

# Proving AI's Value in Financial Services

2025 is a pivotal year for financial services to harness the transformative potential of AI. Firms have an opportunity to cut costs, optimise processes and enhance customer experiences. But capitalising on this potential requires a clear understanding of what AI can and cannot achieve, the investments required, and the timeline for realising tangible results.

AI is already delivering significant benefits in areas such as cost reduction and risk management. From automating back-office processes to improving fraud detection and underwriting accuracy, financial services firms are using AI as a strategic enabler for competitive advantage. Advanced applications like predictive analytics and digital client engagement unlock new revenue streams, such as using AI to rebalance investment portfolios through digital approvals and real-time market data.

However, AI implementation faces challenges, including high costs for incumbents and poor data management. Many banks lack the cloud strategies and data delivery needed for effective AI, with siloed, low-quality, or fragmented data undermining outcomes and wasting investments. High-quality data is essential for AI success, driving accurate, actionable insights and robust decision-making.

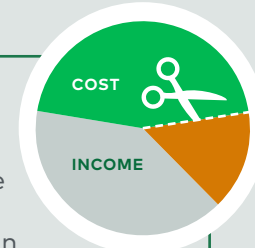
2025 marks a turning point for financial services – a chance to bridge the AI Delta, the gap between AI's potential and the value lost through poor execution. Firms that align strategies, data practices and organisational transformation will thrive while those that hesitate risk falling behind.



The global financial services AI opportunity is projected to drive a significant

**\$1.2-2.4 trillion**

in global revenue by 2030



L.E.K.'s simulation of a sample banking organisation showed that AI could cut the cost-to-income ratio from over **60% to 45%**

## In focus: AI's impact on financial services

- 1 Cost reduction and risk optimisation:** AI can deliver 20-30% cost savings through process automation, predictive risk modelling and fraud prevention.
- 2 Enhanced processes and decision-making:** AI can improve how firms operate, from loan underwriting to improving client outcomes. But effective implementation requires a willingness to change and commit the necessary resources.
- 3 New business opportunities:** AI provides financial services firms with the potential to rebalance investment portfolios using digital client approval and up-to-date market data, but high costs and data issues pose a challenge.



Institutions with advanced AI adoption could see stock prices **quadruple**, driven by improved efficiency and earnings growth

Source: L.E.K. research and analysis

## Want to find out more?

Contact us to discover how L.E.K. helps financial services leaders navigate the AI journey – optimising costs, streamlining processes and unlocking new opportunities. By aligning AI strategies with organisational goals and addressing challenges like data quality and governance, we deliver measurable value. Explore our Look Forward series to learn why 2025 is the year AI transforms industries.

Explore the Look Forward series

