From pilot to performance

How corporate, commercial and small business banks can seize AI for first-mover advantage
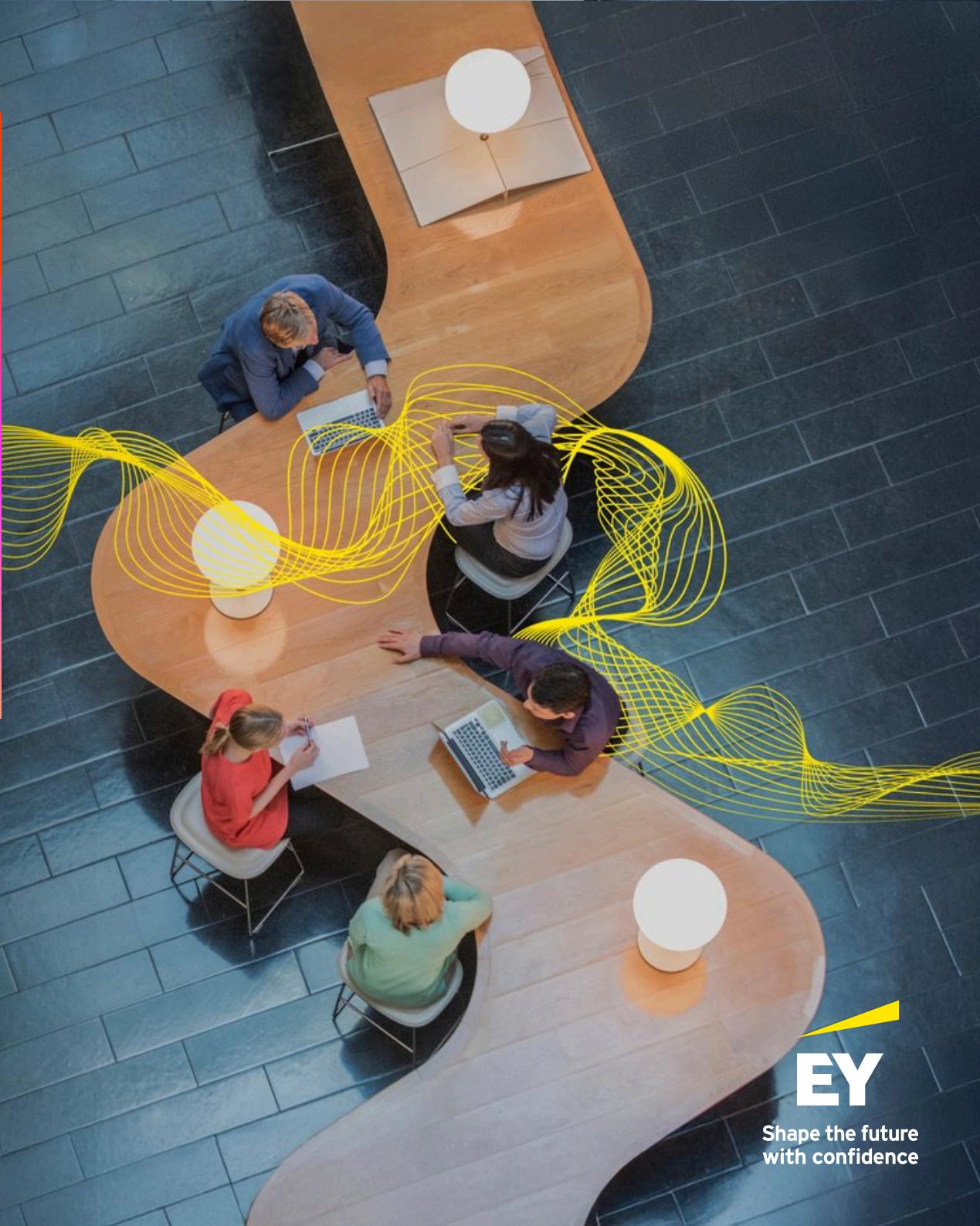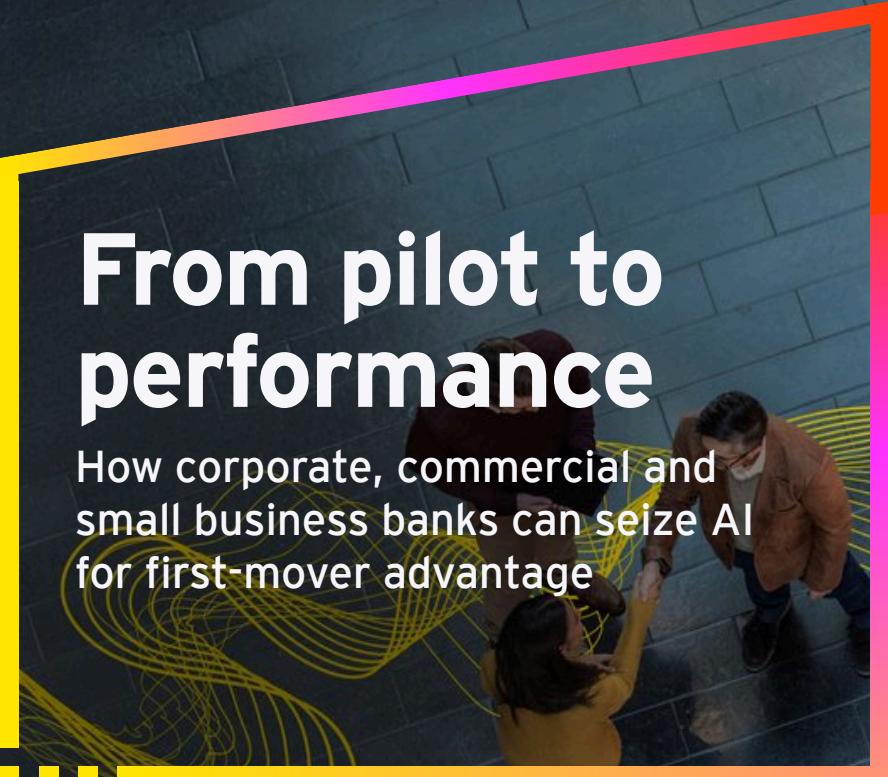
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Shape the future with confidence

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Artificial intelligence (AI) has immense potential across every sector, but the opportunity in corporate, commercial and small business banking is on another level. Whether it's credit, payments or foreign exchange, these banks' services are complex, document-heavy and tightly regulated – the perfect conditions for AI to generate efficiencies, insight and competitive advantage.

Yet adoption is patchy. Nearly every bank has run multiple small-scale projects designed to test AI's feasibility and benefits. But very few have scaled AI across the organization. A recent **EY sponsored report with MIT Technology Review Insights** on agentic AI found that 52% of banks had piloted the technology but just 16% had deployed use cases.

Where they had used it, the impact didn't meet their expectations.

What's holding them back? Focused on corporate and commercial banking, we interviewed banking leaders from seven institutions to discuss the barriers to widespread implementation and explore potential solutions. Additionally, we examined where these banks initially focused their AI efforts and identified their future priorities.

Alongside these banking leaders, members of EY's corporate, commercial and small business banking and technology teams provided valuable insights into how banks can fully leverage the AI opportunity:

AI has immense potential in corporate, commercial and small business banking, but adoption is inconsistent.
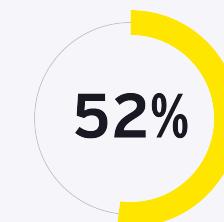
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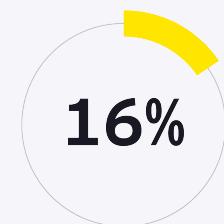
16% have fully deployed use cases

Source: MIT Technology Review Insights, Imagining the future of banking with agentic AI

1 Pivot from internal to external use cases.

Today, AI is primarily used for lower-value, internal applications.

