Exploring Generative AI's Role in Reshaping the Future for BFSI Enterprises

April 2024: Complimentary Abstract / Table of Contents

Market Report

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Background and context

The BFSI industry has traditionally exhibited a conservative approach toward the adoption of new technologies. However, in the case of generative AI, there has been a notable shift in the industry's stance, as it now displays a heightened interest to leverage it as part of the technology ecosystem. Generative AI has the potential to revolutionize the BFSI industry by introducing innovative capabilities and transforming various aspects of the value chain such as enhanced fraud detection, personalized Customer Experience (CX), and robust risk assessment.

In this report, we have extensively covered the key drivers behind the adoption of generative AI in the BFSI industry. We have explored how leveraging generative AI in various business operations across BFSI firms can lead to achieving overarching business objectives and gaining a competitive advantage. Furthermore, we have provided a comprehensive landscape of the current implementations and real-world examples of generative AI adoption in the BFSI industry.

Additionally, we have presented a range of use cases and introduced a framework for prioritization. This enables BFSI organizations to identify the most impactful applications of generative AI across banking, capital markets, and insurance and sheds light on how generative AI can be effectively employed in each line of business.

Recognizing the importance of risk management, we have thoroughly examined the potential risks associated with generative AI adoption in the BFSI industry and provided mitigation strategies to address these risks. Furthermore, we have identified the barriers that hinder commercial adoption and proposed solutions to mitigate data-related risks and provided the landscape of technology providers and service providers in this space.

Scope of this report

Geography: Global

Industry: Banking, Financial Services, and Insurance (BFSI)

Services: Generative AI technology

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Overview and abbreviated summary of key messages

This report delves into the evolving landscape of Generative AI adoption in the BFSI industry, highlighting a notable shift in the industry's stance towards technology. It explores key drivers, use cases, risk management strategies, and provides a prioritization framework, enabling organizations to leverage Generative AI effectively across banking, capital markets, and insurance sectors. Additionally, the report addresses potential risks, barriers to adoption, and offers mitigation strategies while showcasing real-world examples and the current landscape of technology and service providers in this space..

Some of the findings in this report, among others, are:

Section A Trends and adoption drivers

- BFSI enterprises want to increase the velocity of change in their business to meet the evolving macro, consumer, advisor, employee, competitive, and regulatory themes
- The BFSI industry has the highest expectations from generative AI as compared to any other industry and Artificial intelligence, machine learning, and data analytics themes dominate discussions compared to other themes

Section B Use cases of generative AI in the BFSI industry

The financial services firms seeking to prioritize use cases, the 2x2 prioritization framework serves as a strategic tool. It evaluates and ranks use cases based on their potential impact and feasibility across banking, Asset & Wealth Management (AWM), and insurance industry, aiding in the decision-making process to optimize the use-case prioritization

Section C Potential risks and adoption inhibitors

- Data privacy and security is one of the biggest obstacles in adopting generative AI
- Enterprises need to exercise caution and prioritize use cases considering not only the potential impact and ease of adoption but also the associated risk of the outcome

Section D Generative AI talent and cost considerations

- In the past 12 months, the BFSI industry saw a remarkable growth of over 30% in AI talent, with job openings indicating a continuation of this positive trend to generative AI even in midsize/small enterprises
- Major investments can be observed in two key areas: establishing new governance roles to manage ethical risks associated with generative AI, and enhancing upskilling initiatives to address skill gaps

Section E Industry landscape

Productivity, application modernization, and consumer servicing-based use cases are moving fast into production while core technology providers continue to pilot growth-focused micro use cases

