Harnessing the Potential of Generative AI in Banking

Vivek Jetley,
President and Head of Analytics, EXL

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Generative AI

Moving Beyond the Hype

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Generative AI journey for industry leaders from hype to impact

The Hype

"Multi-Trillion" dollar impact

"Revolutionize how work gets done"

The Reality

Billions of dollars invested by cloud providers

"Out of the box" Gen AI solutions won't lead to efficiency & effectiveness

Adoption

Customize LLM algorithms on proprietary data

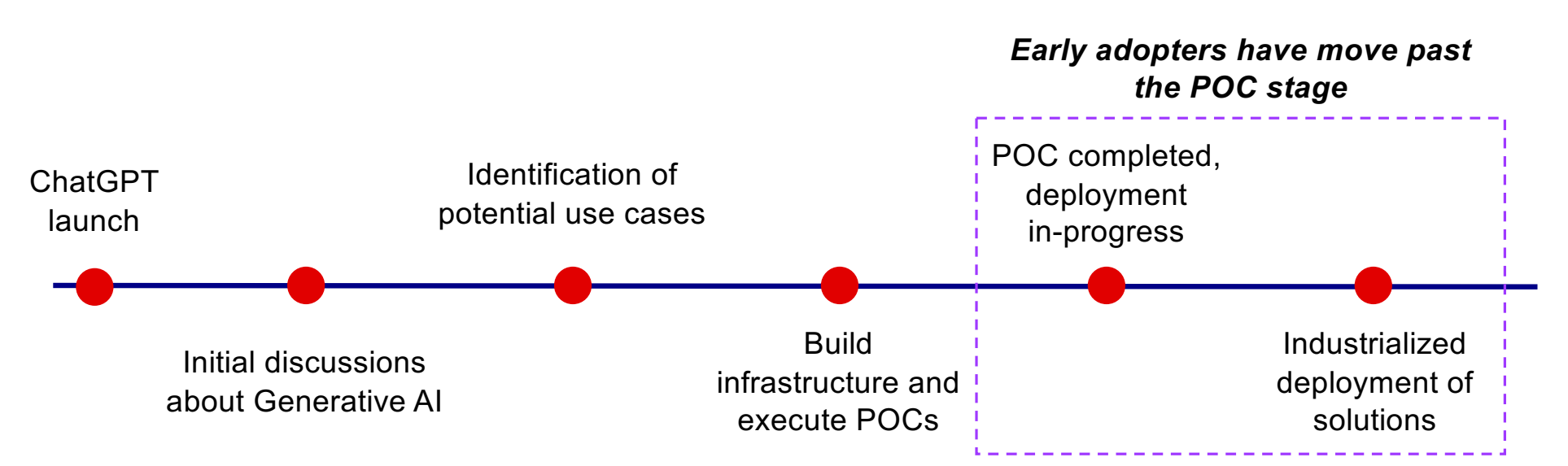
Investments towards hardware and data management services

Impact

Focus on expense reduction use cases in future

Use case selection and "human in the loop" approach

Early adopters have moved from initial assessment with POCs to a full-scale deployment of Generative AI solutions