ACTION: Increase consumer-facing deployments and explore how technology can transform operating models, and the services provided.

2 Empower the business.

At most banks, technology teams guide AI investment.

ACTION: Require business leaders to own the AI agenda and prioritize use cases that improve customer experience and drive revenue.

3 Dont ignore return on investment (ROI).

Assessing the ROI of AI is complex, and in the short term the ROI is often lower than anticipated. As a result, some banks are disregarding this calculation completely.

ACTION: Always measure ROI for individual use cases – even if the evaluation is preliminary and done crudely.

4 Create an AI platform for sustainable success.

Many banks struggle to scale AI because they build use cases from scratch.

ACTION: Pivot to a platform approach that's based on reusable key capabilities.

5 Explore modern ways of fixing data issues.

Incomplete or poor-quality data is the top barrier to scaling AI.

ACTION: Explore how new AI-powered tools can address data challenges and reduce the need for manual remediation.

6 Re-evaluate the balance of cloud and on-premises.

There are a variety of approaches to technology infrastructure within banks.

ACTION: Evaluate how deployment of generative AI (Gen AI) and agentic AI changes the relative merits of cloud vs. on-premises, and build-vs.-buy decisions.

7 Assess future skills requirements.

Insufficient technology skills could wreck AI ambitions.

ACTION: Map out which new skills are needed as AI is scaled and devise a strategy to attract and retain top talent.

8 Renew attention to risk.

Scaling AI, especially in customer-facing applications, brings risk and reward.

ACTION: Consider new risks arising from Gen AI, and update model risk management processes accordingly. Involve risk teams at the beginning.

1

The great AI opportunity: optimize, then transform

For banks, the real AI opportunity lies not in efficiency but in enhancing customer experience and transforming business models.

The great AI opportunity: optimize, then transform

Where does AI have the greatest potential in corporate and commercial banking? Not where it's being used today.

Every bank executive we spoke with believes the technology is most advantageous when used to benefit the customer: by halving the time it takes to complete a loan application form by pre-populating answers; by providing immediate answers to account-related queries through chatbots; or by conveying more personalized advice by empowering relationship managers with AI-generated insights.

But banks' early AI experimentations have been designed to create efficiencies in back-office processes, such as knowledge management, know your customer (KYC) information refreshing and data management. These use cases might significantly cut costs, but they don't boost revenue.

"If AI is only about efficiency, you're missing the point," says Ulku Rowe, CIO, Commercial at Lloyds Banking Group. "Its true power is to reinvent how we decide and how we serve."

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Customer experience is the next frontier of AI

Yet the report with **MIT Technology Review Insights** suggests that client-facing use cases are not a priority.

Asked about the most important outcomes they expect from deploying agentic AI, banks listed fraud detection first and security second. Enhancing customer experience came third.

There are two reasons why AI is not being used in the most profitable areas. First, there's a worry that GenAI, which is relatively new technology, will hallucinate – give factually incorrect answers that are based on insufficient or overgeneralized training data. Without a human involved, this could lead to customers receiving incorrect information or non-compliant advice.

Used internally, AI that misfires in this way is frustrating and costly; used externally, it could be reputationally damaging. Until banks gain confidence in how the technology works, or master how humans and AI can work together to mitigate errors, it's unlikely they will use the technology in customer-facing applications.

"Our intention during the next two years is to take internal AI use cases such as corporate chatbots and make them external," explains Matthew Parker-Jones, Global Head of Product for Global Transaction Banking at Scotiabank. "But we can't do that yet because we need to ensure there's no risk of it giving the client bad advice."

The second factor that's slowing down banks' adoption of AI for client-facing purposes is ownership. Technology leaders who don't work directly with clients are behind AI adoption in most banks, and they naturally overlook its use for this purpose.

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Transformation is the ultimate AI use case

Banks are also overlooking an opportunity that could be even more rewarding than customer experience: a total rethink of their operating models and the services they provide.

Take transaction banking. Many banks are already using AI to improve how accurately they can identify fraudulent payments. Reducing the number of legitimate payments that are unnecessarily flagged for human review shortens the average execution timeframe, improving customer satisfaction. This is important, but it's not revolutionary.

Now imagine a bank also using AI to evaluate all of a particular client's outstanding outgoing payments. If the AI model were given basic contractual information such as the payment date, it could start to explore and suggest the potential liquidity benefits of holding on to that cash. It could also assess the trade-offs between different forms of payments.

For example, a faster but more costly real-time payments transaction might be preferable to a slower but cheaper traditional automated clearing house (ACH) payment. The bank is no longer a payments processor – it has become a valuable extension of the client's corporate treasury team.

The **EY Voice of the Treasurer research** suggests customers would be open to these services. For example, 90% are interested in an AI financial advisor that would make recommendations in response to financial issues, and 86% would value an AI treasury assistant that provided bespoke insights.

In another example, AI could be deployed in credit not just to ease the application process and speed up time-to-fund, but also to proactively offer loans to clients when they need them. By evaluating all the internal and external financial and operational data the bank has about a client, AI could identify when, for instance, there's a cash-flow shortfall.

Treasurers are open to new AI-powered services provided by banks:
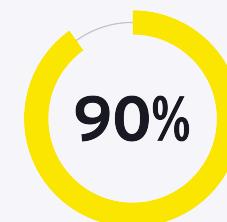
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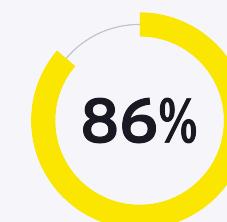
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Source: EY Voice of the Treasurer research.

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> **Osamu Abe**, Chief of Staff for Asia Pacific, MUFG Bank

This is the real value of AI in corporate and commercial banking. There's a first-mover advantage in using the technology in this way and changing how the bank operates to do it. But very few banks are considering what's possible, and even fewer have started using AI in any genuinely transformative ways.

MUFG Bank is an exception. "I want to leverage AI to grow our business and in the long run even change how we do things like lending," says Osamu Abe, the bank's Chief of Staff for Asia Pacific. "That's the real magic."

Understandably, many banks are focusing on internal deployments that drive efficiencies while they augment their understanding of the technology and build foundational capabilities. But this is not the time to be complacent. The ones that move the fastest stand to gain considerable market share.

"Today, banks are in a race to build their AI capabilities and deploy impactful use cases," says Matt Cox, EY Global Corporate, Commercial and SME Banking Consulting Leader. "They need to enter the race to use AI to transform their business. That's the first-mover advantage."

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Key actions

- Make sure every AI use case is documented, amalgamated and visible to senior executives.

- Pivot toward client-facing use cases.

- Encourage everyone who works with AI to imagine how it could change the operating model and increase the value provided to clients.

2

Reassigning responsibility: business-led, technology-enabled

AI in banking is a business transformation, not a technology project – and it must be led by the C-suite.

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# Reassigning responsibility: business-led, technology-enabled

In corporate and commercial banking, centralized technology teams are typically responsible for AI. They prioritize where AI will be deployed, oversee its implementation and measure the benefits, collaborating with operations, risk, finance and the business.

Paradoxically, most banks acknowledge this isn't ideal. Detached from the client-facing side of the business, technology teams tend to deploy AI in the parts of the business they know well: back-office operations.

Instead, the business itself should lead on AI investment. Business teams are in a position to understand exactly how AI could improve customer experience and create growth and will therefore deploy the technology in areas where it's likely to generate higher returns.

