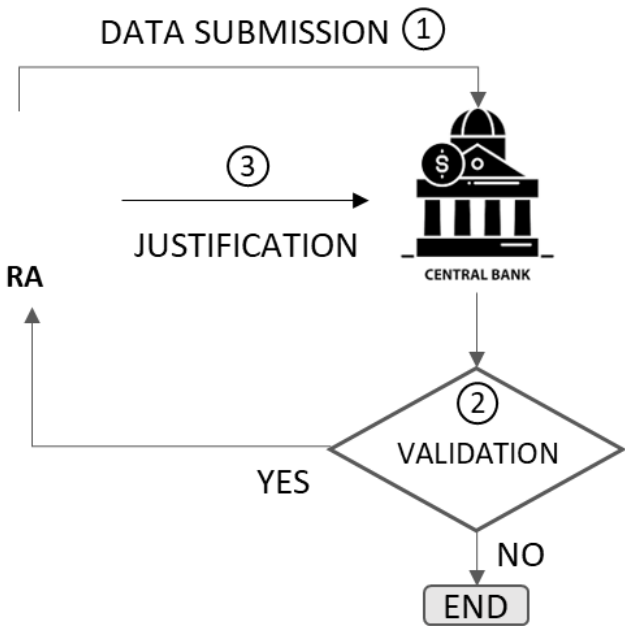
EDKP CC Hackathon - GenAI use case 3

- **Navigating Supervisory Frameworks with AI:** Team 3 developed the "Artificial Intelligence Hybrid Analysis Supervision" (AIHAS) system. This system functions as an intelligent assistant for bank supervisors, leveraging supervisory and regulatory data to provide rapid responses to queries and generate comprehensive assessments. AIHAS also aims to automate the evaluation of bank documents for compliance with relevant policies and regulations, identifying potential risks associated with banking operations, and enhancing productivity by automating repetitive tasks.



EDKP CC Hackathon - GenAI use case 4

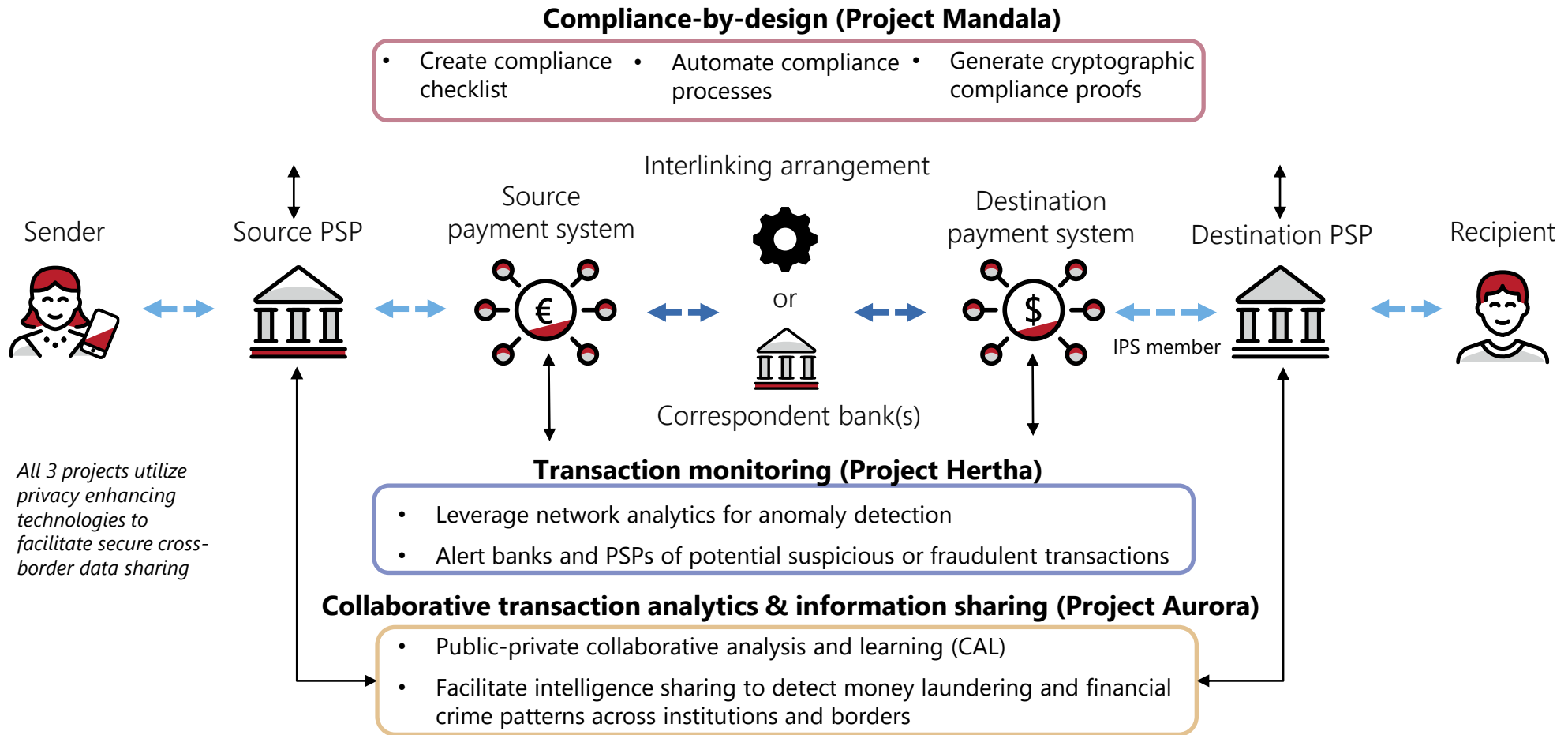
- **Enhancing Supervisory Reporting:** Team 4 focused on several aspects of supervisory reporting, including the development of systems for question answering, retrieval and summarization of official documents, and automation and scaling of text similarity assessments in regulatory reporting to streamline compliance analysis. Additionally, the team explored the application of AI in conducting market analysis of commercial real estate reports.



EDKP CC Hackathon - Lessons learned

- **A common theme emerges from these diverse use cases:** the need to efficiently and accurately extract meaningful insights from large volumes of data.
- Whether it is analyzing financial reports, identifying information of interest, or automating compliance checks, the ability to process and understand data is paramount in financial supervision.
- The participating institutions, representing a global cross-section of regulatory bodies, are increasingly looking towards GenAI as a potential solution to this challenge.
- GenAI, with its capacity to analyze unstructured data, and generate human-like text, holds promise for automating tasks, improving decision-making, and ultimately enhancing the effectiveness of financial supervision.

The path forward: Potential and challenges for GenAI in SupTech – Combating financial crime



The path forward: Potential and challenges for GenAI in SupTech – Analyzing and visualizing climate risk



- Supervisors face challenges accessing and analyzing unstructured, underutilized environmental data impacting financial institutions.
- **How AI Helps:**
 - Processes unstructured environmental data at scale
 - Identifies patterns and correlations in complex datasets
 - Generates initial risk assessments and automated reports
 - Provides actionable insights as a foundation for deeper analysis
- **BISIH's Goal:**

Develop a Digital Twin MVP that leverages AI to enable supervisors to interactively assess physical climate risks using the most up-to-date data, enhancing decision-making.



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Thank you very much for your attention.
Any questions?

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