# GenAI in Danske Bank
# - Fremtidens bank

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Photo: AI generated

Photo: AI generated

Purpose of this presentation is to share our experiences and approach for implementing GenAI at Danske Bank

| Opportunities | Choices | Dilemmas |

# Danske Bank in numbers

**A Nordic bank with global presence - helping customers in 8 countries**

**More than 200,000 small and medium sized business customers**

**More than 35 percent of large corporates in the Nordics**

**More than 20,000 employees**
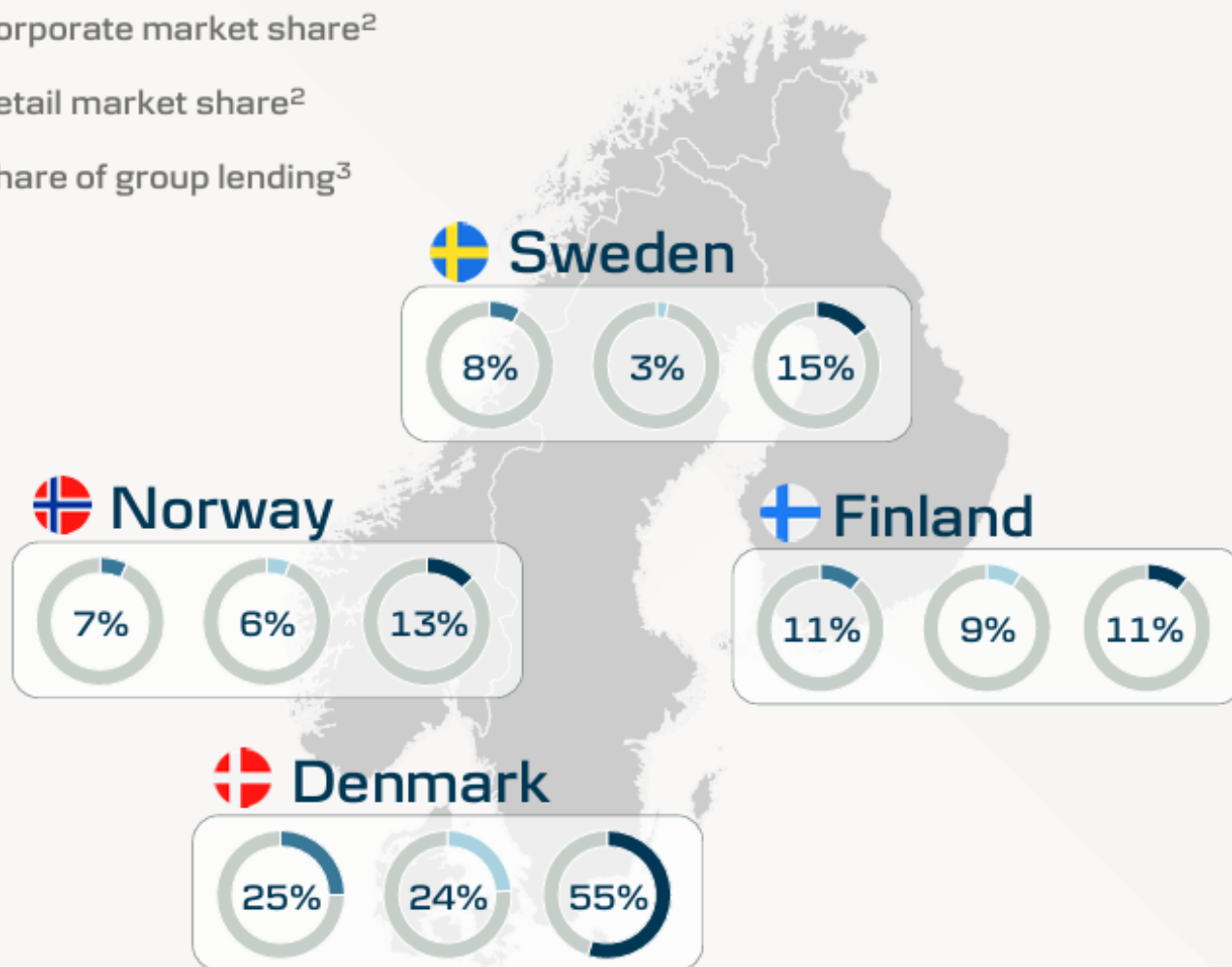
# Nordic leader with a unique position

**Danske Bank**

## A strong foundation

> Top 2 corporate, institutional and business bank in the Nordics[1]

