

Chain Bridge Bank, N.A.



# THE BANK OF THE FUTURE

Spencer Brockenbrough, Owen Hendershot,  
Franny Seldin, and Alexis Wong

# OVERVIEW



## THE BANK OF THE FUTURE



## BANKING WORKFORCE

By Alexis Wong



## FEDNOW

By Spencer Brockenbrough



## ATTRACTING GEN Z CLIENTS

By Franny Seldin



## AI IN BANKING

By Owen Hendershot



## QUESTIONS?

Patomac River.  
Chain Bridge at  
Little Falls.



**FEDNOW**

# WHAT IS FEDNOW?

- FedNow is a Real-time payment system developed by the Federal Reserve for instant fund transfers between institutions.
- Enables 24/7, irrevocable payments.
- Promotes inclusivity, allowing all US financial institutions to participate.
- Facilitates faster, more efficient, and accessible electronic fund transfers than competitors



BNY MELLON

**usbank**

**WELLS  
FARGO**



J.P.Morgan

***jih***  
*Banking*

# PROS AND CONS

## PROS:

- Widespread future use of FedNow expected due to prominent institutional support.
- FedNow offers significantly larger transactions than Zelle, with a \$500,000 maximum per transaction.
- FedNow's costs are lower than domestic wire transfers, saving banks money. (Monthly fee of \$25, transaction cost of \$0.045, and a \$0.01 request for payment cost)

## CONS:

- No international payment capabilities.
- Transactions are limited to \$500,000 dollars.
- Since no payment service has been able to transfer this much money this quickly, many speculate that this leaves opportunity for faster and harder to catch fraud.

Patomac River.  
Chain Bridge at  
Little Falls.



**AI IN  
BANKING**

# EXAMPLES OF AI IN BANKING





# CATALYSTS FOR GROWTH AND EFFICIENCY

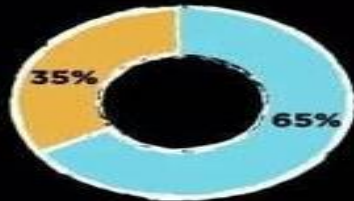
- AI can analyze transactions to find atypical patterns and reports suspicious activity
- Machine vision to scan and process documents
- Not replacing compliance analysts, but improving their process
- Analyze client behavior to help provide services that are relevant to the client

# CONCERNS AND POTENTIAL DRAWBACKS

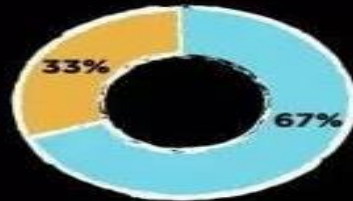
- "Hallucinations" Confident response by AI that is not backed by training data
- Cost: custom AI can range from \$6,000 - \$300,000 per solution and third-party software is expensive
- Trust: Banking is personal, and customers may not want their data to be shared by AI
- Training an AI needs data, but you need rights to that data
- Safeguarding the security and privacy of customer data

# Who do you think would do the **BEST JOB** in each of these following scenarios?

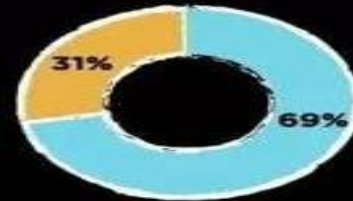
AI Human



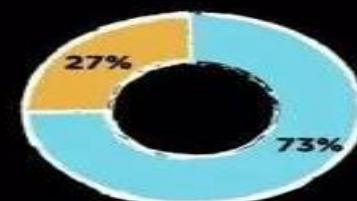
Investigate government corruption



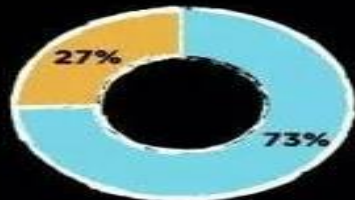
Choose gifts based on occasion, budget, and the recipient's interests



