

## **Event summary and report of supervisors and regulators**

**Title of the workshop:** AI, Market Risk and Robo Advisory (10-11.02.2020)

### **Regulator/Supervisor**

#### **The main topics and their comprehensibility**

- 1) Financial Risk Meter (FRM)
- 2) eXplainable AI (XAI) in Regulated Financial Services
- 3) Introduction to Deep Learning
- 4) Network analysis
- 5) Use Case: Network Models to Enhance Automated Portfolio Management

#### **The main results and their significance for your institution**

- 1) An innovative risk management tool Financial Risk Meter (FRM) was presented.
- 2) explainable AI models provide details or reasons to make the functioning of AI clear or easier to understand, thus they are potentially suitable in regulated financial services.
- 3) Detailed introduction on deep learning including perceptron, CNN, LSTM etc.
- 4) Methodology and codes for network analysis were presented in detail.

#### **New insights and main take aways:**

AI models could be applied in future across various areas within central banking operations (e.g. risk management) and banking support services (e.g. statistics) as well as in micro and macro supervision functions. Explainable AI is a field to be explored in further detail in that respect.

The provided insights in deep learning and network analysis have been received with appreciation, by a multidisciplinary group from various functions within the organization and participating authorities/institutions.

A key take away is to address AI related matters with multidisciplinary teams and to lay a sound foundation in terms of methodology.

#### **Further remarks:**

We had a very fruitful interaction with the HU Berlin team – thank you for your initiative!