But business teams lead AI adoption in only a small number of banks. Some feel overwhelmed by the complexity of technology. Others are devoting all their attention to serving existing clients and growing the business.

"There's a danger that AI becomes detached from those that manage client relationships and run the actual business if it's run by a central technology team," explains Scotiabank's Matthew Parker-Jones. "We've empowered the business to drive an outcome with AI, whether that's better client experience or lower costs. We will likely end up going slower, but the impact will be more sustained. You need clarity from the top of the house – the CEO – that this is expected from business leaders. Otherwise, you'll default to a central team running things."
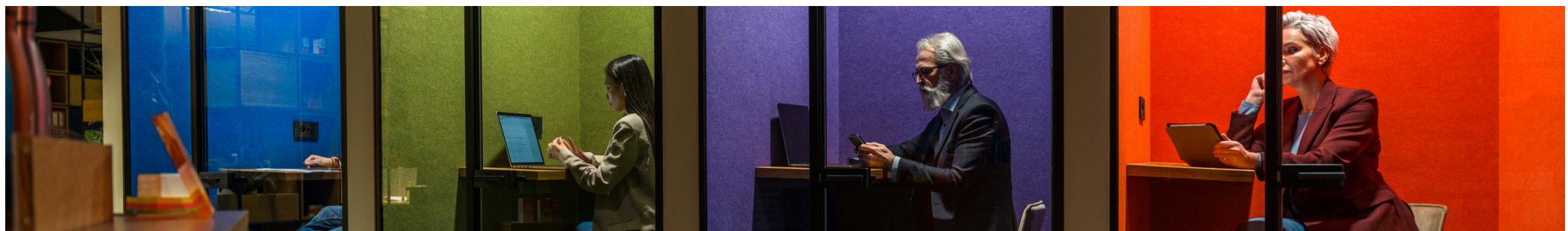
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Transformation comes from close collaboration and visionary leadership

Technology teams do have a vital role to play, because they provide the underlying infrastructure and ensure consistency across the organization. So, business and technology leaders need to collaborate closely.

The bank executives we interviewed that reported working productively together on AI deployment found that a certain team structure was critical: instead of technology and operational leaders for specific divisions sitting with a centralized technology and operations team, they were part of a product-specific team. For example, the head of technology for credit sits close to the head of operations for credit and the business leader for credit.
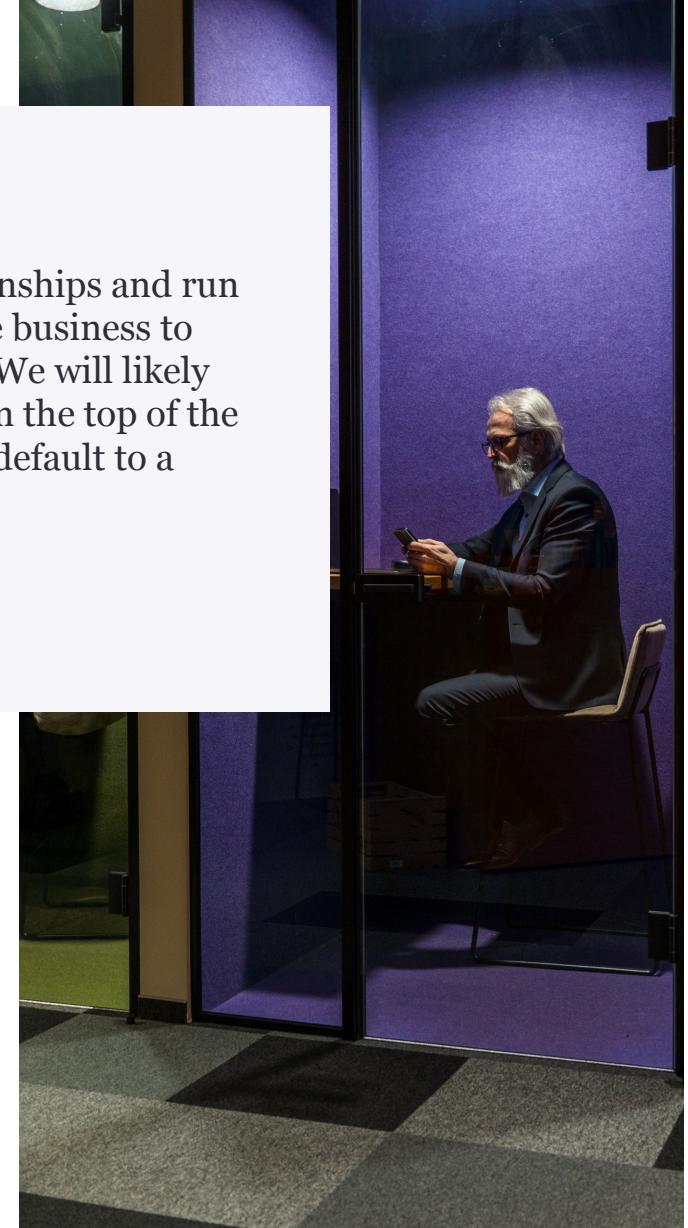
Even in banks where the business leads the AI agenda, the most productive applications of new AI-enabled services might not be prioritized. This is because business leaders understandably focus on improving client experience and creating growth in the short to medium term, and don't think about how AI can completely redefine their operating model.

Enter the CEO. Either directly or via a head of transformation, they must encourage business, technology, and operations leaders to look to the future and imagine AI's revolutionary potential.

"AI needs to be a business transformation, not a technology transformation, so ultimately needs to be driven by the business," says Beatriz Sanz Sáiz, EY Global AI Sector Leader. "Businesses that are most successful have a top-down AI strategy that's driven by the CEO and the entire C-suite and filters down to business leaders."

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Key actions:

- Empower the business, enabled by technology teams, to lead the AI agenda.

- Explore the potential for new team structures to facilitate collaboration.

- Set a clear expectation that business teams must explore AI's transformative potential.

3

Rethinking return on investment

Banks are taking varied approaches to the persistent challenge of measuring ROI on AI.

Rethinking return on investment

Calculating the return on investment (ROI) of AI is difficult. Unlike traditional IT purchases and cost-savings initiatives, the benefits are sometimes not directly financial. Use cases can, for example, lead to lower risk, deeper insights or richer client experiences, and the financial impact of these can be hard to quantify.

Many banks also suspect that, as with the early days of online banking, immediate returns are overestimated but long-term returns are underestimated. A short-term return calculation might not capture the full benefits.

"When internet banking took off 20 years ago everyone thought there would be immediate cost savings through branch closures," says Abhay Chauhan, EY Asia-Pacific Corporate, Commercial and SME Banking Leader. "But consumer habits only really began to change in the past five years.

The financial benefits materialized much later, and many believe history will repeat itself with AI."
Complicating matters further, AI implementation is often accompanied by changes to workflows and processes, so isolating the impact of AI alone isn't easy.

