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AI and tools usage for Banking Risk and Productivity

Practical AI skills for risk insight, reporting confidence, and responsible decision support.

FA-0514 · one-day

AI for Leaders & Business

Introduction

Banking risk teams deal with judgment-heavy work: interpreting signals, questioning assumptions, preparing management-ready narratives, reviewing exceptions, identifying emerging threats, and supporting decisions that must remain explainable. AI can help with this work, but only when it is used with discipline. The value is not simply in getting faster answers; it is in learning how to ask better questions, challenge AI-generated responses, detect weak reasoning, and convert raw information into defensible risk insight.

This one-day course is built for Risk Department participants from both IT and business teams. It focuses on practical AI use in risk assessment, reporting and analytics, management decision support, fraud detection, and credit support, with minimal emphasis on general operations. The course also addresses the EU AI Act's risk-based approach, transparency expectations, human oversight, and the need for trustworthy AI usage in regulated environments. The EU AI Act applies to providers and deployers of AI systems, including banks using AI systems, and regulates AI through a risk-based framework.

The preferred tool environment is ChatGPT 5.0, used as an assistant for structured thinking, drafting, analysis, review, and challenge rather than as an automated decision-maker. OpenAI describes GPT-5 in ChatGPT as designed for stronger reasoning and work-related tasks, including finance-related use cases. The instructor has over 30 years of industry experience and will focus on real industry-demanded content rather than academic theory.

Learning outcomes

By the end of the course, participants will be able to:

- Use ChatGPT 5.0 effectively for banking risk-related tasks
- Apply AI safely in risk assessment, reporting, analytics, fraud detection, credit support, and management support
- Understand AI hallucinations and apply practical techniques to reduce, detect, and manage them
- Understand why AI outputs may vary even when prompts remain the same
- Improve prompt discipline for more consistent, reviewable, and defensible outputs
- Structure prompts for banking risk work using context, constraints, evidence, assumptions, and output formats
- Review AI-generated outputs for accuracy, bias, missing evidence, weak reasoning, and regulatory sensitivity
- Apply human oversight and escalation principles when using AI in regulated banking environments
- Build personal and team-level AI upskilling habits for responsible adoption

Prerequisites

- Basic understanding of banking, risk, compliance, controls, or financial services
- Familiarity with risk reports, management packs, policies, or review workflows
- Basic computer literacy
- No programming background required
- Prior exposure to ChatGPT or similar tools is helpful but not required

Training outline

1. AI in Banking Risk: Practical Foundations

1. AI, generative AI, and large language models
2. ChatGPT 5.0 as a risk productivity assistant
3. Suitable AI use cases in banking risk
4. Unsuitable AI use cases in regulated banking
5. Human judgment and accountability

    AI limitations in banking risk work

    1. Hallucinated information
    2. Inconsistent outputs

3. False confidence
4. Weak assumptions
5. Bias and fairness concerns
6. Confidentiality risks
7. Lack of explainability

2. EU AI Act and Responsible AI for Banking Risk

EU AI Act risk-based structure

1. Unacceptable-risk AI
2. High-risk AI
3. Limited-risk AI
4. Minimal-risk AI

2. AI literacy expectations
3. Transparency requirements
4. Human oversight requirements
5. High-risk AI considerations for financial services
6. Creditworthiness and credit support considerations
7. Fraud detection and monitoring considerations
8. Documentation and audit trail expectations
9. Data governance and confidentiality expectations
10. Third-party AI and vendor risk considerations
11. Responsible AI boundaries for business and IT teams

3. Understanding and Managing AI Hallucinations

1. What AI hallucinations are
2. Why hallucinations happen

   Common hallucination patterns in banking risk work

   1. Fabricated facts
   2. Unsupported conclusions
   3. Invented regulations
   4. Misread source material
   5. Overconfident recommendations
   6. Missing caveats

4. Hallucination risk in risk reports

5. Hallucination risk in fraud narratives
6. Hallucination risk in credit support
7. Hallucination risk in management decision papers

    Techniques to reduce hallucinations

    1. Source-grounded prompting
    2. Evidence-first prompting
    3. Assumption-limiting prompts
    4. “Do not guess” instructions
    5. Citation and reference checks
    6. Fact-verification prompts
    7. Challenge prompts
    8. Confidence-level prompts
9. Human review checkpoints
10. Escalation rules for uncertain AI outputs
11. AI output acceptance and rejection criteria

4. Managing AI Output Variability

1. Why AI responses can differ for the same input
2. Probabilistic output behaviour
3. Model updates and version changes
4. Prompt sensitivity
5. Context window effects
6. Ambiguous instruction handling
7. Output variability as a risk concern

    Consistency controls for banking teams

    1. Standardised prompt templates
    2. Controlled input formats
    3. Required output structures
    4. Fixed review criteria
    5. Repeat-run comparison
    6. Version and date logging
    7. Source material attachment
    8. Peer review routines

