



community banking in the age of AI

**Michigan Bankers Association
Perry Schools of Banking**
Thursday, May 9, 2024

agenda

what is AI & GenAI?

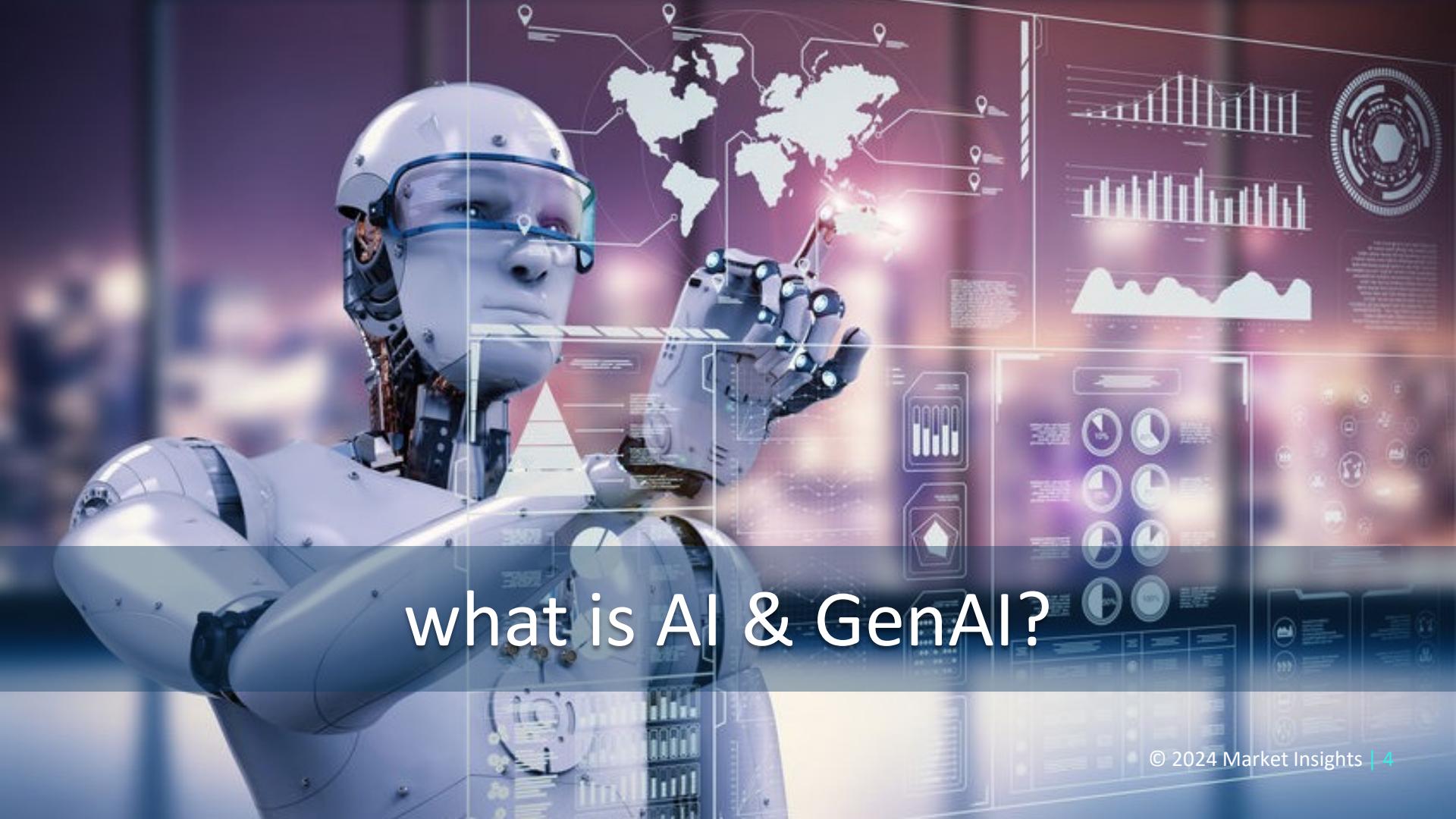
key use cases in banking

challenges and considerations

future trends & opportunities

what's next?





what is AI & GenAI?