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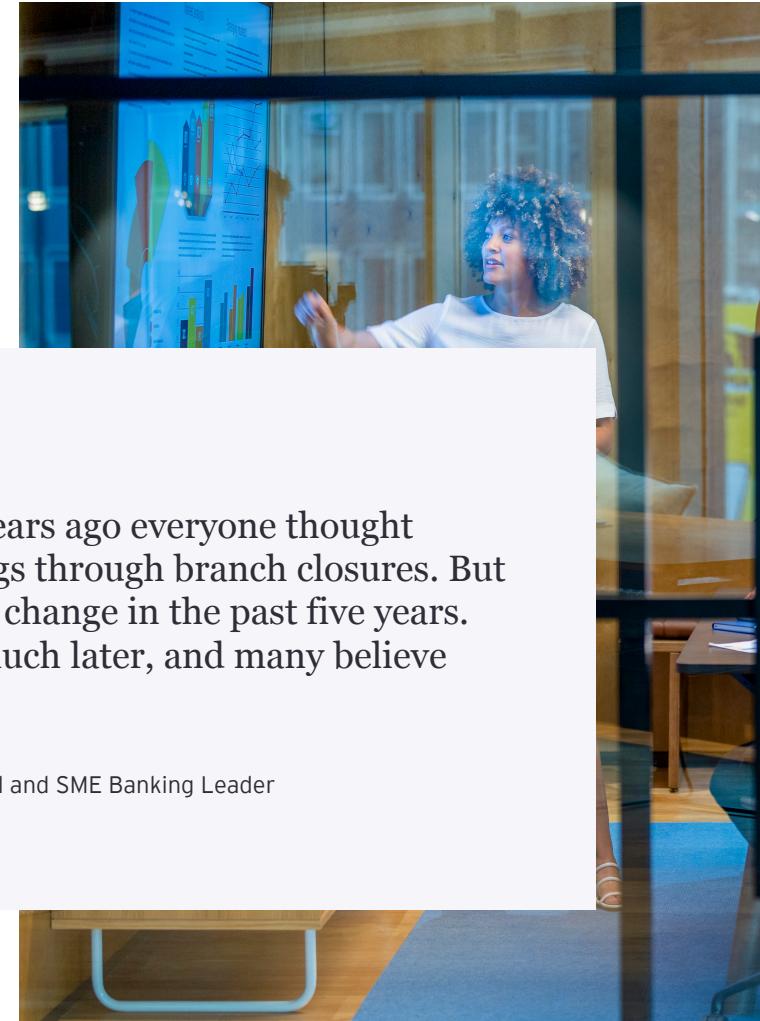
Faced with these challenges, banks have adopted a wide variety of approaches. At some banks, ROI is a crucial way to prioritize use cases. "ROI keeps AI honest," says Lloyds Banking Group's Rowe. "If you can't link it to business value, it's just experimentation. If you can't measure it, you're probably not doing it right. It's tricky, but you can use proxies to help."

Other banks don't measure ROI at all. "We just don't measure ROI for AI investments," says Bahadir Yilmaz, Chief Analytics Officer at ING. "We, of course, track project KPIs and OKRs, but ROI is difficult. We can measure the return, but the investment is often a joint effort encompassing many changes to processes alongside investments in data. For example, AI is enabling the digitalization of the loan processes. But we're also changing the client journey and how we do client acquisition, so attributing improvements to AI is not possible."

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Even a rough estimate is better than nothing

Banks should not hold back on investing because of difficulties calculating ROI. At the very least, a crude assessment of ROI, perhaps using A/B testing, can help them to prioritize use cases. It's also helpful to separate individual use cases and investments in building the foundational data, technology and human capabilities needed to scale AI. But investments in foundational capabilities must happen – with or without an ROI justification.

"ROI should not be ignored, even if it's crudely estimated," says James Sankey, EY EMEIA Corporate, Commercial and SME Banking Leader. "It helps you to go into this journey with your eyes wide open. Many assume the ROI will be positive, but when you take into account all of the technology costs, it may be negative in the first two years. It may be useful to ringfence some budget for experimentation and building capabilities without an ROI calculation, though."

Useful AI-powered tools have emerged that help organizations to calculate ROI. By simulating future performance with AI-powered tools and comparing this with a baseline of performance, they can estimate ROI before scaling up deployment.

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Key actions

- Always attempt to calculate the ROI of every AI use case.

- Set aside budget to build the foundations. Don't delay because of ROI frustrations.

- Explore how AI might be able to help measure ROI.

4

AI platforms enable sustainable success

Reusable AI capabilities are crucial to scaling efficiently and reducing long-term costs.
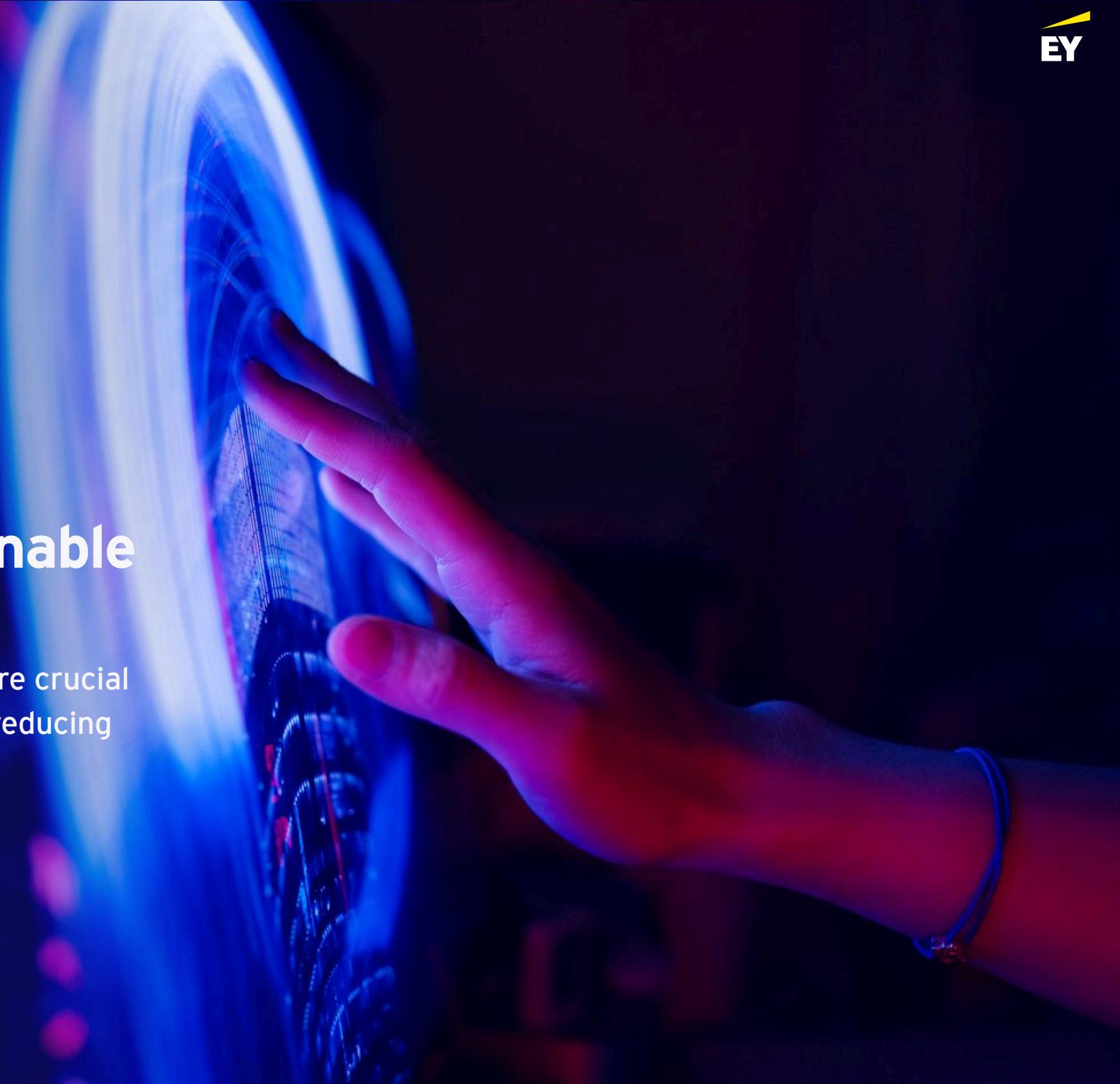
AI platforms enable sustainable success

Under pressure to use AI, many in corporate and commercial banking have allowed teams to implement use cases in the quickest way possible. As a result, many are purchasing out-of-the-box tools and rolling these out. This approach may be quick, but it stores up problems for the future: AI use cases end up being underpinned by a patchwork of enabling technologies, tools and capabilities. This can make it difficult to scale.