Source: EXL AI-driven Enterprise Report

How organizations are leveraging Generative AI

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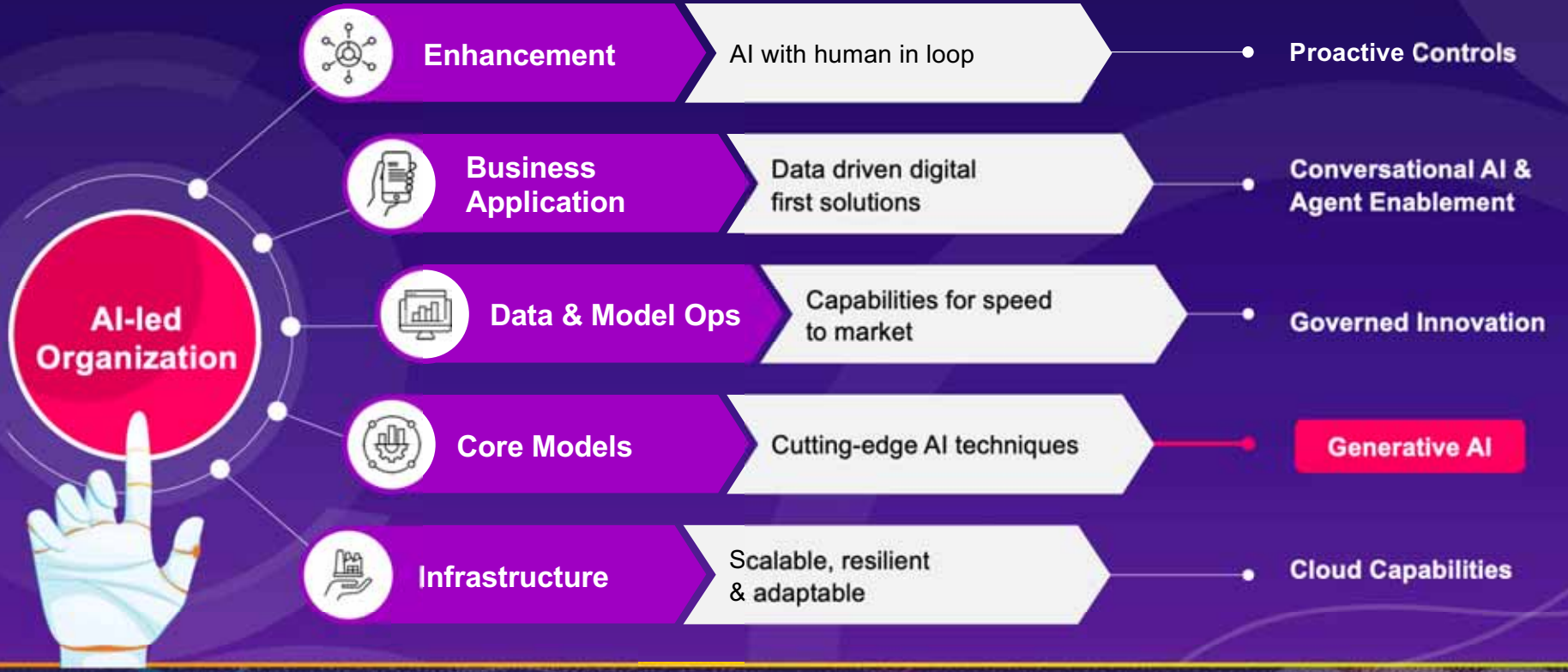
Generative AI will play a pivotal role in building a successful AI-led organization



