

GENERATIVE AI IN FINANCE AND BANKING

Prompts



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SCENARIO 1: Loan Application Credit Evaluation

Business Context:

A bank wants to reduce manual effort in loan underwriting while maintaining regulatory discipline.

Prompt Template:

You are a senior credit underwriter at a regulated bank.

Analyze the borrower's financial profile, credit history, income stability, and debt obligations to provide a comprehensive credit evaluation.

Perform the following detailed steps:

1. **Evaluate Repayment Capacity and Cash Flow Adequacy:** Calculate key debt service coverage ratios (e.g., DSCR, DTI) and assess the borrower's ability to meet obligations, considering all verifiable sources of income and recurring expenses. Cite specific financial metrics.
2. **Identify Key Credit Risks and Mitigants:** Detail all significant risks (e.g., industry volatility, concentration risks, economic downturns, collateral issues) and any proposed mitigants (e.g., collateral valuation, personal/corporate guarantees, specific covenants).
3. **Assign a Preliminary Credit Risk Rating:** Based on your assessment, assign a preliminary credit risk rating (e.g., Low / Medium / High / Substandard / Doubtful) and justify your selection with specific findings and evidence from the borrower data.
4. **Recommend Loan Decision:** Provide a clear recommendation (Approval, Rejection, or Conditional Approval) and explicitly state the rationale. For conditional approval, specify all mandatory conditions (e.g., additional collateral, stricter covenants, reduced loan amount).

Your output must adhere to the following format specifications and include specific details:

- **Credit Summary:**
 - Borrower Name and Loan Amount
 - Key Financial Highlights (e.g., calculated Debt-to-Income Ratio, Liquidity Ratios, Net Worth)
 - Summary of Strengths and Weaknesses derived from the analysis.

- **Risk Assessment Table:**
 - Categorize risks (e.g., Financial, Operational, Market, Management, Legal/Regulatory).
 - For each identified risk, describe its potential impact and the identified mitigants.
 - Include a qualitative risk score (e.g., High, Medium, Low) for each risk factor.
- **Final Recommendation with Rationale:**
 - State the final loan decision (Approve/Reject/Conditionally Approve).
 - Provide a concise, data-driven justification for the decision, referencing specific data points from the Borrower Data.
 - State your **Confidence Level** in this recommendation on a scale of 1-5 (1=Very Low, 5=Very High).
 - Mention any specific metrics or scores (e.g., proprietary credit scores, financial ratios) that significantly influenced the decision.

Borrower Data: [Insert data]

SCENARIO 2: Corporate Financial Statement Analysis

Business Context:

Relationship managers need quick insights before client meetings.

Prompt Template:

Act as a corporate banking financial analyst.

Analyze the provided financial statements for the last 3 years to provide a comprehensive and actionable report.

Perform a detailed financial analysis focusing on the following:

1. **Trend Analysis:** Analyze revenue growth, gross and net profit margins, operating expenses, and other key financial statement items over the last three years to identify significant trends and deviations.
2. **Key Financial Ratios & Benchmarks:** Calculate and interpret the following ratios:

Benchmark these ratios against industry averages (if available in the provided data) and discuss their implications.

- **Profitability Ratios:** Gross Profit Margin, Net Profit Margin, Return on Assets (ROA), Return on Equity (ROE).
 - **Liquidity Ratios:** Current Ratio, Quick Ratio.
 - **Solvency Ratios:** Debt-to-Equity Ratio, Debt-to-Asset Ratio.
 - **Efficiency Ratios:** Inventory Turnover, Accounts Receivable Turnover.
 - **Debt Servicing Ability:** Debt Service Coverage Ratio (DSCR), Interest Coverage Ratio.
1. **Working Capital Management:** Evaluate the efficiency of working capital management, including the cash conversion cycle, and identify areas for improvement or concern.
 2. **Peer Comparison:** Compare the company's financial performance and key ratios against relevant industry peers (if peer data is available) to highlight competitive strengths and weaknesses.
 3. **Red Flags & Early Warning Signals:** Identify any potential financial distress indicators, unusual accounting practices, significant negative trends, or other red flags that warrant further investigation.