    Upskilling for AI variability

    1. Prompt testing discipline

2. Output comparison skills
3. Error pattern recognition
4. AI challenge techniques
5. Scenario-based practice
6. Team prompt libraries
7. Review checklists
8. Continuous improvement routines

5. Prompting Mastery for Banking Risk Teams

Core prompt structure

1. Role
2. Task
3. Context
4. Source material
5. Constraints
6. Assumptions
7. Risk lens
8. Output format
9. Review criteria

Banking-safe prompting principles

1. Confidentiality boundaries
2. No unsupported facts
3. No automated decision-making
4. Clear human accountability
5. Evidence-based conclusions
6. Conservative wording
7. Escalation triggers

Prompting for risk assessment

1. Risk identification prompts
2. Control gap prompts
3. Risk event summary prompts
4. Scenario analysis prompts
5. Risk register improvement prompts
6. KRI interpretation prompts

Prompting for reporting and analytics

1. Executive summary prompts
2. Trend commentary prompts
3. Variance explanation prompts
4. Dashboard narrative prompts
5. Committee paper prompts
6. Plain-language rewriting prompts

Prompting for management decision support

1. Decision memo prompts
2. Options analysis prompts
3. Pros and cons prompts
4. Risk impact prompts
5. Stakeholder question prompts
6. Challenge and review prompts

Prompting for fraud detection support

1. Fraud typology prompts
2. Alert narrative prompts
3. Suspicious pattern prompts
4. Investigation question prompts
5. False-positive review prompts
6. Fraud control weakness prompts

Prompting for credit support

1. Credit file summary prompts
2. Borrower risk profile prompts
3. Covenant tracking prompts
4. Early warning signal prompts
5. Credit memo review prompts
6. Exception justification prompts

Advanced prompt techniques

1. Step-by-step reasoning prompts
2. Assumption testing prompts
3. Red-team prompts
4. Second-opinion prompts
5. Output grading prompts
6. Comparison prompts
7. Rewrite-with-constraints prompts
8. Source reconciliation prompts

9. Missing-information prompts
10. Final-review prompts

6. AI for Risk Assessment

1. Risk identification support
2. Risk event summarisation
3. Control gap analysis
4. Risk and control self-assessment support
5. Scenario analysis support
6. Key risk indicator interpretation
7. Policy and procedure review support
8. Emerging risk scanning
9. Risk register enhancement
10. Control effectiveness narrative review

7. AI for Reporting and Analytics

1. Risk report drafting support
2. Executive summary preparation
3. Board and committee paper support
4. Trend commentary development
5. Exception reporting support
6. Dashboard narrative support
7. Variance explanation support
8. Management pack refinement
9. Report consistency checking
10. Senior stakeholder communication

8. AI for Management and Decision Support

1. Decision memo structuring
2. Options analysis support
3. Risk impact analysis
4. Stakeholder question preparation
5. Meeting briefing preparation
6. Management response drafting

7. Escalation note preparation
8. Challenge and review support
9. Decision traceability considerations

9. AI for Fraud Detection Support

1. Fraud typology review
2. Suspicious pattern explanation
3. Alert narrative enhancement
4. Case summary drafting
5. Investigation question preparation
6. Control weakness identification
7. Fraud risk indicator refinement
8. False-positive review support
9. Human review and escalation boundaries

10. AI for Credit Support

1. Credit file review support
2. Borrower profile summarisation
3. Financial narrative drafting
4. Covenant and condition tracking support
5. Credit risk factor identification
6. Early warning signal interpretation
7. Credit memo enhancement
8. Credit policy comparison support
9. Exception justification review
10. Non-decision-making AI usage boundaries

11. AI Output Review and Quality Control

1. Accuracy checking
2. Source verification
3. Assumption testing
4. Bias and fairness review
5. Regulatory sensitivity review
6. Confidentiality review

7. Explainability review
8. Consistency review
9. Auditability review
10. Human approval checkpoints
11. Final sign-off discipline

12. Practical Banking Risk Prompt Library

1. Risk assessment prompts
2. Hallucination control prompts
3. Output validation prompts
4. Reporting prompts
5. Analytics commentary prompts
6. Management briefing prompts
7. Fraud support prompts
8. Credit support prompts
9. Compliance review prompts
10. Challenge and red-team prompts
11. Executive communication prompts
12. Prompt reuse and version control

13. Responsible Adoption for Risk Teams

1. Safe use guidelines
2. Approved and unapproved AI usage
3. Business and IT collaboration
4. AI usage documentation
5. Internal policy alignment
6. Review and escalation workflows
7. Team upskilling practices
8. Maintaining professional accountability
9. Building AI confidence without overreliance

Disclaimer

This training outline is provided as a structured guideline for planning and discussion purposes. The trainer may amend, reorder, expand, reduce, or otherwise modify the content, emphasis, activities, tools, and delivery approach at his professional discretion, without prior notice, to reflect participant needs, organisational requirements, regulatory developments, tool availability, and the practical suitability of the training environment.

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