# **ESTABLISHING GOVERNANCE IN AI**Al in Finance Summit



**Deb Lindway**PNC Financial Services
EVP Enterprise Tech & Security
Intelligent Automation Center of Excellence

April 19, 2024

- AI & Intelligent Automation at PNC
- Traditional AI Governance
- GenAl Governance
- Industry Alignment & Influence
- Key Learnings
- Ongoing Areas of Focus

# © PNCBANK BRILLIANTLY BORING SINCE 1865

- AI & Intelligent Automation at PNC
- Traditional AI Governance
- GenAl Governance
- Industry Alignment & Influence
- Key Learnings
- Ongoing Areas of Focus



# AI & Intelligent Automation at PNC



We source, strategize, and plan Intelligent AI and automation projects across our various businesses through two key groups:

#### AI / IA CENTER OF EXCELLENCE



- Strategy & prioritization
- E2E assessments
- Enterprise Standards
- Portfolio management
- Business case realization

#### **LOB & AI CHAMPIONS**

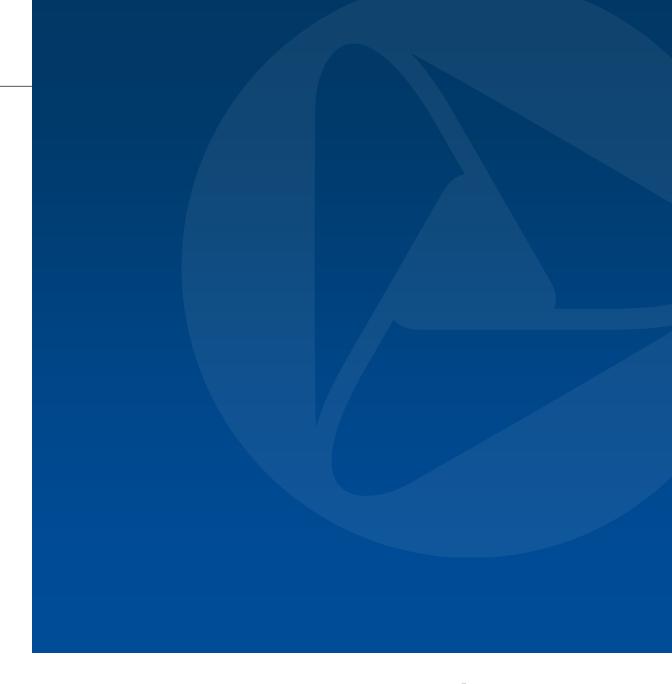


- Design & Deploy Al Solutions
- Technology Change Management



Ultimately, we prioritize use cases of AI technology based on sizable return on investment, minimal risk, and customers' best interests

- Al & Intelligent Automation at PNC
- Traditional AI Governance
- GenAl Governance
- Industry Alignment & Influence
- Key Learnings
- Ongoing Areas of Focus



#### **Traditional AI Governance**

PNC successfully implements these use cases and achieves impact through **robust governance practices**:



Enterprise Portfolio Management for all AI initiatives

Enterprise Tech Standards for Al Platforms

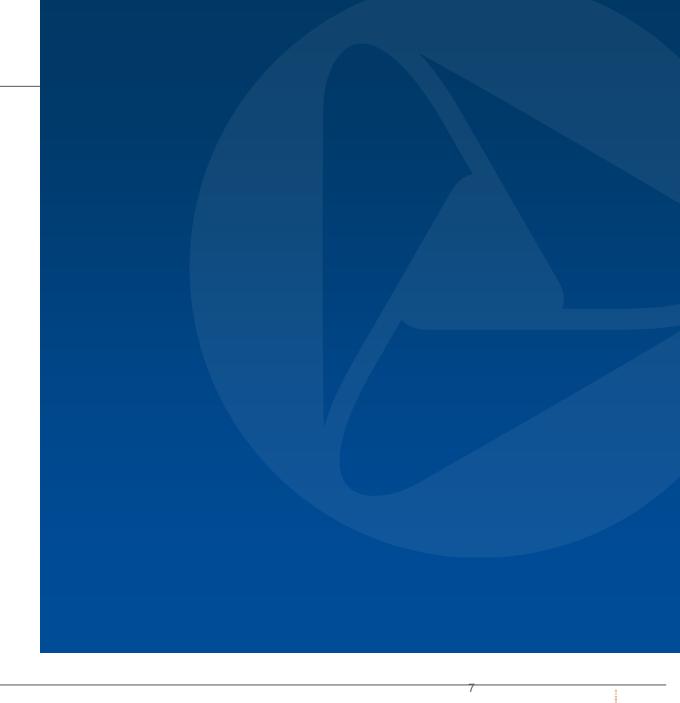
Top Down – E2E Business Process Opportunity

Communication & Awareness – "Shiny Object Syndrome"

Management Cadence – Exec Committee, Board, Regulators



- AI & Intelligent Automation at PNC
- Traditional AI Governance
- GenAl Governance
- Industry Alignment & Influence
- Key Learnings
- Ongoing Areas of Focus



#### **GenAl Governance**

Cutting-edge GenAI tech is currently being implemented with additional validation required to **account for new risks**:



