

The future of banking in the era of AI



Generative AI is transforming banking

In financial services, there's heightened interest in how artificial intelligence (AI) can drive improvements in managing risk and generating returns. Technology continues to play a central role in addressing financial, regulatory, and competitive challenges, and AI has the potential to help banks transform employee productivity, operations, and customer experiences. Generative AI unlocks intelligent banking and creates possibilities to innovate for business value faster.

There's a reason it's considered transformative. AI presents great potential compared to other technologies currently available. The AI era has already begun—we're in it. Customers want personalized, custom products and services. Employees are looking to work more efficiently. AI provides the capabilities to make that possible for everyone who taps, swipes, or clicks.

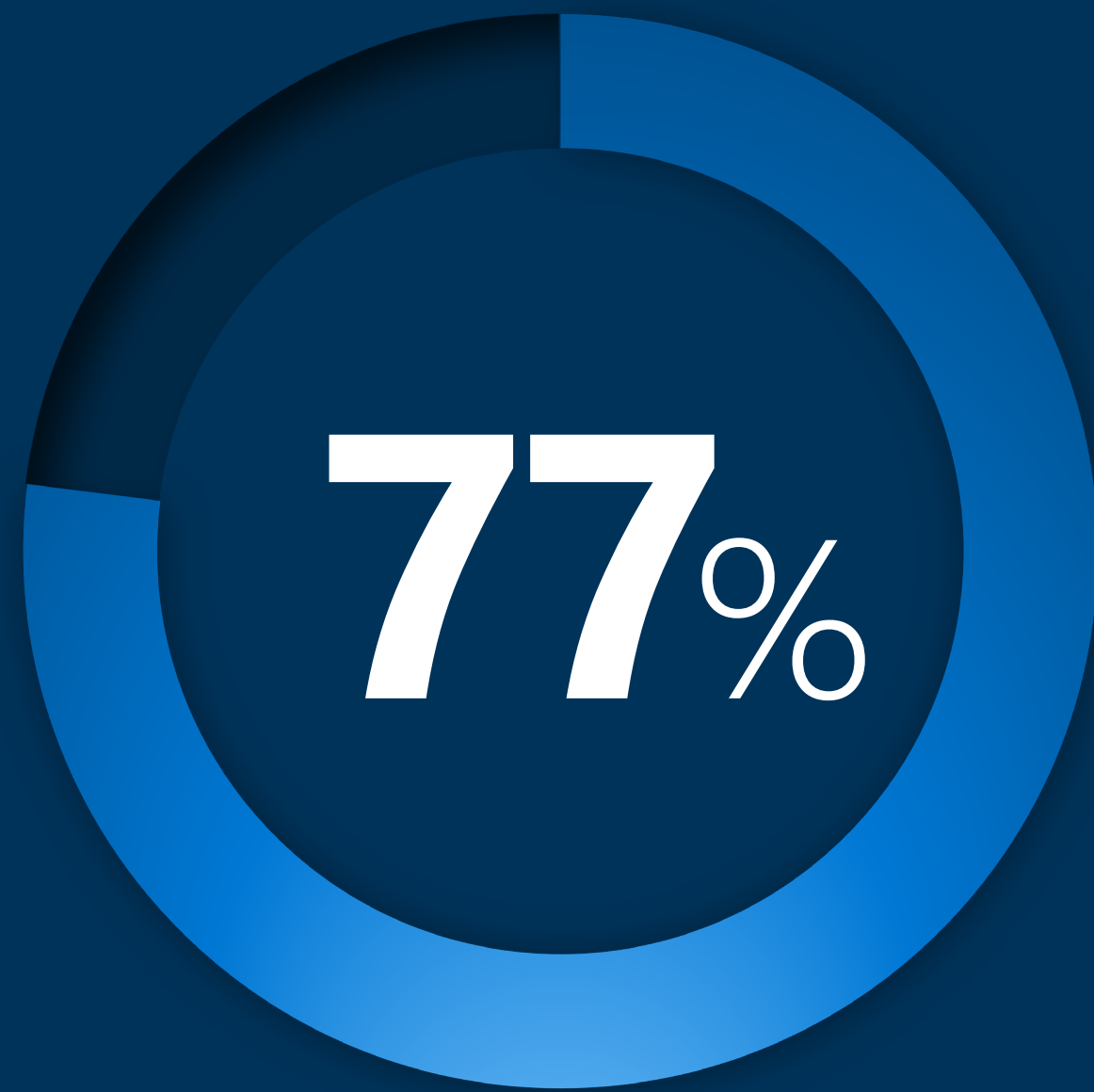
Generative AI seemed novel at first but represents some of the first mainstream steps into the intelligent automation age. Adoption of AI capabilities for business has more than doubled since 2017,¹ but the introduction of generative AI to the public using large language models (LLMs) and natural language processing (NLP) made the power of deep learning accessible to everyone on a daily basis.

¹ McKinsey & Company, "[The state of AI in 2022—and a new half decade in review.](#)" Dlmfao l'mecember 6, 2022.

² Precedence Research. "[Generative AI Market.](#)" December 2022.



The generative AI market is estimated to reach \$22.12 billion by 2025.²



77 percent of executives see generative AI as the most impactful emerging technology they'll use.¹

The future is AI-powered and it matters now

As adoption of AI technology increases, so does investment in it. In a 2022 report, 52 percent of respondents said at least 5 percent of their digital budgets go to AI—up from 40 percent in 2018. Businesses continue to adopt more AI capabilities, with natural language text understanding, virtual agents, and conversational interfaces among the most common. The technology and applications that will carry us into the future—like using AI to generate code and data to test that code—are available and being used compellingly today.²

¹ KPMG, "[Generative AI: From buzz to business value.](#)" May 2023.