The evolution of artificial intelligence

Artificial intelligence

The science and engineering of making intelligent machines

AI is the broad field of developing machines that can replicate human behavior, including tasks related to perceiving, reasoning, learning, and problem-solving.

Machine learning

A major breakthrough in achieving AI

Machine learning algorithms detect patterns in large data sets and learn to make predictions by processing data, rather than by receiving explicit programming instructions.

Deep learning

An advanced branch of machine learning

Deep learning uses neural networks, inspired by the ways neurons interact in the human brain, to ingest data and process it through multiple iterations that learn increasingly complex features of the data and make increasingly sophisticated predictions.

Generative AI

An advanced branch of deep learning

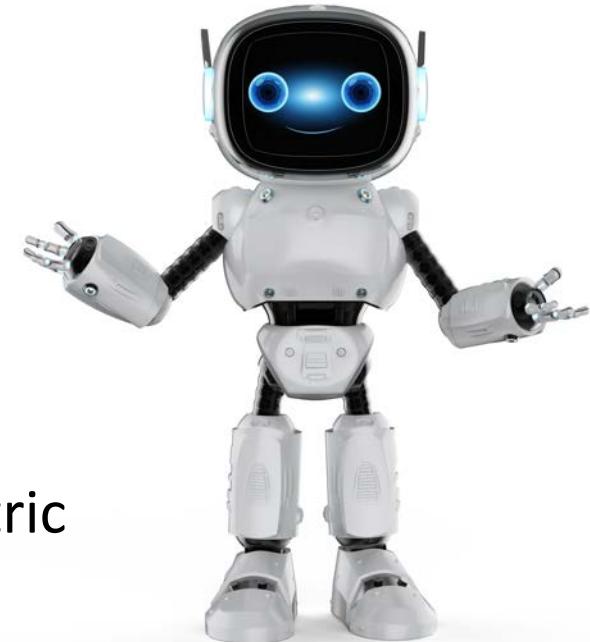
Generative AI is a branch of deep learning that uses exceptionally large neural networks called large language models (with hundreds of billions of neurons) that can learn especially abstract patterns. Language models applied to interpret and create text, video, images, and data are known as generative AI.



benefits of AI & GenAI

community banks use these technologies to be:

- more efficient
- more compliant
- more safe/secure
- more competitive
- more profitable
- more customer-centric





BAC

Community Bank

key use cases in banking

primary use cases

- customer onboarding
- customer support
- financial advice
- marketing and sales
- risk & compliance
- talent acquisition & retention
- portfolio optimization



Microsoft Copilot



A scenic view of the Stanford University campus. On the left, the Hoover Tower stands tall with its distinctive red dome and light-colored stone base. To the right, the Old Main building is visible, featuring a red-tiled roof, arched windows, and two white statues on its facade. The foreground is a green lawn with a few people walking and a bicycle. The sky is a clear, light blue with some wispy clouds.

