Annex 2

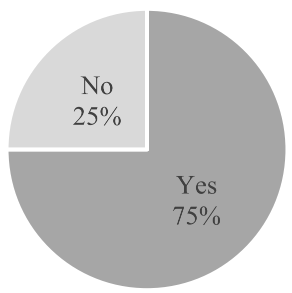
Survey on Consumer Protection in respect of the Use of Big Data Analytics and Artificial Intelligence

In May 2024, the HKMA conducted a survey on the use of big data analytics and artificial intelligence ("BDAI") including generative artificial intelligence ("GenAI") by authorized institutions. A total of 28 authorized institutions primarily serving retail customers were surveyed and the following summarises key observations from the survey.

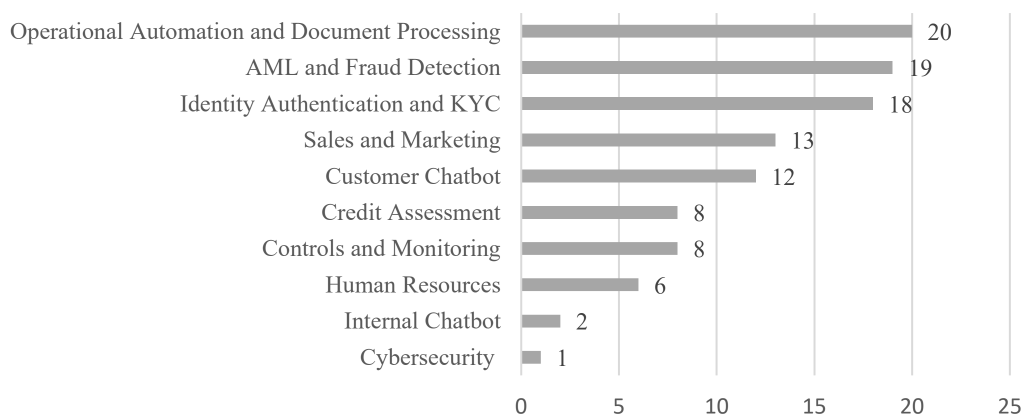
A. Use of BDAI

75% of surveyed authorized institutions reported adopting or planning to adopt BDAI in the provision of general banking products and services, as well as daily operations. Reported use cases spread across customer-facing activities (identity authentication, customer chatbots, credit assessment), middle-office functions (AML and fraud detection, controls and monitoring) and back-office functions (operational automation and document processing). A wide range of third-party service providers are engaged in the provision of BDAI applications.

A1. Number of authorized institutions adopting or planning to adopt BDAI



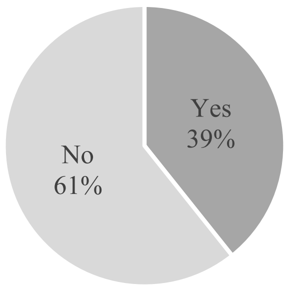
A2. BDAI use cases by categories



B. Use of GenAI

39% of surveyed authorized institutions reported adopting or planning to adopt GenAI in the provision of general banking products and services, as well as daily operations. The majority of the reported use cases were for internal business functions, such as summarisation and translation, coding and internal chatbots. The adoption of GenAI technology in customer-facing activities is still at an early stage, with reported uses more confined to drafting customer responses and assisting in preparing sales and marketing materials. Most of the GenAI applications adopted were from off-the-shelf solutions by third-party service providers.

B1. Number of authorized institutions adopting or planning to adopt GenAI



B2. GenAI use cases by categories