Applications of Generative AI span across the enterprise

Select use-cases

Internal

Code generation
Augment analyst efficiency

Conversational BI
On-command dashboard

Middle-office

Intra-wiki
Knowledge repository

Customer assistance
360-view for customer connects

Hyper-personalized advice
Based on real-time interactions

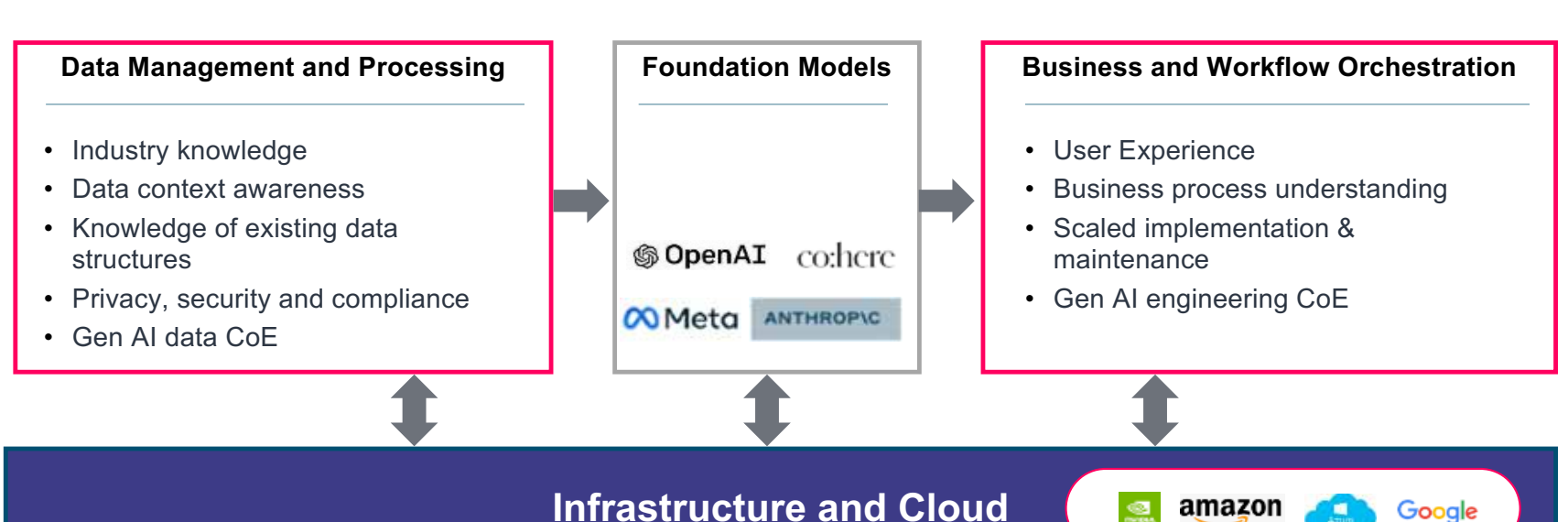
Customer-facing

Customer wiki
How-to manual

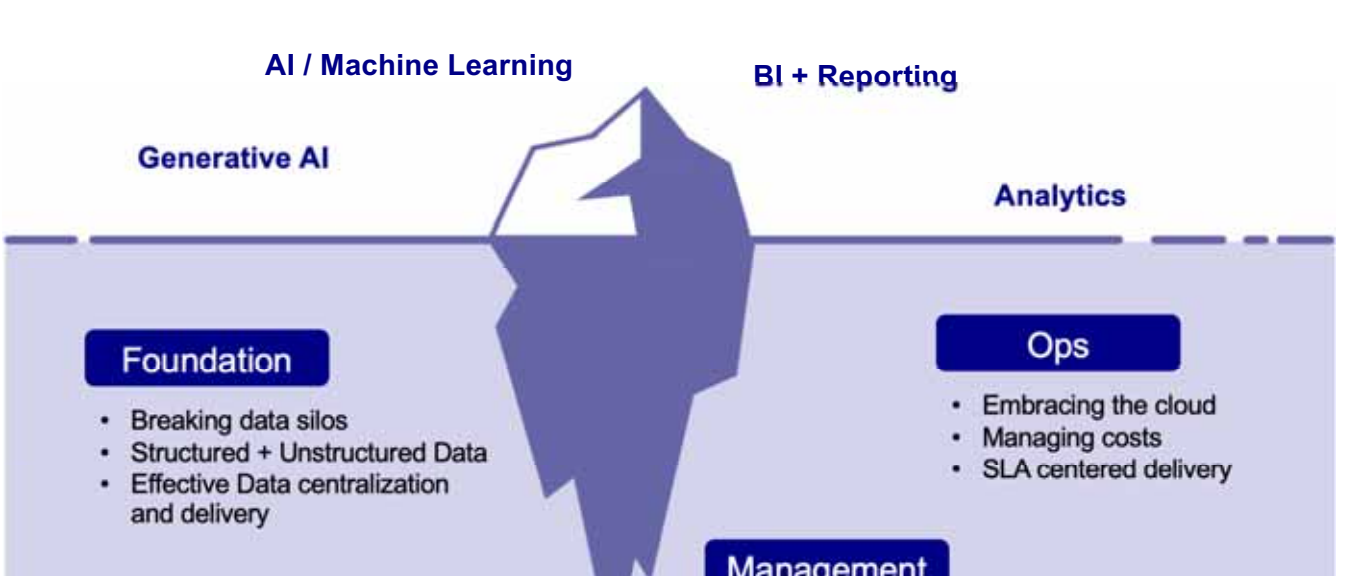
Hyper-personalized marketing
Personalized content

Chatbot
Conversational assistant

While all the hype is about the LLMs... Operationalizing book ends is way more complex for enterprises



