

ESTABLISHING GOVERNANCE IN AI

AI in Finance Summit



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EVP Enterprise Tech & Security
Intelligent Automation Center of Excellence

April 19, 2024

AGENDA

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

 PNC BANK

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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 AI Solutions
- Technology Change Management



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

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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 AI Platforms

Top Down – E2E Business Process Opportunity

Communication & Awareness – “Shiny Object Syndrome”

Management Cadence – Exec Committee, Board, Regulators



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GenAI Governance

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



Cross discipline partnership with risk domains

GenAI 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



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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 AI Whitepaper – March 2024
 - 42 In Depth Interviews
 - Best Practices
 - AI 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 Tool 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 AI
 - FSSCC*

Source – “Managing Artificial Intelligence-Specific Cybersecurity Risks in the Financial Services Sector”; US Department of the Treasury; March 2024

* FSSCC – Financial Services Sector Coordinating Council – PNC Chair (Debbie Guild)

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- 1 Focus on opportunities AND emerging threats
- 2 Harness the energy for GenAI and redirect to high value use cases
- 3 Strong engagement with Exec Committee, Board and Regulators
- 4 Stay abreast of new regulations at local and federal levels
- 5 Engage across all risk domains and ensure common messages reinforced
- 6 Establish approach on policy & framework enhancements
- 7 Tailored communication & education are critical for all employees
- 8 Do NOT underestimate linkage to data quality & sourcing

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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 GenAI Use Cases



DATA QUALITY & MAPPING



EMERGING GUIDELINES & REQUIREMENTS

Local & Federal Government



AI Control Mapping



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Thank you!

Any questions?