Streamline and scale up with a reusable approach

A more sustainable tactic is to build a platform of foundational capabilities that can be reused across any use case. These capabilities include optical character recognition (OCR), machine learning, retrieval augmented generation (RAG) structures, vector databases and prompt libraries.

In the long term, this platform approach improves scalability and reduces costs by avoiding duplication of capabilities and the need to maintain multiple underlying systems.

"The only way to cost-effectively scale AI is to build reusable components to avoid creating every use case from scratch," says Marie-Claude Ferland, Associate Partner, Consulting, AI Strategy, Ernst & Young Advisory Pte. Ltd. "These include summarization capabilities, or the various methods you need to validate and monitor models."

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> ❝ You can't fast-track AI without solid fundamentals, like data, quality, architecture and security. Skip these and instead of scaling intelligence, you'll be scaling chaos.

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Ulku Rowe at Lloyds Banking Group agrees: "You can't fast-track AI without solid fundamentals, like data quality, architecture and security. Skip these and instead of scaling intelligence, you'll be scaling chaos."

Building an AI platform helps banks to overcome issues associated with siloed and unconnected AI agents.

"Today, banks rely heavily on AI embedded into platforms they have used for years," explains EY's Matt Cox. "But these are siloed, which makes it impossible to link together processes in a service like credit. And without this linkage, it's impossible to change how credit is provided and to improve client service offerings. A platform approach enables this."

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Key actions

- Evaluate whether capabilities and models are reused for different use cases.

- Shift to a platform approach, unifying tools, data and models to boost scalability and improve consistency.

- Establish rules and governance to ensure that every team uses pre-established capabilities.

5

Data is the big challenge

Poor quality, fragmented data is AI's highest hurdle, and banks need both people and tools to overcome it.

Data is the big challenge

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> The big opportunity is data quality and availability. AI systems require huge amounts of high-quality, diverse and relevant data to learn and make accurate predictions. In a bank, we process billions of different transactions and events every single day, capturing this information across a wide range of systems. So, the effort involved in data collection, cleaning and processing is often significantly underestimated.
>
> **Niranjan Vivekanandan**, EVP and Chief Operating Officer, Commercial Banking, RBC

Asked about the top challenges of scaling AI, most banks initially provide a one-word answer: data. Data is siloed in hundreds of impenetrable systems, and it's often incomplete, low quality, in different formats or unreliable.

"The big opportunity is data quality and availability," says Niranjan Vivekanandan, EVP and Chief Operating Officer, RBC Commercial Banking. "AI systems require huge amounts of high-quality, diverse and relevant data to learn and make accurate predictions. In a bank, we process billions of different transactions and events every single day, capturing this information across a wide range of systems. So, the effort involved in data collection, cleaning and processing is often significantly underestimated."

Another issue is data privacy and protection. "It can be complex and time-consuming to understand whether publicly available information, such as news articles or reports from ratings agencies, can feed LLMs [large language models]," says Patrick Klasen, Managing Director, Head of Corporate Lending Process and Digital Transformation, Commerzbank.

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Cindy Saw, Head of IT Group, Data and Analytics, BDO Unibank

Could AI make data better?

The standard approach to this challenge is to devote human resources to it. But this has its limits and is expensive, so many banks are exploring AI-powered tools that help address data quality.

"We're looking for AI tools to help with data quality and do things like match and merge, automate metadata extraction and do quality scoring, but they are just not mature enough." says Cindy Saw, Head of IT Group, Data and Analytics at BDO Unibank.

"We used to say garbage in garbage out, but now we can use AI to take the trash out," agrees Lloyds Banking Group's Rowe. "We're already applying these solutions in critical areas, and we'll scale them across the enterprise."

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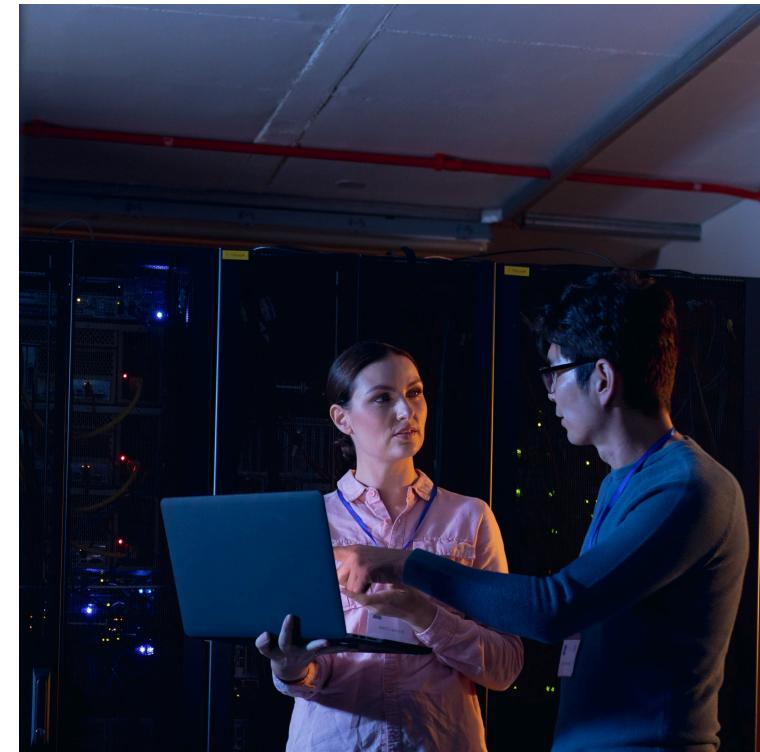
But AI tools can help resolve some data challenges. For example, by helping to curate and refine data and understand data lineage, it can ease compliance efforts.

"There are opportunities to use AI to address data quality," says Adam Smith, EY Americas Corporate, Commercial and SME AI Banking Lead; Managing Director, Financial Services Consulting, Ernst & Young LLP. "We helped a large bank use AI to understand and interpret data used in credit underwriting and validate whether it was correct in the underlying record. It generated a significant uplift to approximately 90%, allowing employees to focus on specific issues that are most likely to be wrong."

These tools might still be maturing, but they can help today. Banks that adopt these tools first will find they have to invest significantly less in manually refining data.

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Key actions

- Objectively assess the availability and quality of data and the extent to which it's reducing the efficacy of AI systems.

- Explore how AI-powered tools can help address data issues.

- Evaluate whether new data science, analytics and security skills are necessary.

6

Unanswered tech questions: cloud vs. on-premises and build vs. buy

From technological infrastructure to sourcing choices, banks must tailor their strategies to fit their size, resource, and AI ambitions.

Unanswered tech questions: cloud vs. on-premises and build vs. buy

As banks use AI more widely and technology matures, the required computing power grows drastically. This raises the question of whether to use capacity in the cloud or on-premises.

Some prefer the scalability and flexibility offered by cloud. "We need the scalability cloud provides to run LLMs," says Scotiabank's Matthew Parker-Jones. "You simply can't get this from traditional data center technology or even private cloud technology. You need to partner with the hyperscalers."

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Others have adopted a hybrid approach, blending cloud with the security and control benefits provided by on-premises. "Our hybrid approach mixes on-prem with public and private cloud," explains RBC Commercial Banking's Vivekanandan. "We've built our own GPU infrastructure that allows us to build, deploy and maintain AI-powered banking applications. This provides us with enhanced security, privacy and sovereignty. That's vital because trust is central to our relationship with customers."