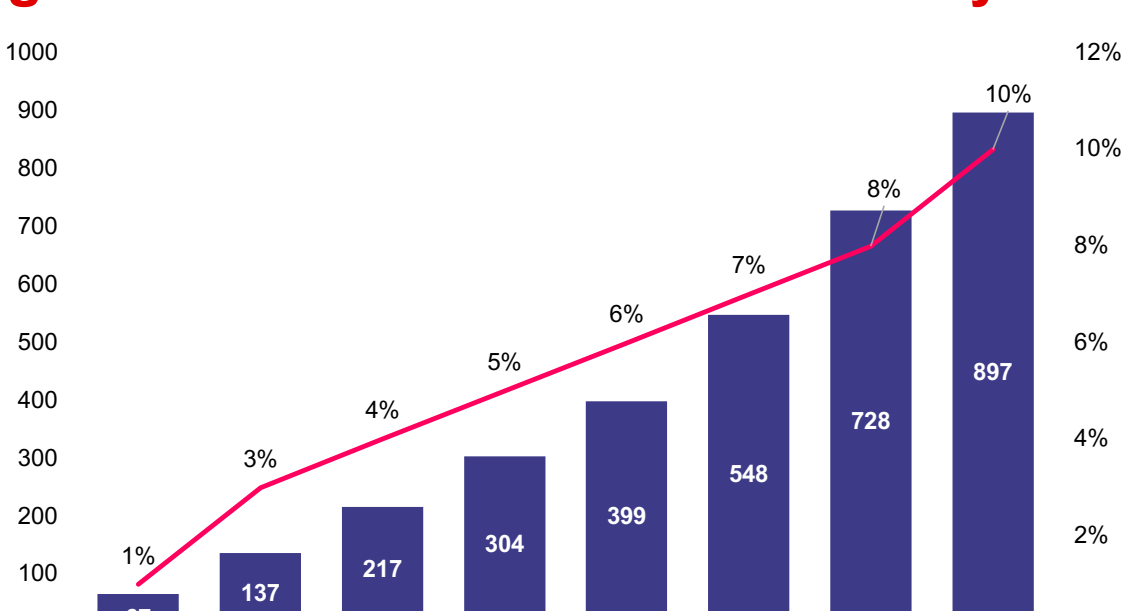
Data, the hidden part of the AI / Analytics iceberg presents an incremental opportunity for Generative AI



Under the Hood

- **Surfacing up previously dark data**
- **Vector Databases Gaining maximum importance within Data Platforms**
- **Effective fine tuning using appropriate data and robust evaluation**

Funding allocated to CIO/CTO for long term AI investments expected to grow to ~10x of current level in next 7 years



Source: Bloomberg Intelligence, IDC

IDC Forecasts Spending on Gen AI Solutions Will Reach **$143 Billion** in 2027 With a Five-Year Compound Annual Growth Rate of **73.3%**

Generative AI in Action

Banking & Financial Services

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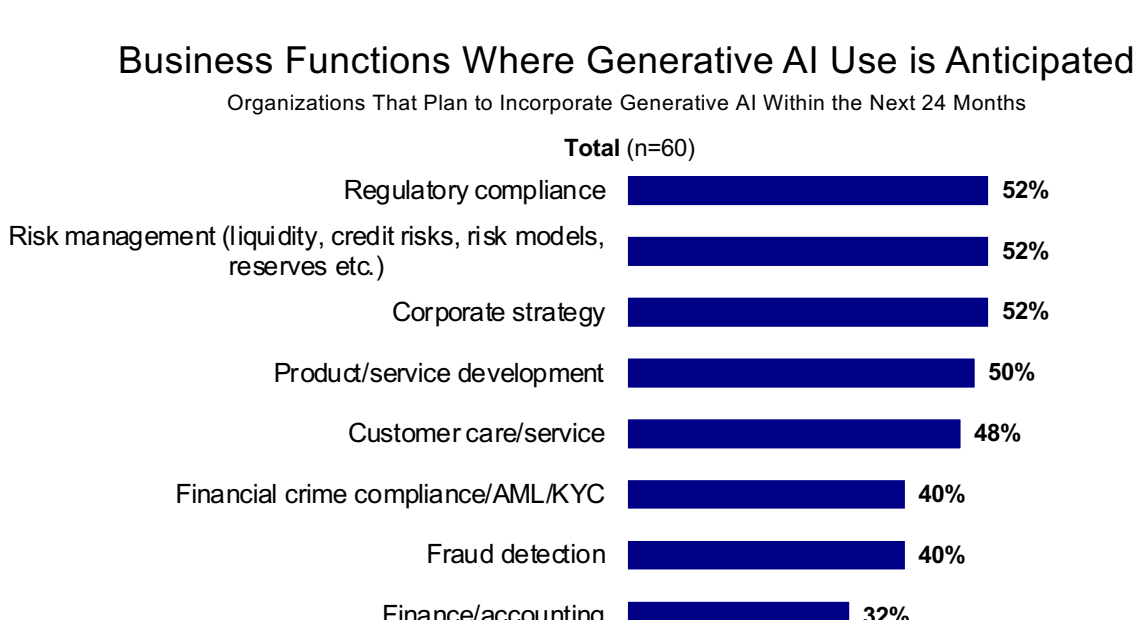
While Generative AI use cases for Banks varied widely, deployment for compliance and controls automation emerged as first area of focus



