

● Event Recap

# Digital Transformation in Banking

Takeaways from our London Banking Executive Exchange  
October 2024



## Introduction

Digital transformation in banking is not new, but it has become essential as fintech innovations and new operating models gain momentum. Traditional banks must now adapt to meet the demand for seamless, personalized customer experiences.

As automation takes center stage, banks and financial service providers need to modernize their strategies, incorporating advanced technologies like artificial intelligence (AI) and generative AI. Nearly two years after the advent of ChatGPT, gen AI is still the hot topic. Despite slow progress, people are still committed to and excited about implementing gen AI.

We gathered a group of executives in banking, lending, and private markets in London for a discussion on digital transformation in banking over dinner and drinks. Keep reading for some of the highlights from the panel.



## Four takeaways from our panel discussion on digital transformation in banking:

**1. The Persistent Hype Around AI:** All of the speakers – an economist, technologist, and operations partner – acknowledged the staying power of AI. An anecdote was shared from a meeting where a banking executive said, "it's been 20 minutes, and we haven't discussed AI yet," exemplifying the pervasive expectations surrounding AI.

**2. What's Slowing Down Adoption:**

- **The slow march of innovation:** AI implementation is promising, yet heavily regulated industries, such as banking, face barriers. As AI evolves, governance frameworks need to keep pace to ensure safe and effective usage. An economist stressed that despite these challenges, firms can learn to work within their constraints, pairing proactive adoption with thorough oversight to create a balanced path forward.
- **Importance of strategic alignment:** Successful AI integration requires aligning technology with clear business objectives and KPIs from the start. A technology expert shared lessons from past technology adoptions, such as cloud computing, showing that failing to involve both business and technical teams early in the process can lead to inefficiencies and missed opportunities.
- **Generative AI isn't always the answer:** Despite the excitement surrounding generative AI, an operations partner emphasized that it's not a catch-all solution. As much as we wish generative AI could handle complex tasks like creating a pitchbook from start to finish, the technology isn't there yet. These tasks must be divided into smaller components, each assessed individually for the most effective approach.

Although AI can manage many tasks, some workflows are better suited for simple automation, and many still require human expertise.

**3. Effective Use Cases for Generative AI:** Gen AI excels in areas where it can automate repetitive tasks and enhance productivity. It is well suited for internal use cases and draft creation, but it is not yet ready to create client-facing work. Here are some examples where generative AI has been successful:

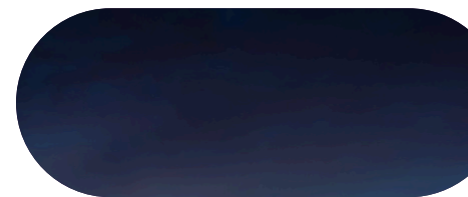
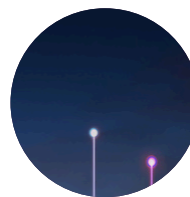
- **Enhanced data processing:** Data extraction has been increasingly automated with various technologies. The benefit of using generative AI is that it can handle even more types of data than previous technologies, from unstructured text to audio, visual, etc.
- **Screening/Research:** Generative AI can be a powerful tool for enhancing research and screening processes. One common use case is news monitoring; loan officers and sell-side analysts both track their portfolios in the news, while bankers screen news for M&A opportunities. AI can track relevant news and provide personalized updates for users.
- **Summarization:** Gen AI has proven to be very useful in summarizing content for quicker consumption. In continuation with the news screening use case above, it can summarize the news that is being monitored, allowing analysts to digest the information much more quickly.
- **Product recommendation:** AI can be used to evaluate client profiles and recommend cross-sell and upsell opportunities customized for the individual. This support can help wealth managers and loan officers provide much more personalized service to their clients.

- 4. Data governance and management is changing:** Like most things, generative AI follows the "garbage in, garbage out" principle. While it has the potential to make data more accessible, it also requires greater focus on data governance, including policies for managing complex AI-system interactions, ensuring data security, and regulating access.

## Conclusion

In summary, digital transformation in banking is not just a trend but a strategic imperative driven by evolving customer expectations and the rapid rise of fintech. As highlighted in our panel discussion, the excitement around AI remains strong, but adoption is hindered by several challenges. Successful implementation requires aligning technology with clear business goals and robust governance, especially in heavily regulated industries like banking.

Generative AI offers potential, particularly in automating tasks and enhancing internal workflows. However, it's not a universal fix—many processes still require simpler automation or human expertise. By focusing on strategic use cases and strong data governance, banks can harness generative AI effectively, driving operational efficiency and delivering more personalized services.



## About Our Executive Exchange Series

Evalueserve's Executive Exchange events provide an unparalleled opportunity for senior executives to connect, share insights, and explore innovative ideas in a relaxed setting over dinner and drinks. Our exchanges feature engaging expert-led discussions on trending topics such as digital transformation and AI.

These intimate, invitation-only events are carefully curated to bring together leaders in banking, lending, and private capital in global financial hubs including New York, Toronto, London, and more.

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## Speakers



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