Cross discipline partnership with risk domains



GenAl Use Cases

- Whole of the Bank Approach
- High value & low risk
- Intake Process



Data Quality & Sourcing

Nutrition Label

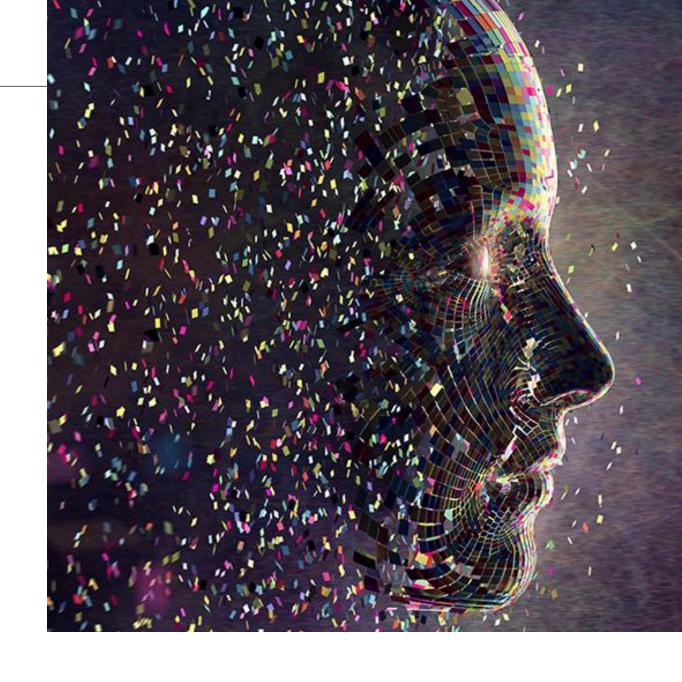


**Experimentation Path** 

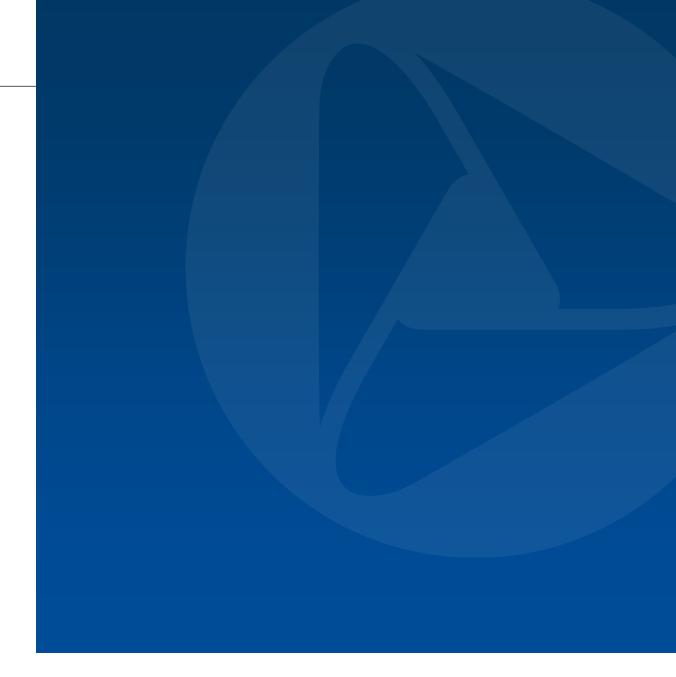
Emerging solutions with use applicability



Executive Management approval for new use cases



- AI & Intelligent Automation at PNC
- Traditional AI Governance
- GenAl Governance
- Industry Alignment & Influence
- Key Learnings
- Ongoing Areas of Focus



#### **Industry Alignment & Influence**



The bank is vigilant in working closely with regulators and other industry partners to stay in-step with the pursuit of AI in Financial Services and employ new tech in **PNC in innovative and secure ways** 



#### **GOVERNMENT**

- US Treasury Al Whitepaper March 2024
  - 42 In Depth Interviews
  - Best Practices
    - Al Risk Management Within Existing Enterprise Risk Management Programs
    - Integrating Risk Management Functions for AI
    - Asking the Right Questions of Vendors
    - Mapping Data Supply Chain Nutrition Labels
    - Picking the Right Took for the Job & Risk Tolerance



#### **INDUSTRY PARTNERS**

- Seek consortiums and partnerships to share info and assess progress to industry benchmarks
  - ABA American Banker Association
  - BPI Bank Policy Institute
  - Evident Al
  - FSSCC\*

- AI & Intelligent Automation at PNC
- Traditional AI Governance
- GenAl Governance
- Industry Alignment & Influence
- Key Learnings
- Ongoing Areas of Focus



# **Key Learnings**



- Focus on opportunities AND emerging threats
- Engage across all risk domains and ensure common messages reinforced

Harness the energy for GenAl and redirect to high value use cases

Establish approach on policy & framework enhancements

Strong engagement with Exec Committee, Board and Regulators

7 Tailored communication & education are critical for all employees

Stay abreast of new regulations at local and federal levels

B Do NOT underestimate linkage to data quality & sourcing

- AI & Intelligent Automation at PNC
- Traditional AI Governance
- **GenAl Governance**
- Industry Alignment & Influence
- **Key Learnings**
- **Ongoing Areas of Focus**



# **Ongoing Areas of Focus**



We continue to harness the power of AI and automation by **strengthening our capabilities and processes** for implementation:



**THIRD PARTIES** 

**Embedded AI Assessment** 



**MODEL TESTING FRAMEWORKS** 



PATH TO PRODUCTION

New GenAl Use Cases



**DATA QUALITY & MAPPING** 



**EMERGING GUIDELINES & REQUIREMENTS** 

**Local & Federal Government** 



**Al Control Mapping** 



Thank you!

Any questions?