Source: EXL AI-driven Enterprise Report

Banking use cases, prioritized to increase efficiency & reduce cost

High

Ability to mitigate any error impact

Low

Employee Facing	**Code Harbor** Augment analyst efficiency in code generation & conversion	**Intelligent Document Processing** Evidence like W2s, Utility Bills, Bank statements	**Process Maps & Data Lineage** Leveraging existing codes & procedures
	Proactive Control Comprehensive Issue Identification & Remediation	**Conversational BI** On-command dashboard	**Automated Documentation** Code, model, policy, strategy, BRD
	Commercial UW Assistance in underwriting report creation	**Ops Process Automation** Assistance in SAR filing	**Employee Wiki** HR policies, Benefits, etc.
Rep Assistance Co-piloting	**Agent Wiki** Faster access to relevant documents and procedures	**Agent Assist** Guidance for best response in interaction	**Financial advice** Based on real-time interactions
Customer Facing	**Customer Wiki** Financial knowledge repository & how-to manual	**Investment Planning** Customer-led AI-informed investment plan creation	**Proactive Outreach** Interaction mining to guide targeted interventions
	Hyper-personalized marketing Personalized marketing content	**Chat Bot** Conversational Assistant	**Digital Collections** Email/ SMS content personalization

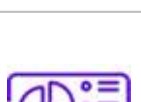
Code Harbor

Solution Demo

What is it?

AI working in collaboration with Human intelligence to reduce repeatable tasks like **code generation** & conversions, giving more time for complex activities like **debugging & solution design** for Human counterparts

Key features



Code Generation & Migration

Code Insights & Governance

Code Testing

Benefits

3x – 4x

Faster Digital & Cloud transformation

50%+

Reduction in time for UAT & reconciliation testing

60%+

Faster process documentation, identifying variable mapping

Conversational BI

What is it?

An **intuitive chat interface** to easily interact with data and receive quick insights on the fly to extract valuable information from **complex datasets**, empowering leaders to make simple data driven decisions with ease

Key features

On-the-fly insights with added ability to customize visualization

On-command control over usage of response

Learning loop to improve response accuracy over time

Benefits

3x

Faster Insights Generation

90%

Reduction in time to complete ad-hoc analysis

70%+

Faster business & strategy decisions

Intelligent Document Processing

Solution Demo

What is it?

AI-powered solution that helps **extract relevant content from diverse type of documents** with intuitive ease and create ETL pipelines for downstream integration

Key features

Ingest any document type

No training required - across templates and document types

Seamless integration into workflows

Benefits

75%

Faster cycle time

60%

Cost reduction

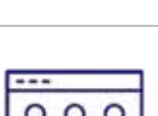
Agent Assist

What is it?

Augmented Human + AI servicing capable of having rich conversations with customers and seamlessly fulfill their requests by **generating actionable insights** with real time customer data points