> Leading and scalable retail bank in Denmark and Finland

> Positioned in the most attractive customer segments with a strong full-service offering

> Customer-first focused bank – digital at the core

○ Corporate market share[2]

○ Retail market share[2]

○ Share of group lending[3]

### Sweden
8% | 3% | 15%

### Norway
7% | 6% | 13%

### Finland
11% | 9% | 11%

### Denmark
25% | 24% | 55%

1. Based on aggregated corporate lending in Nordics; 2. As of Q2 2023; 3. Share of group lending is 2018-22 averages before loan impairments - Northern Ireland and other represent delta to 100%

# To deliver on our Forward '28 Strategy, we invest in 4 strategic focus areas

**Advisory**

**Simple, Efficient, Secure**

**Digital**

**Sustainability**

## 1. Advisory

Further reinforce our advisory and proactive engagement with differentiated expertise for our customers

## 2. Digital

Continue to strengthen our digital platforms, self-service, customer journeys and 3rd party integrations

## 3. Sustainability

Reinforce our customer value proposition through strong ESG advisory and solutions

## 4. Simple, Efficient, Secure

Further simplify the bank and how we work, optimise operational efficiency and risk management

# GenAI represents a natural evolution of Analytical AI, addressing a novel set of challenges

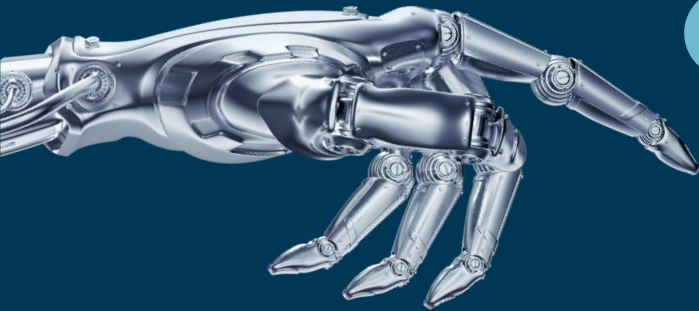**Artificial Intelligence**, the science and engineering of making intelligent machines ›

**Machine Learning**, a major approach to realize AI ›

**Deep Learning** ›

**Generative AI** ›

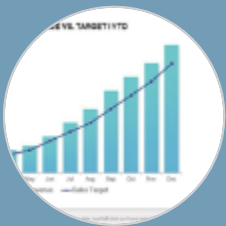1950's — 1960's — 1970's — 1980's — 1990's — 2000's — 2010's — 2020's
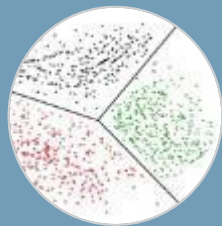
## Analytical AI