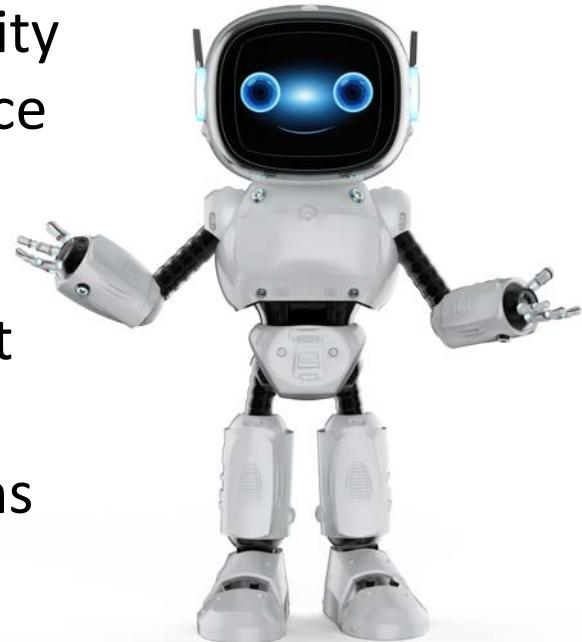
challenges & considerations



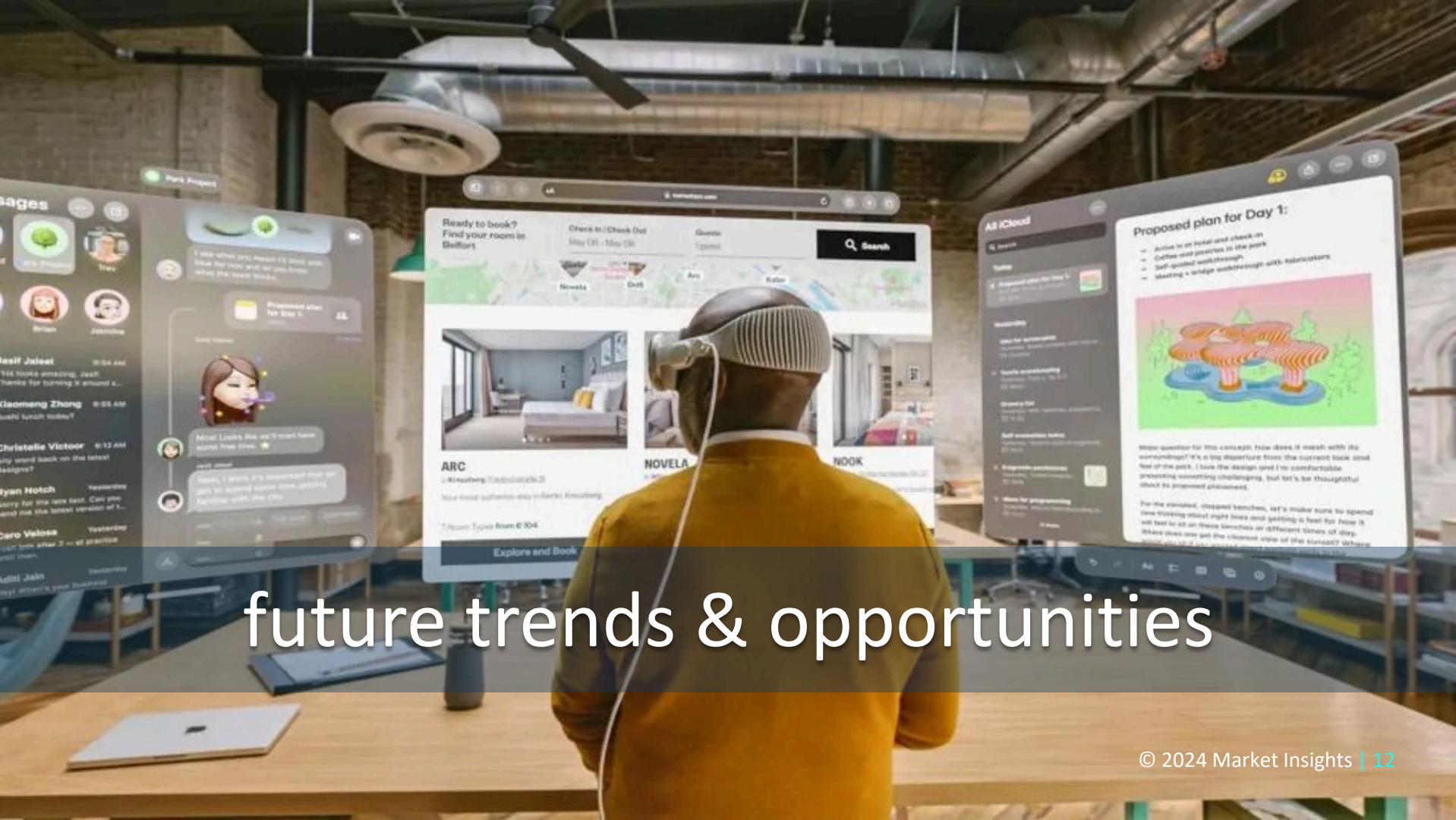
challenges & considerations

primary challenges

- data privacy & security
- regulatory compliance
- bias & fairness
- adoption & change management
- talent shortage
- ethical considerations