Key features

Domain-specific AI training



Customized real-time nudges

Automation of repetitive tasks

Benefits

8-10%

Improvement in C/X

45-50%

Reduction in average handling time

50-60%

Increase in speed to competency for agents

70-80%

Reduction in errors

Generative AI Deployment

Best Practices

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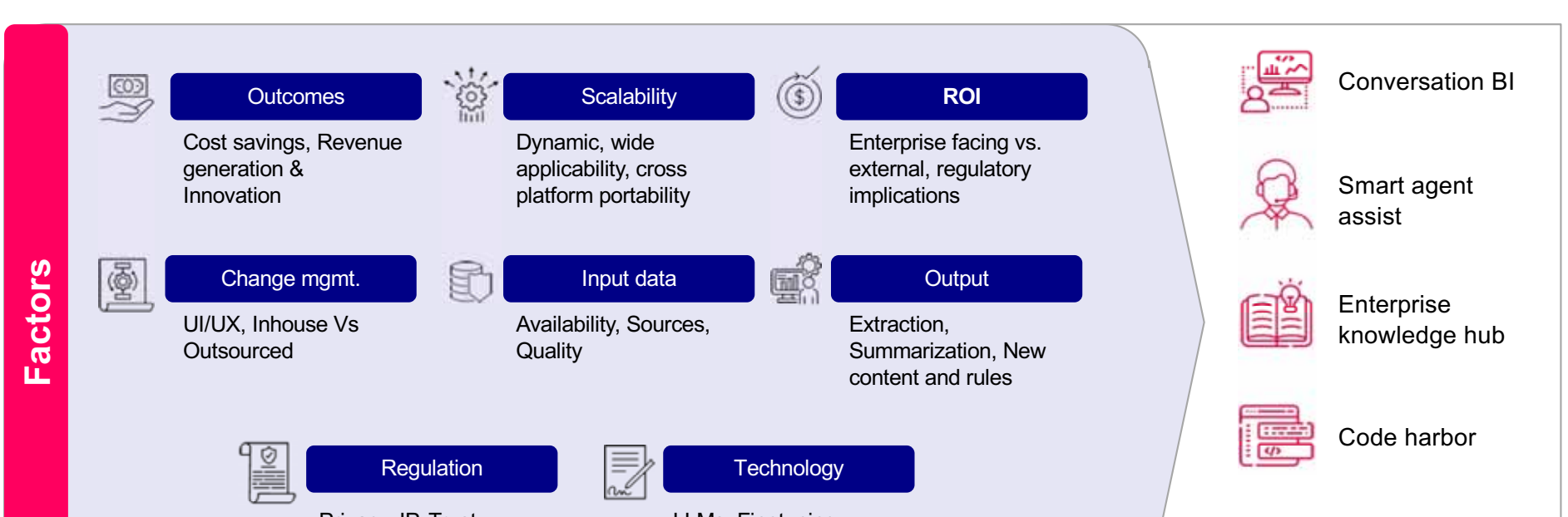
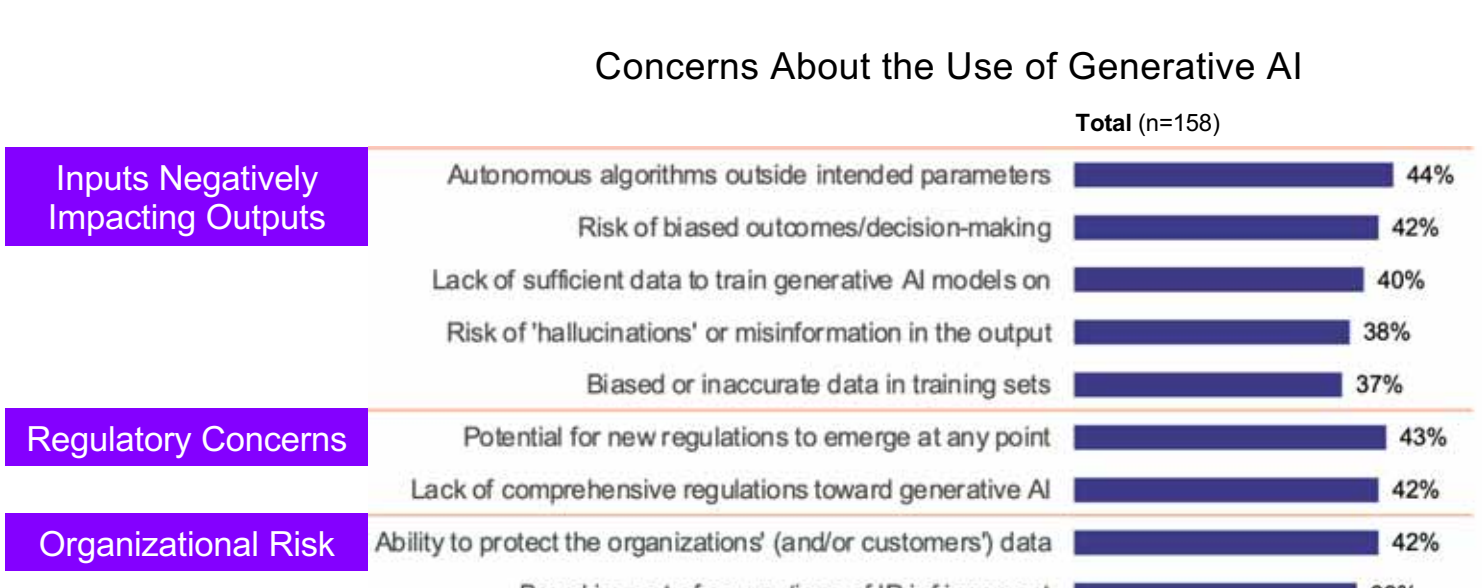
There are 5 key considerations for an effective adoption of Generative AI