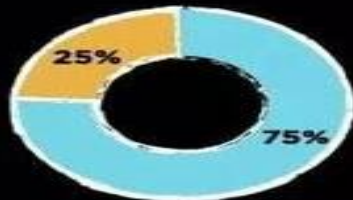
Determine their performance-based salary/raise



Teach a university course in morality



Administer medicine in hospitals



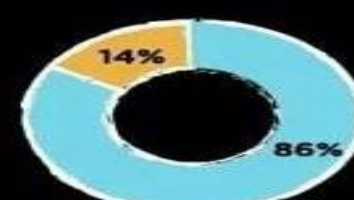
Pick their outfit for work



Write laws that help the largest number of people



Vote



Do their job

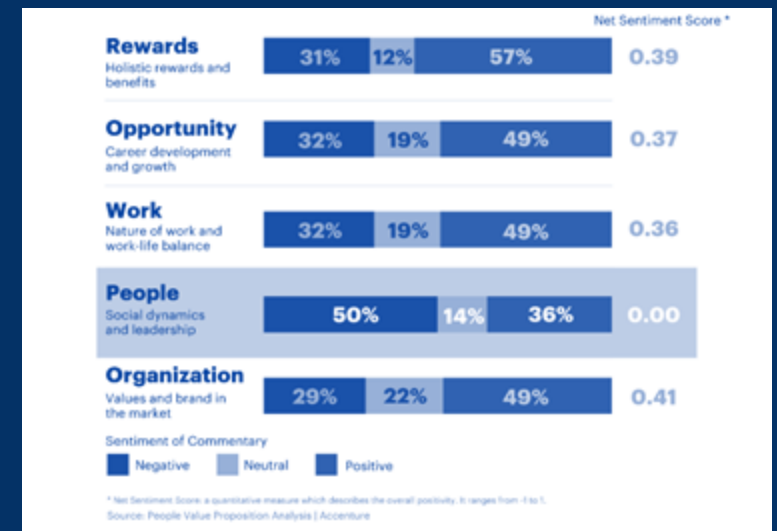
*Potomac River.  
Chain Bridge at  
Little Falls.*



# **BANKING WORKFORCE**

# INDUSTRY DISSATISFACTION

- 2/3 of the workers in the banking and marketing sectors are more likely to quit their jobs to seek more flexible roles
- Only 10% of millennials and Gen Z showed interest in finance careers
  - Social dynamics and leadership were found to be lacking (a.k.a. workplace culture)
- With remote work being the new norm, workplace culture is a banking industry weak point
- Banks should focus on developing the following:
  - Investing in agile capabilities
  - Managing workforce risk
  - Redefining leadership



# LESSONS LEARNED

- Accountability to swift decisions and results
  - Create process for cascading alignment to bank-wide goals & methods for measurements that are value-based
  - Consider new methods to ensure two-way communication and continuous feedback on results
  - Re-evaluate incentive structures to reward and reinforce, promote shared accountability
- New expectations for interaction
  - Update workflow processes that support flattening hierarchies
  - Avoid the tendency to manage and organize people by tasks, empower teams instead to be measured by deliverable outcomes
  - Determine role profiles around a core set of competencies, while improving training programs to teach project-based skills as needed

# LESSONS LEARNED, CONT'D

- Heightened attention to the employee experience
  - Develop sustainable ways to provide employees access to support mechanisms that focus on well-being & skill building
  - Craft new policies offering employees a variety of choice in their work-life experience (virtual vs. in-person, standard operating hours, etc.)
  - Invest in employee growth and development through trainings and tools
  - Promote the deployment of short and frequent 'pulse checks' to understand how people are feeling and how needs are shifting
- There should be no tolerance to revert to previous inefficiencies



