

**From:** [Daniel Broby](#)  
**To:** [Comments](#)  
**Subject:** [EXTERNAL MESSAGE] RIN 3064-ZA24  
**Date:** Sunday, May 30, 2021 5:43:50 AM

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Dear Sirs,

**Request for Information and Comment on Financial Institutions' Use of Artificial Intelligence, Including Machine Learning**

In response to the above RFI, I enclose a link to a white paper that the Centre for Financial Regulation and Innovation produced "Examining the Impact of Artificial Intelligence on the Evaluation of Banking Risk".

[Examining the Impact of Artificial Intelligence on the Evaluation of Banking Risk — University of Strathclyde](#)

This paper examines the relationship between Artificial Intelligence (AI) and banking risk management. The global financial crisis highlighted their importance and now banks are subject to more stringent regulation regarding their capital adequacy. Meanwhile, advances in technology are driving changes in the way banks operate. AI is at the core of this and has the potential to revolutionise financial services. It is comprised of several techniques that allow computers to mimic human behavior and analyse vast quantities of data in seconds. These techniques include machine learning, deep learning, speech recognition, natural language processing and visual recognition. We investigate the extent to which each of these techniques can be implemented in the context of financial services. In this respect, we look at credit, operational, liquidity and reputational risk, all of which can have a negative impact on the earnings of an organisation. AI has the potential to help mitigate these risks in banks and address some of the highlighted management issues. We conclude that the application of AI can add significant economic value to banking operations.

I hope that this proves helpful.

Yours faithfully,

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The Department of Accounting and Finance is ranked **"1st in the UK for Accounting and Finance"** in the Times Good University Guide and the Sunday Times Subject League Table for 2021. The department was ranked 2nd in the UK for Accounting and Finance by the Complete University Guide Subject League Table for 2021.