In reality, the significant upfront cost of building large-scale computing infrastructure means it's only viable for larger banks. Banks need an approach that reflects their resources, AI ambitions and existing cloud strategy.

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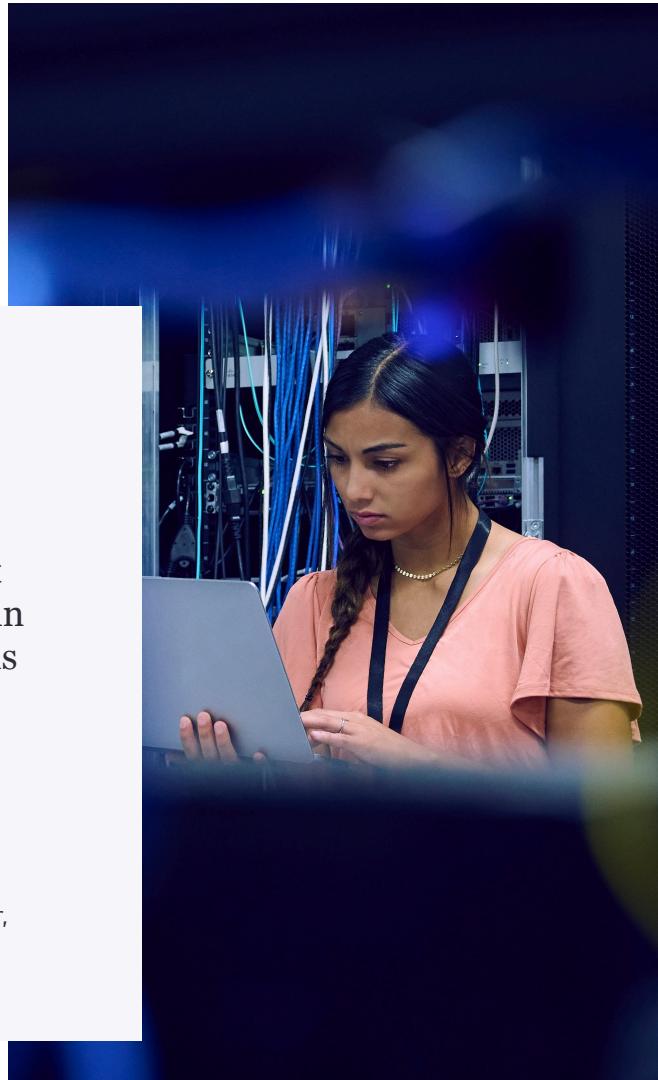
Decision-making rests on careful assessment

They will have to start by conducting a thorough assessment of the costs and benefits of each approach. Advances in cloud offerings mean that many of the perceived risks are manageable: the cybersecurity credentials of cloud providers are likely superior to those of any bank, and cloud infrastructure can be ringfenced to minimize the risk of data leaks.

But other risks are emerging. The perceived cost advantages of cloud are increasingly being challenged as providers charge more for access to the powerful infrastructure that's necessary to train and run LLMs. Some banks are also wary of having a large proportion of AI applications powered by cloud services provided by a small number of vendors – or even just one.

Another question is whether to buy or build. The best approach depends on the maturity of third-party solutions, the expertise necessary to develop capabilities internally, and whether the capability in question is critical to the bank's competitive advantage.

"The question of buy or build depends on the use case and the maturity of vendor solutions," says BDO Unibank's Saw. "We'll buy tools that, for example, enable conversational AI, because we'd never be able to build that and the solutions are mature. But we'll build and implement tools that house sensitive data because we don't want that stored elsewhere."

Banks often underestimate the time and effort they will need to customize and orchestrate vendor tools. This is especially true for complex processes such as credit, where there are multiple handoffs between distinct processes and tools.

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Cindy Saw, Head of IT Group, Data and Analytics, BDO Unibank

Key actions

- Objectively assess the risks and benefits of cloud and on-premises approaches and challenge any assumptions that might be out of date.

- Explore whether the current balance of cloud and on-premises is suited to the rapidly growing requirements of GenAI.

- Refresh the balance of build vs. buy as use cases evolve and vendor solutions mature.

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Scaling AI demands fresh skills

Banks must upskill their workforce, hire strategically, and retain sought-after AI talent.
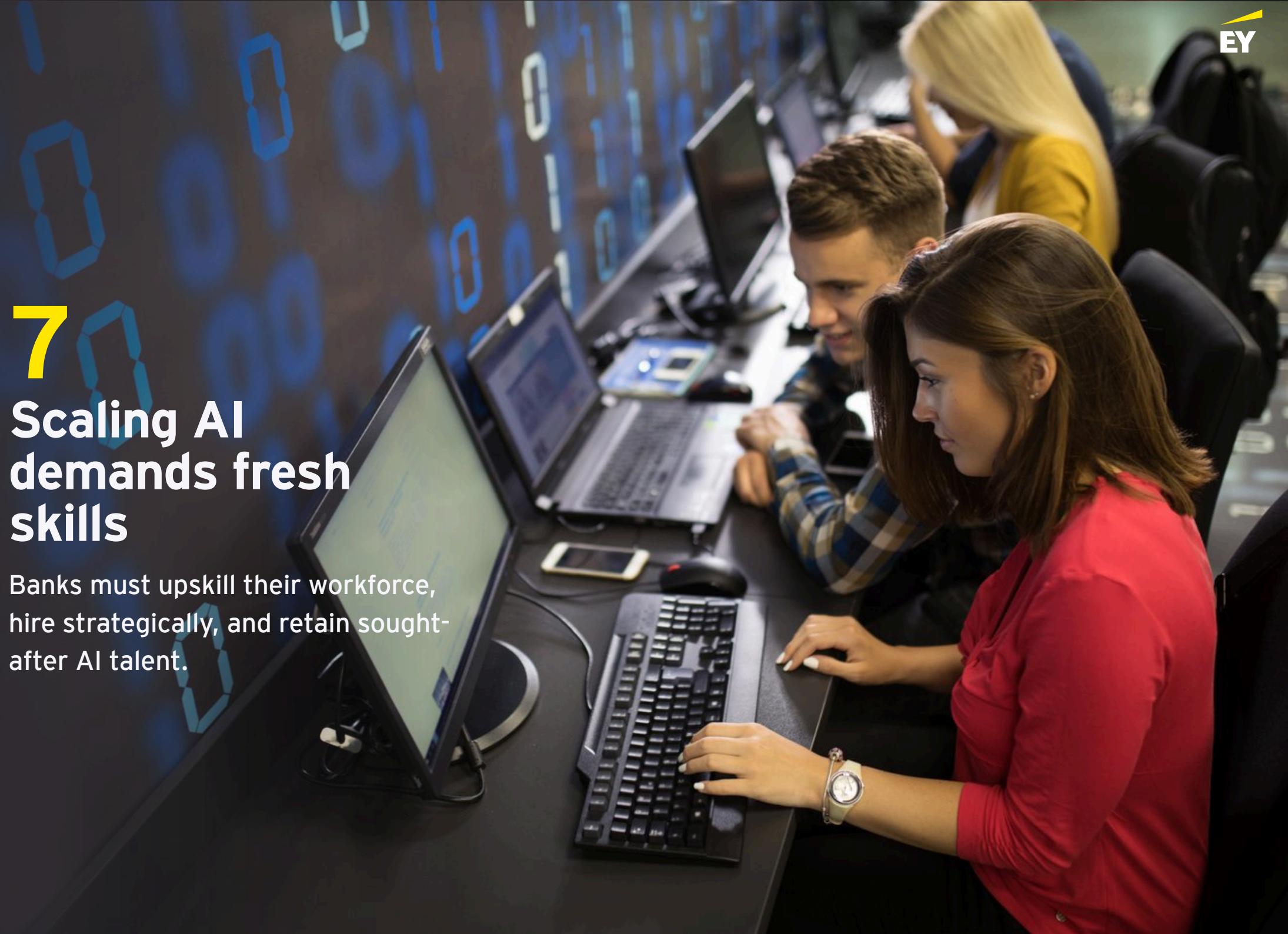
Scaling AI demands fresh skills

Asked about the challenges of creating value from agentic AI, 58% of banks highlighted a lack of technology skills and capabilities. So, banks are aware that AI creates skills challenges.