² McKinsey & Company, "[The state of AI in 2022—and a new half decade in review.](#)" December 6, 2022.



Drive innovation in banking with generative AI

With heightened focus on unlocking business value and deepening customer relationships, the banking industry is well-positioned to take advantage of AI capabilities like predictive summaries, code-scripting, and data analysis.

The time to act is now. Where you begin your AI journey is up to you.

Bill Borden, "[The era of generative AI: Driving transformation in banking](#)," Microsoft Industry Blogs, May 4, 2023.

Start small to win big

AI has potential to unlock innovation and business value at an accelerated pace, but adopting intelligent solutions doesn't have to mean revolutionizing your customer channels on day one. Human agency and supervision are critical to ensure generative AI supports and enables human creativity. For banks new to generative AI, start by learning how to deploy and leverage AI capabilities through empowering employees first. Supporting employees with productivity-based AI features—like those found in our Microsoft copilot technology—can produce positive, personalized experiences for customers over time. We see four human-centered use cases as natural entry points for banks to apply generative AI to improve teamwork, insights, and communications.



Enhance contact center services



Empower financial advisors



Aid content generation



Accelerate code modernization





Enhance contact center services

Enable customer service agents to respond faster to customer questions by equipping them with generative AI capabilities. AI allows agents to summarize and pull insights from across conversations—measuring customer sentiment from start to finish of a call. Although human supervision is still needed, AI can provide real-time coaching and partially automate the customer journey. Intelligence fed into the contact center knowledge base makes fast aggregation of insights possible for tracking key performance indicators (KPIs) around customer satisfaction, engagement, and impact to Net Promoter Score (NPS).



Empower financial advisors

Help financial advisors prepare for client meetings by eliminating the need to manually search extensive product documentation. AI summarization and contextualization capabilities summarize key product attributes and arrange them in an easy-to-read comparison table. Advisors, branch staff, and contact center agents can all act as the “human in the loop” to quickly retrieve information, review it for accuracy, and improve a customer’s experience.



Aid content generation

Accelerate the development of pitchbooks and other materials for capital raises, mergers, and acquisitions. Generative AI can analyze and apply content from multiple sources into the creation of new documents—creating first drafts for employees to check for quality and accuracy before carrying through to completion.



Accelerate code modernization

Provide developers with the ability to apply AI capabilities to the entire development lifecycle. Generative AI offers code suggestions for dozens of programming languages, faster access to application programming interfaces (APIs), and accelerated software development. With [GitHub Copilot X](#), developers get AI support accelerating testing and interrogating legacy code—plus documenting it and identifying bugs.



Make intelligent banking a reality

You can use AI to empower employees and modernize core banking before business closes today—your next intelligent solution is available that quickly. By applying for access to [Azure OpenAI Service](#) or engaging [AI-powered copilots](#) across Microsoft 365, Dynamics 365, GitHub, and Security, banking innovation is just around the corner.

Azure OpenAI Service allows you to deploy large, pre-trained, foundational models developed by OpenAI with the enterprise capabilities of Azure. It's provisioned within your Azure subscription, so you can transform tasks like writing, content generation, reasoning over structured and unstructured data, and text and data summarization within your Azure tenants. Your data stays within the bounds of your organization.

Copilot was created to support you and work under your direction, with you—the human—in charge. Unleash banking productivity with copilots that help summarize meetings and calls, quickly find information and answers, and enable creative work. For developers, [GitHub Copilot](#) provides code suggestions as they enter code right inside the developer environment. The world's most advanced AI models are available to meet business imperatives responsibly, securely, and with confidence only achieved with the Microsoft Cloud.

Generative AI with the Microsoft Cloud means your data is protected.



Your data is your data.



Your data from any fine-tuning is not used to train the foundation AI models.



Your data is protected by the most comprehensive enterprise compliance and security controls.





Keep responsibility in mind

AI systems aren't inherently fair—they're subject to the same biases that exist within the data and decisions used to train them. To create AI that responds and behaves responsibly, system creators and users should develop, assess, deploy, and use AI in safe, trustworthy, and ethical ways. At Microsoft we focus on keeping people and their goals at the center of decisions about system design.

Prioritizing enduring values like fairness, reliability, and transparency helps proactively guide AI decisions toward more beneficial and equitable outcomes.

The Microsoft commitment

AI presents nearly limitless potential for people, industry, and society—it's the defining technology of our time. We ground our AI advancements in a company mission to help every person and organization on the planet achieve more.

Responsibility can mean different things to different people at different times. For us, building responsible AI means that AI systems should:

- Treat all people fairly.
- Perform reliably and safely.
- Be secure and respect privacy.
- Empower everyone and engage people.
- Be understandable.
- Be accountable to people.

Microsoft commits to making the promise of AI real and doing it responsibly. Read more about how we [drive responsible AI](#), including the [Microsoft Responsible AI Standard](#). We'll uncover a path forward with generative AI—together.



Lead the AI transformation

The opportunity is yours—Microsoft can help.

Contact your Microsoft representative.

Learn more at www.microsoft.com/ai



Microsoft Cloud for Financial Services

Unlock business value and deepen customer relationships



Transform the banking experience

Deliver differentiated customer experiences through deeper insights and relationships.



Empower banking employees

Improve productivity through better teamwork, insights, and communications.



Manage risk and compliance

Improve risk modeling, facilitate regulatory compliance, and combat financial crime.



Modernize payments and core banking

Increase agility to roll out new products and services while saving on infrastructure costs.



Create a sustainable future

Drive impactful sustainability outcomes in financial services with ESG solutions and analytics.