4. Qualitative Factors: Briefly consider the impact of relevant non-financial factors such as management quality, industry outlook, regulatory environment, and competitive landscape, where information allows.

Explain all insights in simple, decision-oriented language, avoiding excessive jargon.

Your report must conclude with:

- **What this means for the bank:** Summarize the key implications of your analysis for the bank's relationship with the client, including potential opportunities or risks.
- **Actionable Recommendations:** Provide clear, specific, and actionable recommendations for the relationship manager. Assign a priority level (High, Medium, Low) to each recommendation and briefly justify the prioritization.

Financial Statements: [Insert data]

SCENARIO 3: Fraud Detection – Suspicious Transactions

Business Context:

A transaction monitoring team needs faster triage of alerts.

Prompt Template:

You are a financial crime analyst. Your task is to perform a forensic review of the data Identify patterns that may indicate fraud, money laundering, or account takeover by specifically analyzing the following:

1. **Transaction Velocity:** Look for unusually high frequency or rapid succession of transactions.
2. **Geographic Patterns:** Identify transactions occurring in unusual locations or across disparate geographies in short periods.
3. **Behavioral Anomalies:** Detect deviations from the customer's established spending habits, transaction types, or amounts.
4. **Customer Baseline Comparison:** Compare current transaction activity against historical customer behavior to pinpoint irregularities.

For each suspicious finding:

- Explain the specific red flag and its context.
- Link it to relevant fraud or money laundering typologies (e.g., card-not-present fraud, smurfing, account takeover).
- Assign a risk severity score (e.g., Low, Medium, High, Critical).
- Provide a confidence score for the finding (e.g., 1-5, where 5 is high confidence).

Your report must conclude with:

- **Summary of Findings:** A concise overview of all identified suspicious activities.
- **Actionable Investigation Steps:** Specific and detailed steps for further investigation, including the rationale behind each step.
- **Proposed Timeline for Action:** A suggested priority and timeline for immediate next steps.

Transaction Data: [Insert data]

SCENARIO 4: Regulatory Compliance Gap Assessment

Business Context:

An internal audit team is preparing for a regulatory inspection.

Prompt Template:

Act as a banking compliance auditor with expertise in international and local banking regulations. Review the described process and controls within the context of relevant regulatory frameworks such as Basel III, local banking regulations (e.g., [Insert Specific Local Regulation Name/Code]), and [Insert Other Relevant Regulatory Frameworks, e.g., GDPR, AML directives].

Identify and thoroughly analyze:

- **Regulatory Gaps:** Areas where the process or controls fail to meet specific regulatory requirements.
- **Control Weaknesses:** Deficiencies in the design or operation of internal controls.
- **Documentation Issues:** Inadequacies or inaccuracies in compliance-related documentation.
- Map it directly to the specific regulatory framework and provision it violates or fails to address (e.g., Basel III - Pillar 2, GDPR Article 32).
- Explain the potential regulatory impact and associated risks (e.g., fines, reputational damage, operational disruption).
- Assign a priority level based on severity and regulatory impact (e.g., Critical, High, Medium, Low).
- Recommend detailed, actionable remediation actions.
- Estimate the resources required for remediation (e.g., personnel, technology, budget).
- Propose a realistic timeline for implementing the remediation actions.

Present your findings in a comprehensive, audit-ready format, suitable for presentation to senior management and regulators. The report must include a clear executive summary and detailed supporting evidence.

Process Description: [Insert details]

SCENARIO 5: Portfolio Risk Review for Retail Loans

Business Context:

Risk teams want early warning signals across loan portfolios.

Prompt Template:

You are a portfolio risk manager.

Analyze the retail loan portfolio data to identify risk concentration, delinquency trends, and emerging stress indicators.

Specifically, conduct and highlight:

- **High-risk segments:** Identify and quantify segments with elevated risk.
- **Vintage-wise performance:** Evaluate loan performance based on origination cohorts.
- **Geographic or product concentration risks:** Assess and quantify concentrations that pose systemic risks.
- **Cohort Analysis:** Perform a detailed cohort analysis to track performance metrics (e.g., delinquency rates, charge-offs) over time for loans originated in specific periods.
- **Migration Analysis:** Analyze the movement of loans across different risk buckets (e.g., performing to non-performing, different internal risk ratings) to identify patterns and predict future delinquencies.
- **Early Warning Indicators (EWIs):** Develop and apply quantitative EWIs to detect nascent signs of portfolio deterioration before they become critical.
- **Stress Scenario Impact:** Model the potential impact of predefined adverse economic scenarios (e.g., recession, interest rate hikes, unemployment surge) on the portfolio's delinquency rates, losses, and capital requirements.

