FINASTRA

Universal Banking

Gen AI: Transforming banking for a brighter future

Gen AI will **significantly** alter how financial institutions **operate,** fundamentally changing product and service offerings, as well as customer **interactions.**

Economic benefits of Gen AI[1]

30%
Increased employee productivity

$200-$340 Billion
Increase in annual value

Gen AI could deliver between
$2.6 trillion and $4.4 trillion
In economic benefits

Gen AI capabilities — The personalization imperative

73% of consumers: expect banks to tailor product offers[2]

39% of banks: identify patterns in data to create relevant customer offers[3]

38% of banks: customize products to real time customer needs and life stages.[4]

45% of customers say banking efforts return generic results[5]

New product development with Gen AI

Internal and external data sources are used to create detailed product descriptions

- Advanced customer segmentation-defining microsegments
- Individual products tailored to each microsegment
- Go-to-market strategy

- *Best channels*
- *Third-party partners to deliver the best outcomes*

How will banks use Gen AI to transform?

Better resource utilization

Fewer IT resource needs

- Analyze historical IT system performance data
- Automatically diagnose common IT issues
- Execute routine fixes
- Predict and prevent potential hardware or software failures
- Inform proactive maintenance protocols

More efficient customer service

- Assimilates vast stores of data
- Applies human-like reasoning
- Returns responses in shorter time frame
- Reduces demands on human resources

Banks can increase employee productivity by up to **30% with Gen AI.**[6]

Gen AI's Fraud Busting Potential

Advanced behavioral analysis

- Analyze customer behaviors and transactionpatterns at a granular level
- Identify anomalies that currently go unnoticed

Predictive modeling

- Continuously learn from historical data
- Detect new forms of fraud
- Predict emerging fraud threats

Real-time monitoring

- Monitor transactions in real-time
- Instantly flag suspicious activities
- Trigger automated protective responses

Investments by JPMorgan Chase and Company have reduced instances of fraud by **14% over a 4-year period.**[7]

Eventually, Gen AI could:

- Analyze past trends
- Explore deep web sources
- Proactively identify the next fraud trend
- Automatically design a defense

Improved operational efficiency

- Large language models **impact 90%** of all working hours[8]
- **54% of tasks** have a higher potential for automation[9]
- Gen AI return: **30% gain** in productivity[10]

Gen AI at Finastra to reduce customer churn

Simplifying customer interactions with digital banking services

- User logs into a banking portal
- Types in a query: "help me reduce my spend without affecting my life"
- Receives instant personalized response

Gen AI to simplify the bank's own transformation journey

- Submit a prompt to a Gen AI interface
- Learn the best products to plug into the bank's APIs for optimal outcomes

Using Gen AI to reduce customer churn

Continuously monitor customers across 4 levels

- Account
- Transaction
- Individual
- Householde

Predict when customer will go inactive

- 30/60/90 days out

Predict date customer will close account

- Enable financial institution to take proactive action

As **75% of banks** and financial services software companies like Finastra, continue to invest in Gen AI capabilities, banks could realize between **$200 billion** and **$340 billion** in value on an annual basis, adding up to **9%** to **15%** of financial institution operating profits.[11]

Discover more about how Gen AI could transform your business in Transforming the future of banking with Generative AI.

Download now

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