Forecasting sales

Segmenting customers

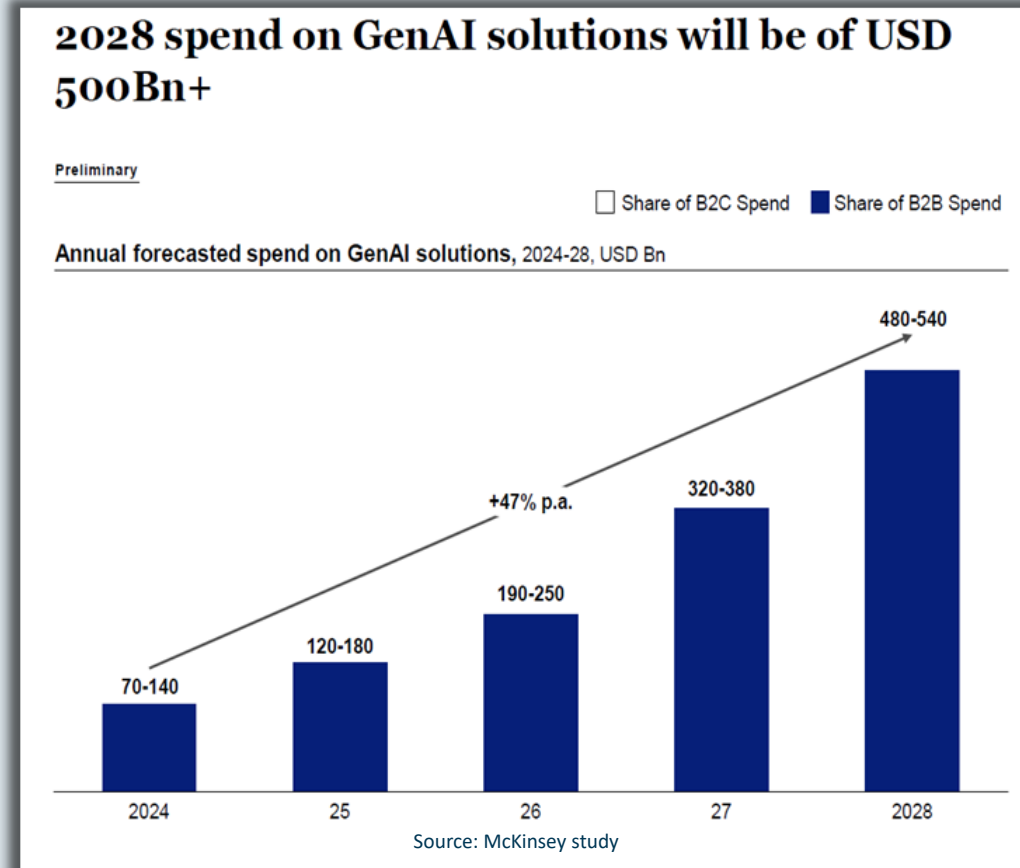Sentiment analysis

## Generative AI

Design concepts

Marketing or social media copy

Code generation

# Investment expectation in GenAI are [...] ve high impact in significant…

**2028 spend on GenAI solutions will be of USD 500Bn+**

Preliminary

☐ Share of B2C Spend   ◼ Share of B2B Spend

Annual forecasted spend on GenAI solutions, 2024-28, USD Bn

+47% p.a.

- 70-140 — 2024
- 120-180 — 25
- 190-250 — 26
- 320-380 — 27
- 480-540 — 2028

Source: McKinsey study

| Customer ops. | Product & R&D | Software eng. | Supply chain | Risk & legal | Strategy & finance | Corporate IT[4] | Talent & org. |
|---|---|---|---|---|---|---|---|
| 340-470 | 230-420 | 580-1,200 | 280-530 | 180-260 | 120-260 | 40-50 | 60-90 |

defense, and auto manufacturing; 3. Incl. auto retail; 4. Excl. Software

Next Productivity Frontier
Markit, Oxford Economics, McKinsey Sales Navigator, McKinsey Manufacturing and

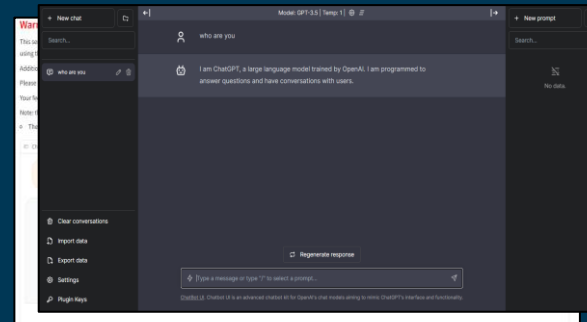# Getting started is more important than getting it right

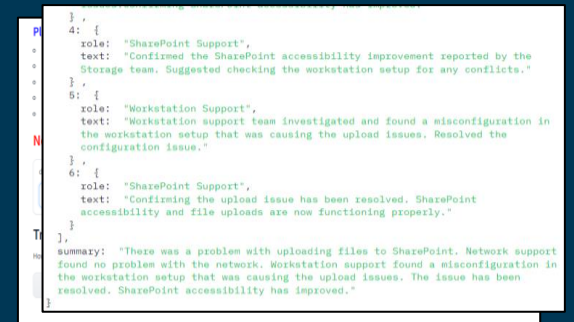**GenAI Hackathons to foster innovation, collaboration, and hands-on experience**

**Published employee guidelines for compliant use of GenAI tools**
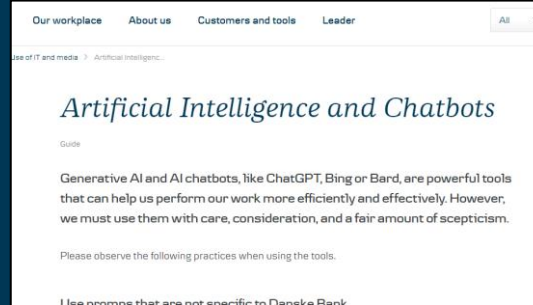
**PoC 0: Test ChatGPT internally**