*Potomac River.  
Chain Bridge at  
Little Falls.*



**ATTRACTING  
GEN Z**



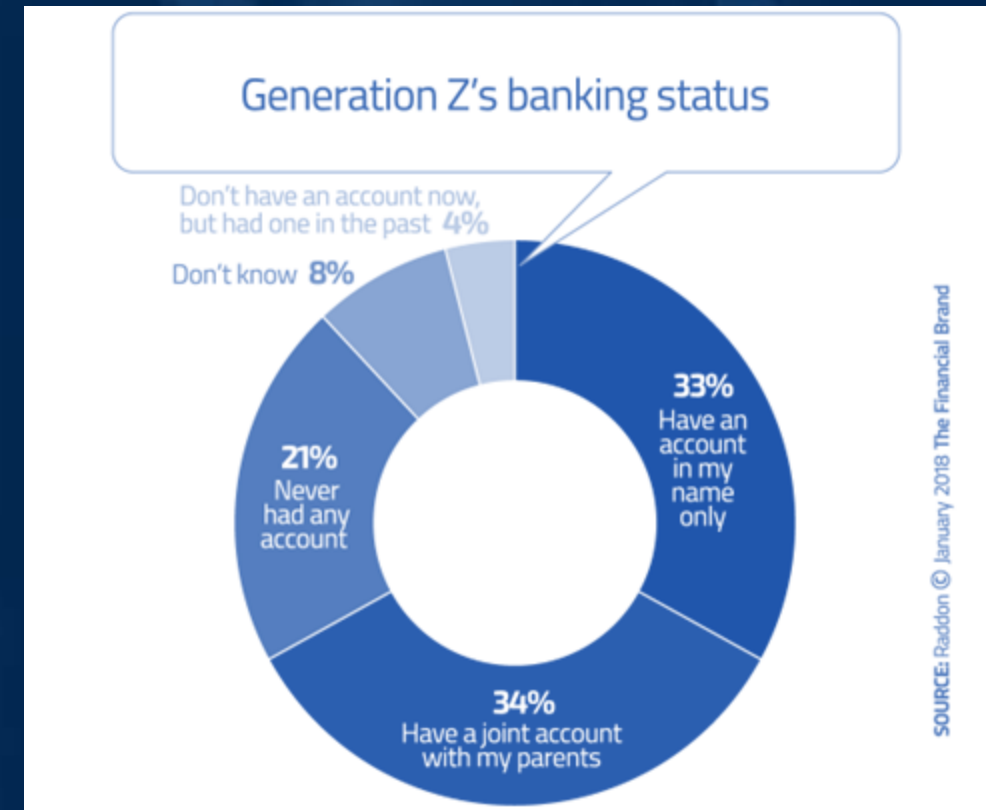
# TRENDS WITH GEN Z

---



# FINANCIAL LITERACY

- 56% of Gen Z and Millennials admit to intentionally seeking out financial advice online and through social media (Instagram, Tik Tok, etc.) (creditkarma.com)
- Less than half of Gen Z has their own account with a traditional bank (thefinancialbrand.com)
- Lack of education leads to fear among the generation



