

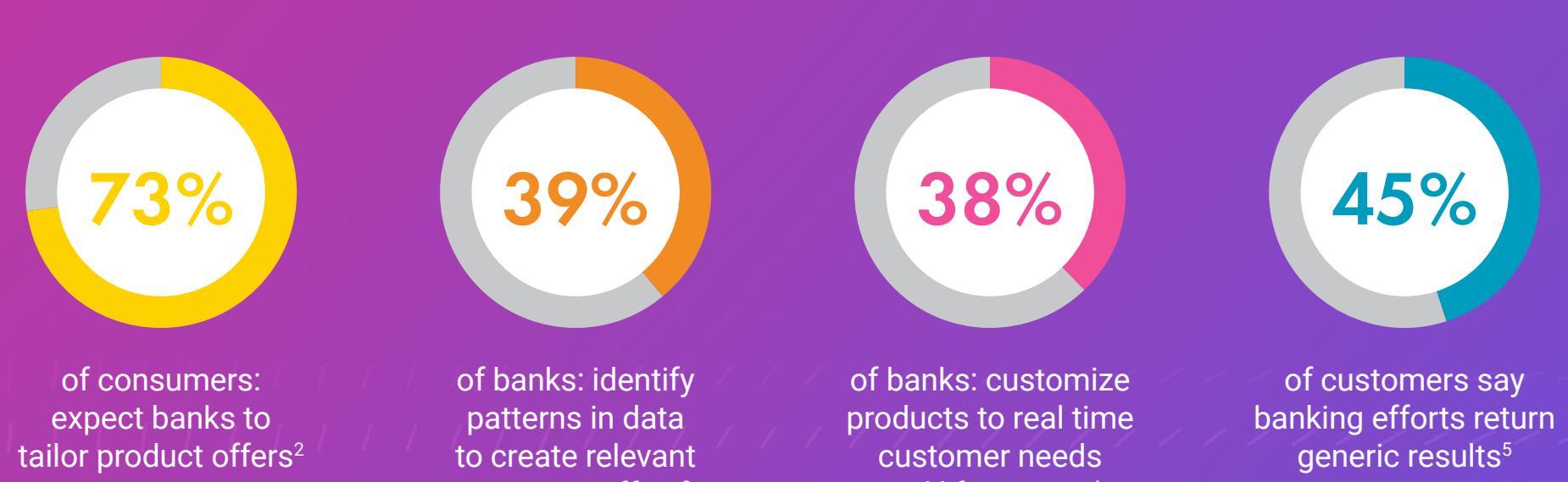
# Gen AI: Transforming banking for a brighter future

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<sup>1</sup>



## Gen AI capabilities – The personalization imperative



## 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**.<sup>6</sup>



## Gen AI's Fraud Busting Potential

#### Advanced behavioral analysis

- Analyze customer behaviors and transaction patterns 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**.<sup>7</sup>



- #### 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<sup>8</sup>
  - 54% of tasks** have a higher potential for automation<sup>9</sup>
  - Gen AI return: **30% gain** in productivity<sup>10</sup>

## 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

#### Using Gen AI to reduce customer churn

- Continuously monitor customers across 4 levels
- Account
- Individual
- Household
- Predict when customer will go inactive
- 30/60/90 days out
- Predict date customer will close account
- Enable financial institution to take proactive action

#### 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

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.<sup>11</sup>

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

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