**PoC 1: Test LLM\* model to perform IT incident analysis**









LLM: Large Language Model

# In Danske Bank we pursue two paths – own platform and SaaS solutions

## DanskeGPT Platform
### Own development with third party components

## SaaS Solutions
### Off-the-shelf capability integrated within current products

### DanskeGPT

### DanskeGPT Sandbox

### Enterprise Smart Assistance

### GitHub Copilot X

### Microsoft 365 Copilot

A compliant GPT solution assisting employees in everyday tasks

A confined environment where users are able to test different services and ideas before building it

A Q&A chatbot that assists with internal IT inquires and resolving technical issues

A development assistance tool aiding with code suggestions, speeding up development

Pilot

A productivity assistance enabling employees to create, edit and analyse content via natural language

Pilot

# Awareness and engagement has been important from the start

## Mass Communication

Internal Awareness Townhalls

MasterClasses and Training

Dedicated Intranet pages

Demo & Video materials

## Targeted Communication

Business Domain Townhalls

Customer Meetings & Events

Hackathons

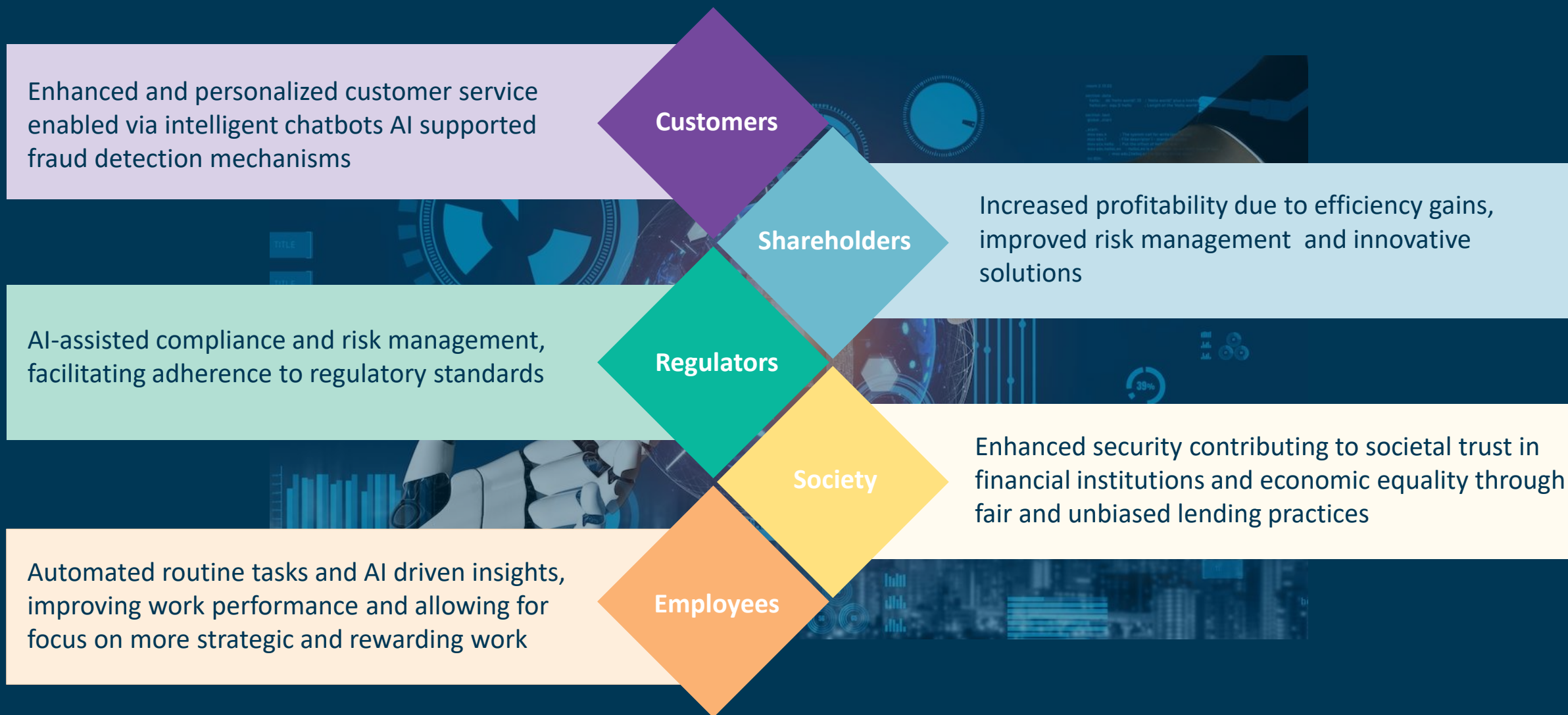## Forums & Stakeholder Engagements

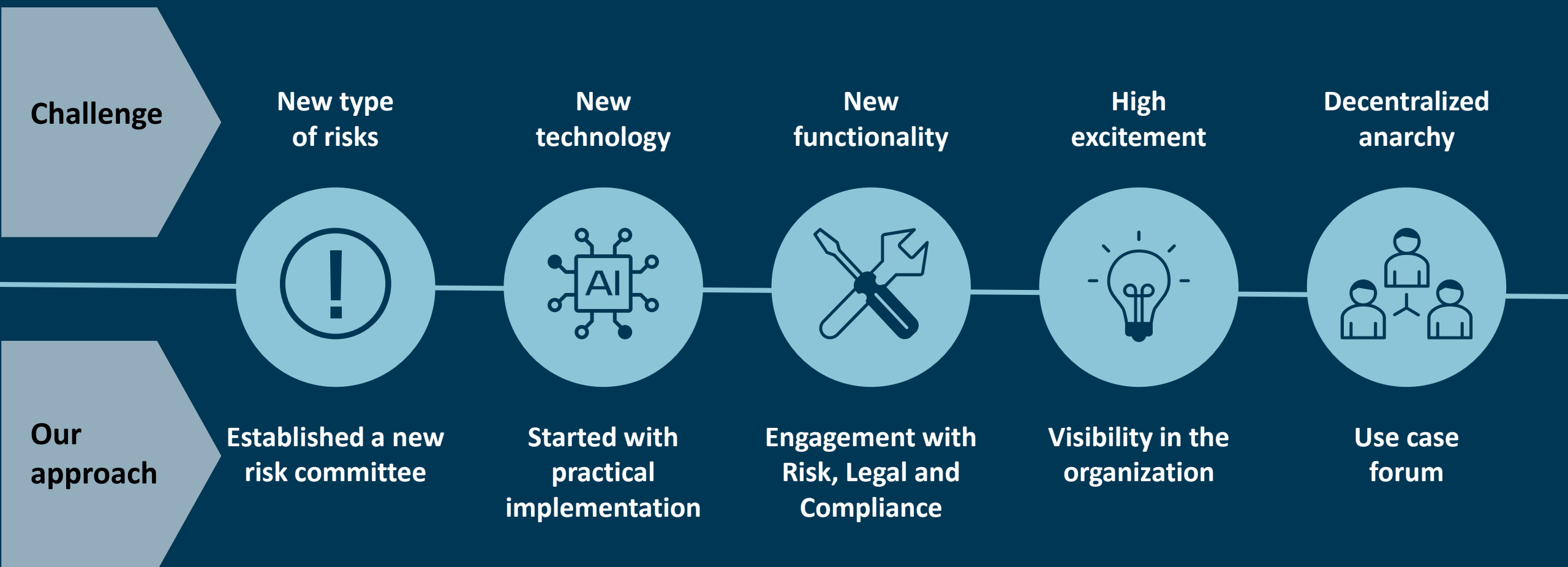Domain Representation Community

Ambassador Community