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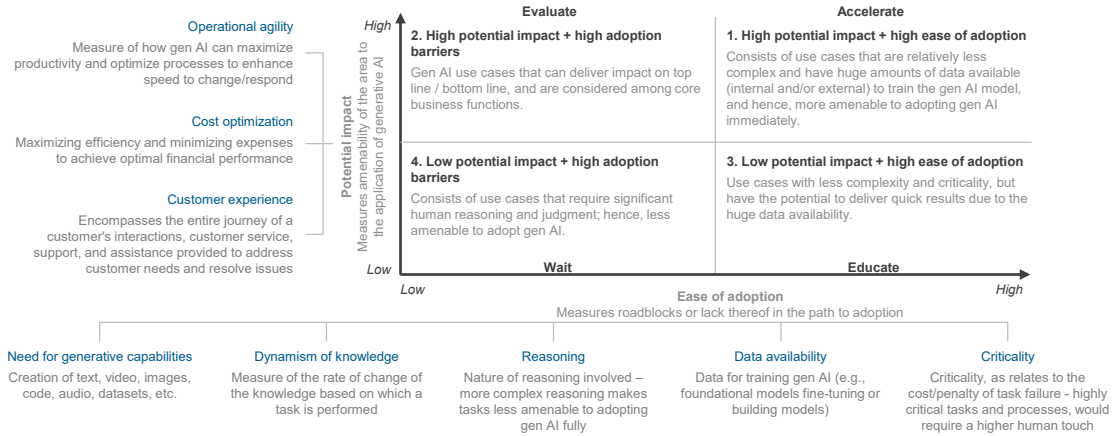
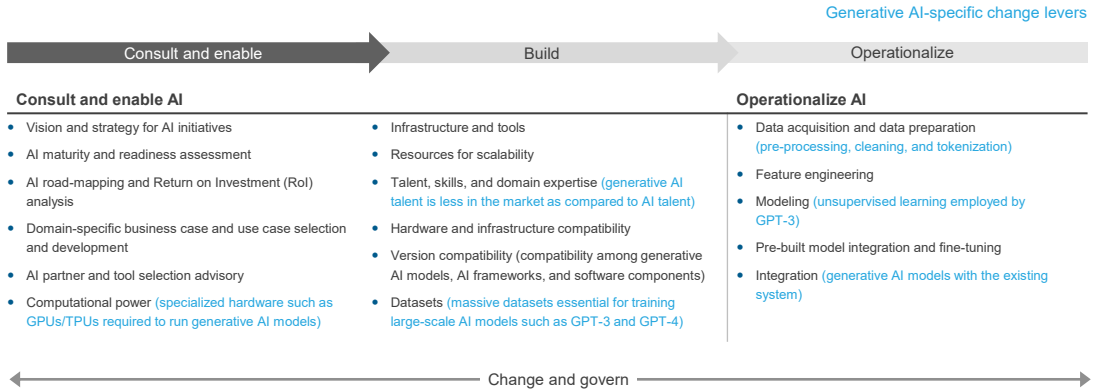
This study offers 6 distinct chapters providing a deep dive into key aspects of generative AI impact in financial services industry market; below are four charts to illustrate the depth of the report

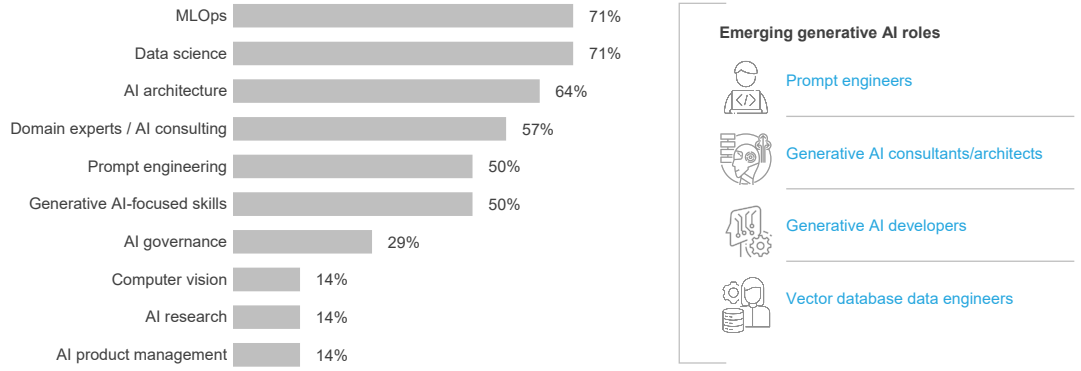
Prioritization framework helps in prioritizing use cases



