# GO WISE ACADEMY™

## Course:
## Introduction to AI, LLMs and Regulatory Framework in Credit Risk

### Delivered by:

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Certified Financial Risk Manager with 20+ years of experience in risk and finance management within the banking industry and fintech innovation.

### Objectives:

- Explain the basic concepts of Artificial Intelligence (AI), Machine Learning (ML), and Large Language Models (LLMs) and their relevance to credit risk management.
- Identify the main use cases of AI in credit risk, including credit scoring, default prediction, and credit assessment support.
- Describe the key provisions of the EU AI Act relevant to AI systems used in credit risk and lending decisions.
- Recognize the main types of ML models used in credit risk, such as logistic regression, decision trees, and gradient boosting.
- Understand how LLMs can support credit risk analysis, including report drafting, borrower summaries, and financial commentary.
- Apply basic prompting techniques to obtain structured outputs from LLMs for credit risk related tasks.
- Understand the importance of explainability, transparency, and governance when AI tools are used in lending decisions.

### Skills delivered:

- Understand how AI and ML technologies are applied in credit risk assessment
- Identify typical ML models used in credit scoring and default prediction
- Recognize the regulatory considerations of the EU AI Act for AI systems used in lending
- Use basic LLM prompting techniques to generate structured credit-risk related outputs
- Interpret AI-generated summaries and analytical outputs used in credit risk reporting
- Understand key explainability and governance considerations when AI supports credit decisions
- Recognize opportunities and limitations of AI tools in credit risk workflows

### Designed for:

- Credit Risk Analysts and Officers
- Risk Management Professionals
- Data Scientists and ML Engineers working in financial services
- Credit Underwriting and Loan Origination Teams
- Compliance and Regulatory Reporting Professionals
- Senior Management and Decision Makers
- Internal Audit Professionals

| TOPIC | DURATION |
|---|---|
| **1. Introduction to Artificial Intelligence in Credit Risk** | 30 min. |
| • Definitions of Artificial Intelligence (AI) and Machine Learning (ML) in the context of credit risk | |
| • Overview of ML approaches to credit scoring: ->supervised learning ->ensemble methods ->neural networks | |
| • Introduction to Large Language Models (LLMs) and their capabilities | |
| **2. Regulatory Framework: EU AI Act and Credit Risk** | 30 min. |
| • Overview of the EU AI Act and classification of AI systems by risk level | |
| • Credit risk assessment as a high-risk AI application | |
| • Explainability and transparency requirements for AI models | |
| • Data governance, human oversight, and documentation obligations | |
| • Interaction with financial regulations: -> CRD -> CRR -> EBA guidelines on loan origination | |
| **3. Large Language Models: Fundamentals for Financial Analysts** | 40 min. |
| • LLM architecture and capabilities relevant to credit analysts | |
| • Context window limitations and reliability considerations | |
| • Safe and responsible use of LLMs in financial institutions | |
| **4. Prompting Techniques for Financial Analysis** | 30 min. |
| • Zero-shot prompting | |
| • Few-shot prompting | |
| • Structured prompts for financial analysis tasks | |
| • Grounding and verification | |
| **5. LLM Applications in Credit Risk Analysis** | 30 min. |
| • Automated information gathering | |
| • Data synthesis and summary generation | |
| • Borrower descriptions and industry analysis | |
| • Financial statement commentary | |
| • Generating charts, tables and report sections | |
| **6. Summary and Frequently asked questions** | 20 min. |
| **TOTAL** | **3 hours** |

**Duration:**
3 hours (3 CPD Units )

**Language:**
English

**Delivery mode:**
Pre-Recorded

**Skills level:**
Intermediate