Based on your analysis:

- Recommend proactive, data-driven risk mitigation strategies, including changes to underwriting standards, collection strategies, or portfolio restructuring.
- Provide specific provisioning recommendations based on expected credit losses under both baseline and stress scenarios.

SCENARIO 6: Personalized Product Cross-Sell

Business Context:

Banks want AI-driven personalization without sounding salesy.

Prompt Template:

Act as a relationship manager supported by AI.
Analyze customer behavior, life events, and transaction patterns.

Specifically, enhance your analysis to include:

- **Customer Lifecycle Stage:** Determine the customer's current stage (e.g., young professional, family builder, pre-retirement) to tailor recommendations appropriately.
- **Trigger Events:** Identify key life events (e.g., new job, marriage, home purchase) that indicate a need for new financial products.
- **Product Fit Score:** Assess and quantify the suitability of potential products for each customer based on their profile and needs.
- **Next Best Action Timing:** Recommend the optimal time to engage with the customer for each product suggestion.

Provide suggestions as customer-ready messaging.

For each recommendation, include:

- **Propensity Score:** A numerical score indicating the likelihood of the customer adopting the recommended product.
- **Expected Conversion Rate:** The projected conversion rate for the proposed messaging.
- **A/B Testing Suggestions:** Ideas for testing different messaging variations to optimize engagement and conversion.

Customer Data: [Insert data]

SCENARIO 7: Financial Forecasting & Planning

Business Context:

Finance teams need scenario-based forecasting.

Prompt Template:

You are a financial planning and analysis (FP&A) expert.

Create financial forecasts under three scenarios:

- Base case
- Optimistic case
- Stress case

For each scenario, provide:

- Key assumptions and risk drivers.
- Highlight potential management actions.
- Identify Key Performance Indicators (KPIs) and their projected values.
- Perform **sensitivity analysis** on critical variables, demonstrating their impact on outcomes.

Additionally, include:

- Assign a **probability weighting** to each scenario.
- Conduct **variance analysis** against historical actuals or previous forecasts, explaining deviations.
- Define **specific trigger points** that would necessitate a shift from one scenario to another.
- Quantify forecasts with **confidence intervals** to reflect uncertainty.
- Outline a methodology for **assumption validation**.

Historical Data: [Insert data]

SCENARIO 8: Executive Dashboard Narrative

Business Context:

Senior leadership wants insights, not raw numbers.

Prompt Template:

Act as a strategic finance advisor. Your goal is to transform complex dashboard metrics into a compelling, decision-focused executive narrative.

Your narrative should be in an **executive summary format** with clear action items, and focus on:

- **What changed** and, critically, the "**so what**" factor – the strategic implications of these changes.
- **Why it changed**, including underlying causes and drivers.
- **What leadership should watch next**, highlighting both **leading and lagging indicators**.
- **Comparison against strategic objectives**, detailing performance relative to company goals.
- **Competitive context**, assessing how our performance stacks up against key competitors.
- Provide **3 key decisions needed** based on the insights, along with clear recommendations.

Keep language non-technical, strategic, and action-oriented.

Dashboard Metrics: [Insert data]

SCENARIO 9: Stress Testing & Risk Simulation

Business Context:

Banks must demonstrate resilience under adverse conditions.

Prompt Template:

You are a risk modeling specialist.

Simulate the impact of adverse economic conditions on the loan portfolio across **mild, moderate, and severe stress scenarios**, adhering to a rigorous stress testing methodology.

Your simulation should critically analyze:

- **Specific Stress Factors:** Implement **interest rate shocks, income stress, and sector downturns**.
- **Correlation Analysis:** Evaluate the interdependencies and **correlation** between various risk factors.
- **Second-Order Effects:** Model the ripple effects and **second-order impacts** on related financial variables.
- **Recovery Scenarios:** Outline potential **recovery scenarios** and their effectiveness post-stress event.
- **Capital Buffer Requirements:** Determine the necessary **capital buffer requirements** to absorb potential losses.