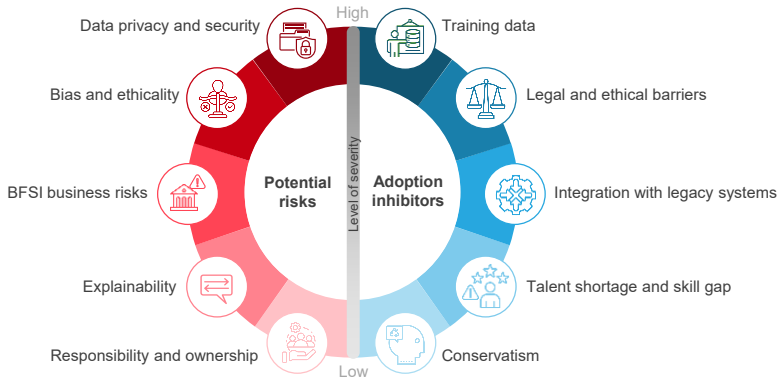
Generative AI-specific change levers in end-to-end AI services value chain



Talent and skills landscape



Potential risks and adoption inhibitors



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Banking and Financial Services Information Technology

Published Current release Planned

Reports title	Release date
Enterprise Pulse on Third-party Platforms Services in BFS : Fostering Innovation and Deriving Value During a Talent Crunch	September 2022
Future of Investment Banking – Data and Digital Driving Disruption and Disintermediation	October 2022
Wealth Management Products PEAK Matrix® Assessment 2023	November 2022
Future of Treasury – Adopting Platforms, APIs, and Cloud for Real-time and Digital Functioning	November 2022
Capital Markets Technology and IT Services – State of The Market 2022	November 2022
Asset and Wealth Management IT Services PEAK Matrix® Assessment 2023	June 2023
Digital Experience Platforms (DXP) in Asset and Wealth Management (AWM) Products PEAK Matrix® Assessment 2023	June 2023
Payments IT Services PEAK Matrix® Assessment 2023	July 2023
Payments IT Services – Provider Compendium 2023	October 2023
Lending IT Services PEAK Matrix® Assessment 2023	December 2023
Lending IT Services – Provider Compendium 2024	March 2024
Exploring Generative AI's Role in Reshaping the Future for BFSI Enterprises	April 2024
Open Banking IT services PEAK Matrix® Assessment 2024	Q2 2024
Capital Markets IT services PEAK Matrix® Assessment 2024	Q2 2024
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Insurance Information Technology

Published Current release Planned

Reports title	Release date
Insuring a Sustainable Tomorrow: How the Insurance Industry is Driving Positive Change	July 2023
Unleashing the Potential of Generative AI (GAI): A Game-changer for Property and Casualty (P&C) Insurance Claims	August 2023
Insurance IT Services Specialists	August 2023
Cloud Services in Insurance PEAK Matrix® Assessment 2023	October 2023
Cloud Services in Insurance – Provider Compendium 2023	December 2023
Low-code Technology Providers in Insurance – Products PEAK Matrix® Assessment 2023	January 2023
Low-code Technology Providers in Insurance – Provider Compendium 2023	January 2023
Transforming Insurance: Creating a Best-of-Breed Model by Combining Low-code and Core Platforms	March 2023
Exploring Generative AI's Role in Reshaping the Future for BFSI Enterprises	April 2024
Life and Annuity (L&A) Insurance IT Services PEAK Matrix® Assessment 2024	Q2 2024
Guidewire Services PEAK Matrix® Assessment 2024	Q2 2024
Duck Creek Services PEAK Matrix® Assessment 2024	Q2 2024
Property & Casualty (P&C) Insurance State of the Market 2024	Q2 2024
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