Use Case Forum

2nd Line of Defence Regulars

# GenAI can bring value to various stakeholder groups

Enhanced and personalized customer service enabled via intelligent chatbots AI supported fraud detection mechanisms

**Customers**

**Shareholders**

Increased profitability due to efficiency gains, improved risk management and innovative solutions

AI-assisted compliance and risk management, facilitating adherence to regulatory standards

**Regulators**

**Society**

Enhanced security contributing to societal trust in financial institutions and economic equality through fair and unbiased lending practices

Automated routine tasks and AI driven insights, improving work performance and allowing for focus on more strategic and rewarding work

**Employees**

# We have encountered several practical challenges and risks along the GenAI journey

**Challenge**

| New type of risks | New technology | New functionality | High excitement | Decentralized anarchy |

**Our approach**

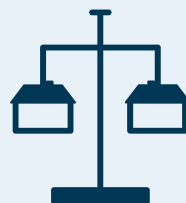| Established a new risk committee | Started with practical implementation | Engagement with Risk, Legal and Compliance | Visibility in the organization | Use case forum |

Now the grown-up challenges arise...

Cost & funding model
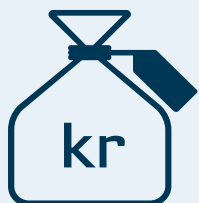
Central vs decentral setup

Governance