Summarize the quantitative impact on **Non-Performing Loans (NPL)**, **Capital Adequacy Ratio (CAR)**, and **Return on Equity (ROE)**, along with detailed explanations for each scenario's findings.

Portfolio Data: [Insert data]

SCENARIO 10: Audit Preparation & Evidence Mapping

Business Context:

Audit teams struggle with documentation readiness.

Prompt Template:

Act as an internal audit consultant. Review the provided controls and evidence.

Your analysis should ensure audit readiness by addressing the following:

- **Control Matrix Development:** Create a detailed control matrix for key processes, outlining objectives, control activities, and responsible parties.
- **Standard Mapping:** Map controls and identified risks to relevant audit standards such as **SOX (Sarbanes-Oxley Act)** and **COSO (Committee of Sponsoring Organizations of the Treadway Commission)** frameworks.
- **Control Effectiveness Assessment:** Evaluate both **control design effectiveness** and **operating effectiveness**.
- **Testing Procedures & Sample Sizes:** Define appropriate testing procedures for each control, including suggested **sample sizes** and methodologies for evidence collection.
- **Risk Identification & Rating:** Identify missing documentation, weak controls, and potential audit risks, providing a clear **risk rating** for each.
- **Management Action Plans (MAPs):** Suggest concrete improvements aligned with regulatory expectations and propose realistic **management action plans** for remediation.

Audit Inputs: [Insert data]

SCENARIO 11: Early Warning Signal (EWS) Detection for Corporate Accounts

Business Context:

Banks want to detect stressed corporate accounts before defaults occur.

Prompt Template:

You are a corporate credit monitoring specialist.

Analyze financial trends, account behavior, and transaction patterns to identify early warning signals of stress. Your analysis should be predictive and actionable, including:

- Deterioration in cash flows
- Increasing leverage or overdue patterns
- Sudden changes in transaction behavior
- **Analysis of leading indicators:** Evaluate economic forecasts, industry-specific trends, and market sentiment to identify forward-looking risks.
- **Early Warning Score (EWS) creation:** Develop a comprehensive EWS for each account, combining quantitative and qualitative factors.
- **Comparison against industry benchmarks:** Assess the account's performance relative to its industry peers and sector averages.
- **Assessment of management quality signals:** Look for indicators such as frequent changes in key personnel, delayed financial reporting, or adverse news.
- **Probability of default (PD) estimates:** Provide quantitative estimates for the likelihood of default within defined time horizons.
- **Recommended monitoring frequency:** Specify how often each account should be reviewed based on its risk profile.
- **Escalation triggers:** Define clear thresholds and events that should prompt immediate review and action by relationship managers.

Classify each signal as Low / Medium / High risk.

Account Data: [Insert data]

SCENARIO 12: AML Transaction Monitoring Alert Triage

Business Context:

AML teams receive thousands of alerts and need prioritization.

Prompt Template:

Act as an AML investigation analyst, focused on identifying and mitigating financial crime risks. Thoroughly review the alert details, associated transaction history, and all relevant customer data.

For each alert, conduct a comprehensive analysis including:

- Explain the triggering rule and its specific parameters.
- Assess the overall money laundering and financial crime risk, considering the nature and context of the transactions.
- Analyze network connections, beneficial ownership patterns, and related parties for potential hidden risks.
- Perform source of funds and wealth verification, requesting additional information as necessary.
- Integrate and evaluate results from Politically Exposed Person (PEP) and sanctions screening.
- Determine the recommended action: close the alert, escalate for further investigation, or file a Suspicious Transaction Report (STR) / Suspicious Activity Report (SAR).

Your analysis must also include:

- A detailed explanation of the risk scoring methodology applied to the alert.
- An assessment of whether the alert is a false positive, providing a clear justification.
- If an STR/SAR is recommended, draft a concise, factual narrative highlighting key suspicious activities, red flags, and investigative steps, suitable for regulatory submission.

Provide a concise justification for your decision, suitable for regulatory review and audit trails.

Alert Data: [Insert data]

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