There are two areas to address here. First, the entire workforce needs to be upskilled with the competence and confidence to use AI-powered tools. A combination of targeted training courses and change management programs is essential.

Second, banks must add specific capabilities to their technology teams as AI is scaled. "You need more skills than those required to create AI models," explains BDO Unibank's Saw. "You need software engineers, UI and UX specialists, business analysts that can translate business issues into technical requirements and, importantly, those that can set up AI governance."

58% **of banks highlighted a lack of technology skills and capabilities.**

Source: EY sponsored report with MIT Technology Review Insights.

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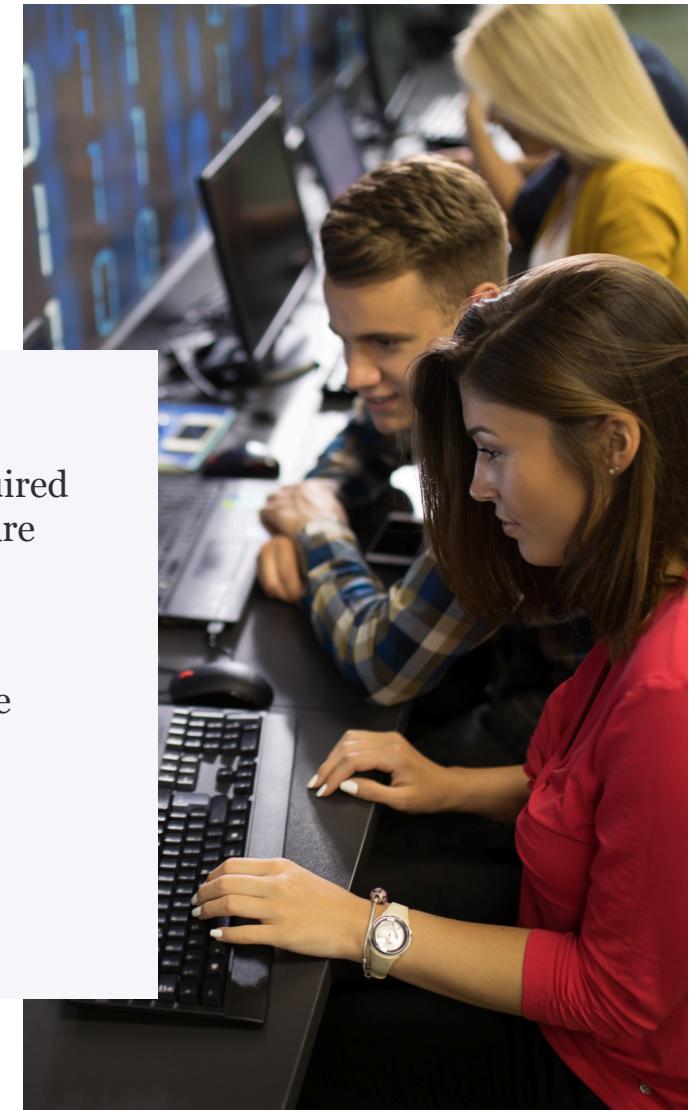
New expertise, and how to hold on to it

Sameer Gupta, EY Americas Financial Services AI Leader, agrees that banks will need to add to their workforce: "Whether it's AI and data engineers, application developers or those with cybersecurity expertise, banks need anywhere between three and five times the number of people they had five years ago."

How can banks attract this talent? As well as offering the essentials such as competitive compensation and benefits, they could publicize their investments in AI.

People with the right AI skills might not think of corporate and commercial banking as a natural sector for them, so banks will need to communicate that they're embracing AI and that it's central to their growth strategies.

Retaining these skills is also important. People with this in-demand expertise will stay at the bank for longer if they're exposed to different projects and teams and given a clear career path.

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> Whether it's AI and data engineers, application developers or those with cybersecurity expertise, banks need anywhere between three and five times the number of people they had five years ago.
>
> **Sameer Gupta,** EY Americas Financial Services AI Leader

Key actions

- Continuously upskill the entire workforce so they can make the most of AI tools.

- Assess the skills that will be needed now and in the future to scale AI across the organization and where there's a shortfall.

- Improve retention of important capabilities by creating compelling career paths.

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Responsible AI prompts a renewed focus on risk

Working closely with risk teams and refreshing processes will help banks deploy AI safely and build trust.
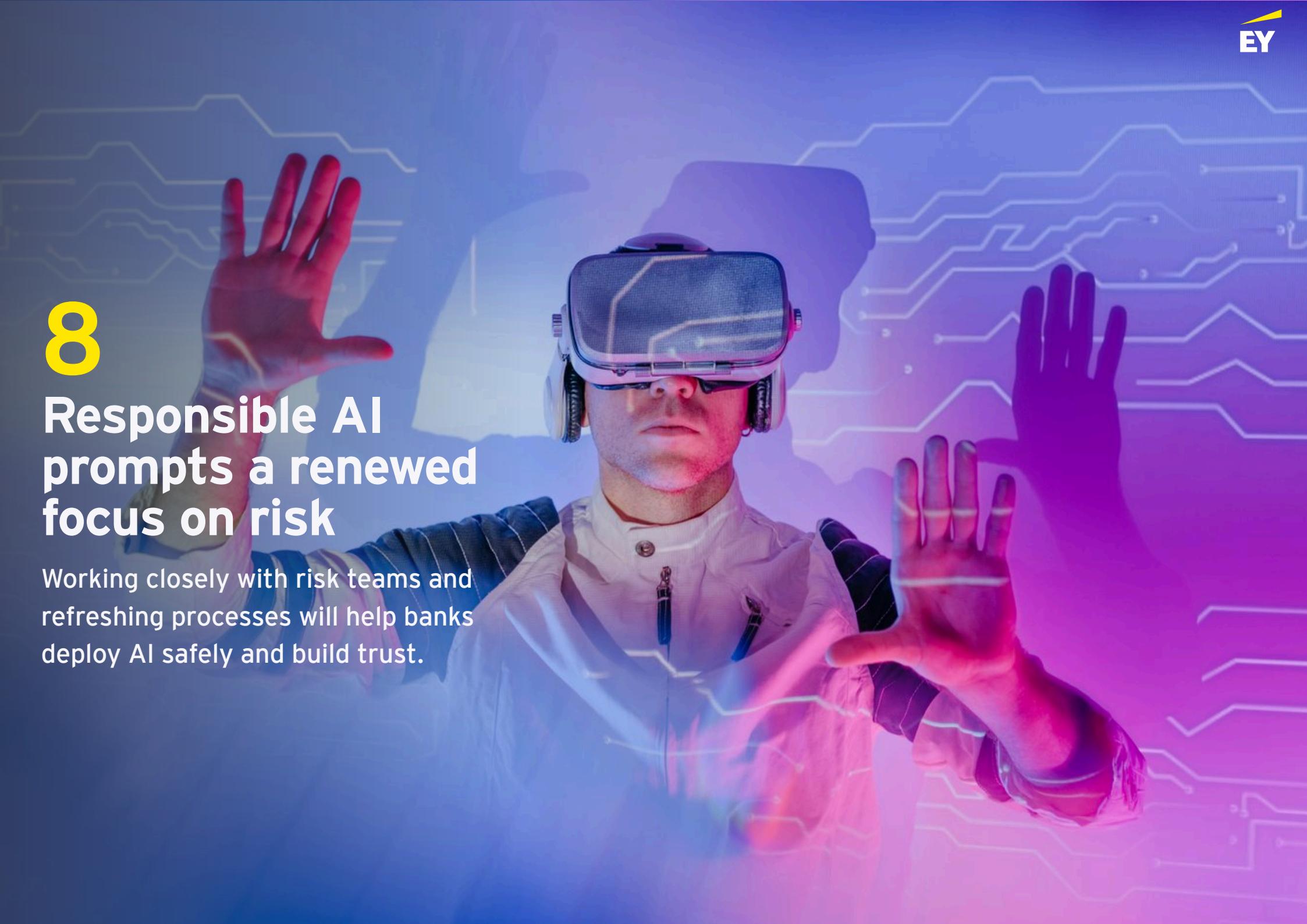
Responsible AI prompts a renewed focus on risk