- Use case prioritization
- Data Estate
- Operationalizing AI
- Responsible AI
- Talent

Multiple factors need to be considered before selecting a use-case



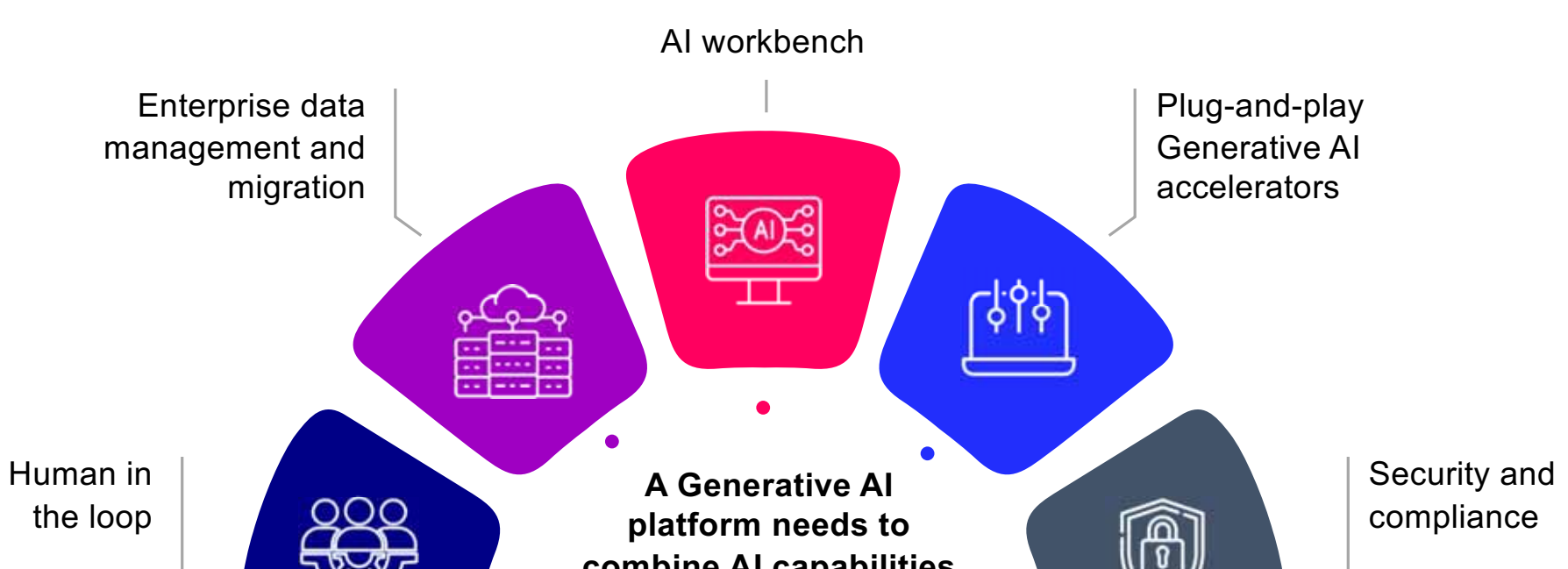
Rogue algorithms, biased outcomes, lack of sufficient data, regulatory issues and data security are key Generative AI concerns



Responsible AI

Source: EXL AI-driven Enterprise Report

Guiding principles for a secure and scalable Generative AI platform



Key takeaways

It is all about the **Outcomes & ROI**

Domain Knowledge, with Data Expertise, is paramount

Risks can be addressed with the **Right Mindset & Capabilities**

As you think about scaling, you need the **Right Partner**

Thank you!

VIVEK JETLEY

Vivek.Jetley@exlservice.com
www.exlservice.com

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