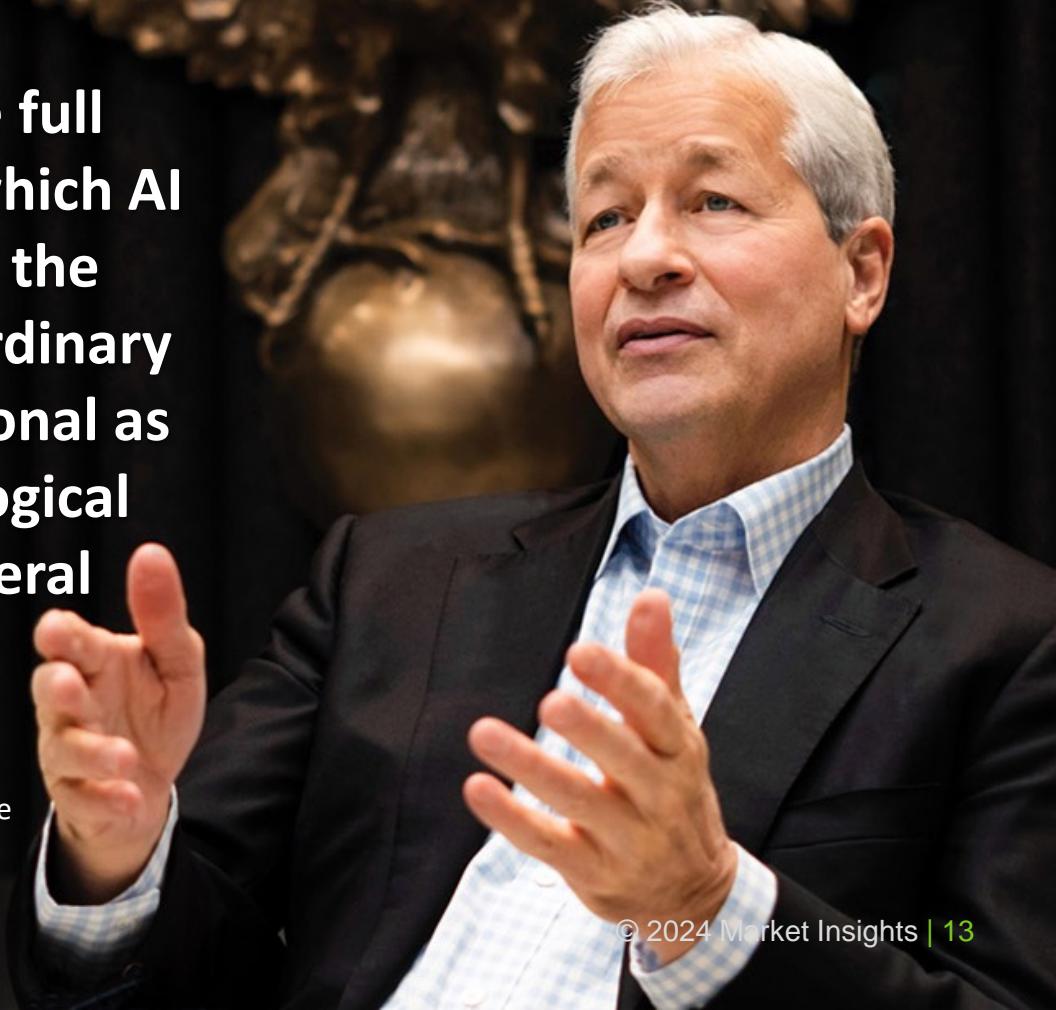


future trends & opportunities



While we do not know the full effect or the precise rate at which AI will change our business... the consequences will be extraordinary and possibly as transformational as some of the major technological inventions of the past several hundred years.

Jamie Dimon, Chairman & CEO, JPMorgan Chase
Letter to Shareholders (April 2024)



1

identify & prioritize the need

Define the internal and external facing problems that can be solved with AI and plan your approach.



strengthen core technology

Deploying AI capabilities requires a scalable, resilient, and adaptable set of core-technology components.



3

adjust your culture

Cultivate an AI-ready workforce through the training, communication and development of specific skills.

a final thought...

**The wave of innovation
that is coming is
so intense and so potent
and so pervasive,
it will literally reshape our
human existence.**

Amy Webb, CEO, Future Today Institute
at SXSW 2024 (March 2024)



chatgpt 4



perplexity.ai



pi.ai



read.ai



marketinsights

DEDICATED TO HELPING YOU GROW®



thank you

jim perry, senior strategist

✉ jperry@formarketinsights.com

📞 312.622.5657

𝕏 [@mi_jim](https://twitter.com/mi_jim)

LinkedIn linkedin.com/in/jasperry/