Banks are alert to the risks of rapidly scaling AI. The quality of the output of AI-powered tools is their main concern, especially if they provide advice directly to clients. Consider the reputational damage of an AI chatbot advising a client to transfer money in a way that breaches regulations, for instance.

The EY Responsible AI Pulse survey found that two-thirds of banking leaders consider unreliable AI output as a major to moderate concern, and 48% worry about false AI-generated information being taken seriously.

They also worry about data, and that personal or proprietary data could be compromised when it's used in AI models. "Data leakage is one of the greatest risks for us," explains MUFG Bank's Abe. "We might not want our proprietary data to be pooled with that of other companies in LLMs – we don't know what we're mixing it with.

We'd value being able to curate the set of data specifically for our business and for our needs."

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> **Osamu Abe**, Chief of Staff for Asia-Pacific, MUFG Bank

Based on the EY Responsible AI Pulse survey

2/3 consider unreliable AI output to be a **major to moderate** concern
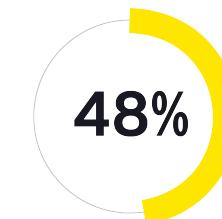
48% worry about false AI-generated information being taken seriously

Source: EY Responsible AI Pulse survey.

Risk management is about to get more complicated

How can banks mitigate these threats? As a starting point, they'll need a more sophisticated approach to model risk management and model governance for the complex, language-based GenAI models. And that means new skills.

Second, they'll need to address concerns about transparency at the outset of designing an AI application and the surrounding workflows. For example, designers working on knowledge management tools could specify that any advice created by LLMs must reference source material. A thorough risk assessment should also determine when human involvement is needed.

In parallel, technology teams should work alongside the risk function to identify the sequence of checks that need to be considered before a GenAI use case is scaled. ING has done exactly this. "GenAI brings a lot more risk dimensions relating to privacy, IP [intellectual property], vendors, data and decisioning, so you need to find a way of using the technology safely," says ING's Yilmaz.

"We have 140 checks that need to be assessed for GenAI, though some of these are being automated."

Other strategies are available to banks that want to manage risk and build trust in their use of AI. The EY Responsible AI Pulse survey found that just 58% of banks use third-party attestations or internal audits to provide confidence in their AI systems, while 52% have documented AI processes, established an ethics policy or undertaken a regulatory compliance assessment. There's significant scope for more corporate and commercial banks to adopt this approach.

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GenAI brings a lot more risk dimensions relating to privacy, IP [intellectual property], vendors, data and decisioning, so you need to find a way of using the technology safely. We have 140 checks that need to be assessed for GenAI, though some of these are being automated.

Bahadir Yilmaz, Chief Analytics Officer, ING

Key actions

- Refresh identification and mitigation of risks as more GenAI models are deployed.

- Involve risk teams at the outset of major AI use cases to ensure threats are considered at an early stage.

- Update model risk management processes to reflect the growing complexity of GenAI.

Conclusion

Conclusion

AI is a game-changing opportunity for corporate, commercial and small business banking not just to optimize existing processes, but to fundamentally rethink how services are delivered. The sector's complexity, regulatory intensity and reliance on data-rich, document-heavy services make it especially well-suited for AI innovation. Yet despite considerable interest and experimentation, our research reveals that only a minority of banks have scaled AI meaningfully. Even fewer use it to reshape their operating models or client propositions.

This must change. Banks that move fastest and most strategically stand to secure first-mover advantage. They won't just unlock cost savings, but new client experiences, new services and ultimately greater revenue.

However, seizing this opportunity requires more than technology investment. It demands leadership, business ownership of the AI agenda, and the strengthening of foundational enablers. This includes building AI platforms with reusable capabilities, addressing data fragmentation through smarter tooling and evolving the skills base to support scale. At the same time, banks must navigate complex decisions around cloud strategy, vendor models and AI risk governance.

As client expectations shift and competitors begin to transform, the window for gaining early advantage will narrow. The race is already underway. The winners will be those who reimagine what corporate, commercial and small business banking can be, with AI at the core.

Recommended actions

Recommended actions

Seizing the AI opportunity requires more than experimentation. It calls for decisive action across leadership, technology, data and talent. The following actions distill where banks should focus their efforts to unlock client value and achieve sustainable transformation.

1 Reimagine ownership and strategic focus

- Set clear expectations for how business teams drive the AI agenda and create guidelines for teams to use pre-established capabilities.
- Give senior executives full oversight of AI use cases, with guidelines that ensure consistency and build trust in delivery.
- Prioritize client-facing applications over back-office efficiency to unlock new growth opportunities.

2 Build the right foundations

- Create a unified AI platform to improve consistency, scalability and trust across the business.
- Assess cloud vs. on-premises and build-vs.-buy models to match your needs – and partner early with vendors as solutions mature.
- Update risk frameworks and governance to support the growing scale and complexity of GenAI.

3 Unlock value with data and measurement

- Identify and close data gaps, using AI-powered tools to improve accuracy, quality and compliance.
- Define consistent ROI metrics for every AI use case to give executives full oversight of progress.
- Experiment with AI-enabled measuring tools to sharpen ROI calculations and uncover hidden value.

4 Invest in people and collaboration

- Promote new team structures that foster collaboration; for example, involving risk teams early to ensure AI threats are addressed from the start.
- Identify and build the new skills required to scale AI effectively, from data science and analytics to security.
- Continuously upskill and retain talent, developing programs that keep employees engaged and ensure long-term capability.

How EY can help

How EY can help

The globally connected EY team of corporate, commercial and small business banking professionals work with leading organizations to create a brighter future for the banking industry. We help senior business and finance leaders define a clear vision for treasury and cash management, devise and execute strategies to achieve that vision and establish a target operating model that will allow their institutions to thrive in an uncertain and ever-evolving market.

We have deep and broad experience in strategic change, transactions, product development, operations, technology, digitization and robotics, data and analytics, digital assets, and risk and compliance. Our team members have long and successful track records in serving as product owners, underwriters, lenders, credit officers, treasury and payments senior managers, and bank examiners.

We apply our skills, knowledge and passion to help banks reframe their future and create the client experiences that are unimaginable today but are necessary to win in the market tomorrow.

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Thank you for reading

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All in to shape the future with confidence.