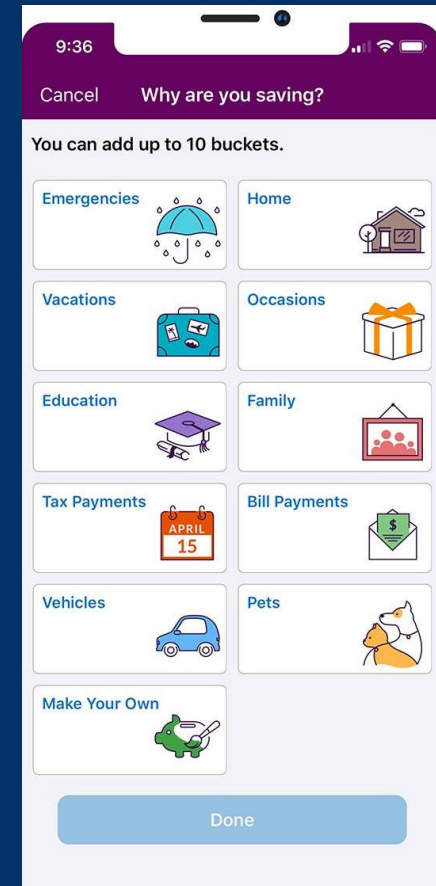
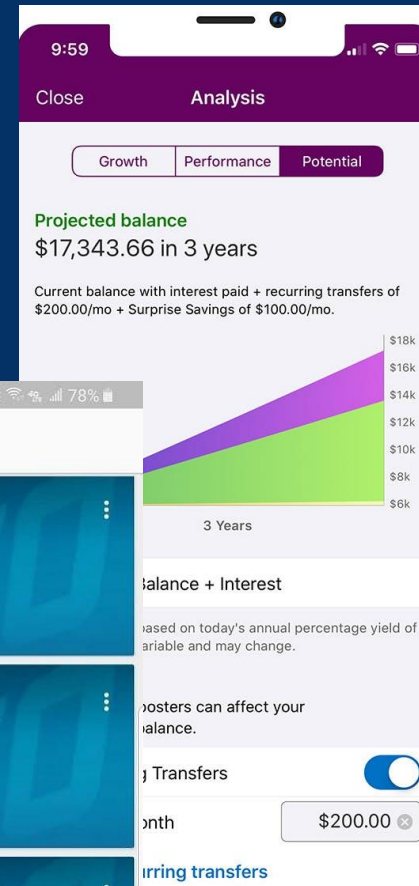
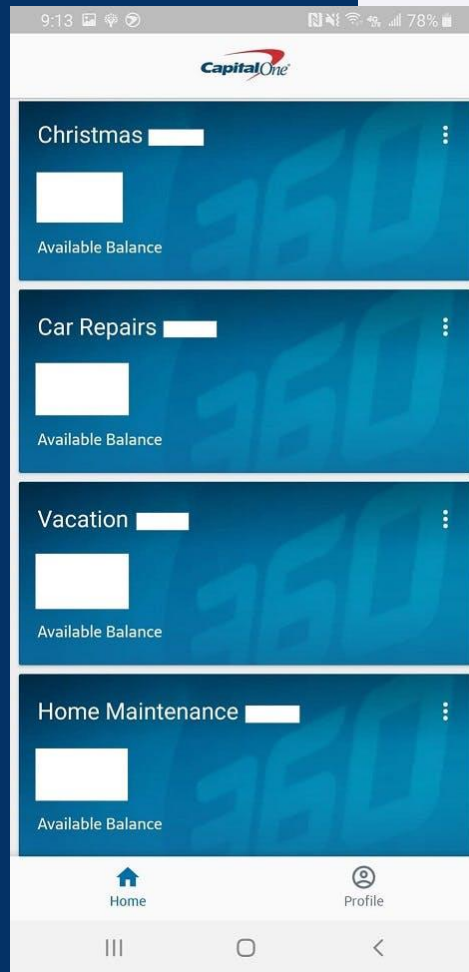
Sip&Saver Money Mixologist Frose and  
Social Networking Real World Finance  
Finance Checking vs Finances  
Savings Learn2Save  
Millennial Money  
Money and  
Finance and  
Fizzle Savings Sense Investing 101  
Bank with Buds Friends in Money Mixer Cash Class My Own Money?  
Understanding Credit Bank with Buds Friends in Money Mixer Cash Class My Own Money?  
Let's Moving 2 Banking  
Build a Mortgage Brews  
Dollars and Drinks Credit! Mortgage Money Mingle  
Chain Bridge Brews

Boozy Budgeting

Wealth 101: Sips&Tips

# HOW TO KEEP GEN Z CLIENTS

- Updates to the app
  - Specifically updates that will help educate users
- Savings' Buckets
  - Begin teaching wealth management on a smaller scale



Chain Bridge Bank  
MORTGAGE

**ANY QUESTIONS?**

