



## Chat Bots Promoted To Virtual Assistants

by [Steve Brown](#)

As we have mentioned previously, banks are starting to dip their toes into the artificial intelligence (AI) waters. In fact, some are doing more than dipping which sets the pace for the rest of us. As the duties of chat bots have increased and they have been promoted to virtual assistants, they are making a name for themselves by servicing bank customers.

USAA is betting on Eva, a virtual assistant reachable by mobile phone and on the bank's website, to service its many and far-reaching military customers. USAA doesn't have a network of local branches, so it frequently is cutting edge when it comes to technology. USAA's friendly assistant, based on the Nina AI technology, mimics a human customer service representative. She responds to the user's voice and can handle at least 120 different commands. Eva knows a few things about activating bank cards, changing pins, reporting lost or stolen cards and making mobile check deposits. Better than that, Eva eases transactions while reinforcing fraud protection. The latest version of Eva is even notified when a customer travels. In addition, Eva can alert security experts at the bank when customers are planning big purchases to make sure transactions go smoothly. Eva even offers customers increasingly sophisticated help in the financial area.

Meanwhile, a bank in Sweden is the first to use IPsoft's Amelia for client relations in Swedish. The bank tested Amelia's talents through an internal support desk, servicing 15,000 staff members. In the first 3 weeks of testing, Amelia had 4,000 conversations with 700 users and was able to independently solve problems in most cases. Using Amelia's advanced cognitive technology, this Swedish bank hopes to differentiate themselves as a high service provider to their clients.

Closer to home, Bank of America recently announced plans for its virtual assistant, Erica. They expect to start supporting banking customers with these services in late 2017. Erica will work through BofA's mobile app, with both audio and chat features available. Using predictive analytics, Erica will be able to alert the customer to financial issues, not just relay information. For example, when a customer asks for their account balance, Erica will warn them if they are close to going into overdraft, without any prompting from the customer.

AI technology is evolving quickly and other players are bringing their own solutions to the table. Capital One, for example, works with Amazon's Alexa. The assistant pays credit card bills and checks balances. Meanwhile, a new German bank is linked to Apple's Siri. Its customers may pay with a single voice command up to 100 euros a day.

Is it time to sign up for your own virtual assistant? Although the progress made has been remarkable, the virtual assistant technology is still not fully developed so you do have time to look around for the best option still.

Consider that USAA techies are working on Eva to add other options, such as mobile payments through voice command, but they are not there yet. Amelia is also still adding to her knowledge base

and Erica is getting fine-tuned in preparation for launch. As is often the case in IT, AI development has been done in silos and will need to be brought together succinctly to leverage the best in all areas. In the meantime, keep an eye out for an increase in the number of virtual assistants and start thinking of ways to perhaps eventually recruit one for your own bank.

# BANK NEWS

## **Yield & NIM**

FDIC data finds that over the past 10Ys the yield on earning assets for commercial banks with assets <\$100mm has declined 37% vs. 39% for banks with assets \$100mm to \$1B. Meanwhile, over the same period NIM has only declined 13% for both asset groups, so bankers are doing a great job controlling funding costs.

## **Lower ROI**

Research by Deloitte finds 84% of large corporate executives and private equity investor respondents said at least some of their 2015 and 2016 M&A deals did not generate the expected value or return on investment and 75% of corporate respondents said deals fell short of expectations.

## **Biometrics**

Research by Fiserv finds consumers ranked the following as the method they would feel most secure in using for identity confirmation: fingerprint (67%), eye or retina scan (42%), password (41%), facial recognition (26%), voice recognition (23%), nothing (20%), and vein pattern recognition (10%).

## **ALLL**

Research by FDIC discovers the loan loss allowance to loans as of Q3 for various asset sized institutions is as follows: <\$1B (1.37%), \$1B to \$10B (1.15%), \$10B to \$250B (1.38%), \$250B+ (1.33%).

## **FOMC**

President elect Trump is positioned to make two immediate appointments to the Fed Board and another potentially in Feb 2018 when Chair Yellen's term ends.

## **Customer vs. Product**

A survey by Oracle and Efma of senior executives at global financial institutions finds 79% say they still use a product focused approach to selling vs. differentiating based on customer.

## **Social Use**

Research by the Society for HR Management finds companies use social media for recruitment in the following ways most often: post job advertisements (89%), contact candidates or potential candidates (75%), search for passive job candidates (73%), search for active job candidates (67%), and encourage employee referrals (58%).

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