

## IBM Study: Gen AI Will Elevate Financial Performance of Banks in 2025

Initiatives are maturing from pilots and proofs of concept to targeted, enterprise-wide strategies



ARMONK, N.Y., Feb. 5, 2025 /PRNewswire/ -- IBM (NYSE:IBM) today released its annual expectations for technology and transformation in the global financial services industry in the year ahead in the [IBM Institute for Business Value 2025 Outlook for Banking and Financial Markets](#).

### Key Insights

- Gen AI adoption is set to soar. Only 8% of banks were developing generative AI systematically in 2024, and 78% had a tactical approach. As banks move from pilots to execution, more are redefining their strategic approach to service expansion, including agentic AI.
- Steady banking convergence is giving way to contrasting financial performance. Re-imagining the business model/processes and, importantly, execution will separate the winners from the rest.
- 60% of banking CEOs surveyed acknowledge they must accept some level of risk to harness automation advantages and enhance competitiveness.<sup>1</sup>
- While over 16% of clients worldwide are comfortable with a branchless, fully digital bank as their primary banking relationship, competition is shifting from mass market digital offers to higher-value services, including embedded finance and advisory services to affluent investors and small and medium-size enterprises (SMEs).

"We are seeing a significant shift in how generative AI is being deployed across the banking industry as institutions shift from broad experimentation to a strategic enterprise approach that prioritizes targeted applications of this powerful technology," said Shanker Ramamurthy, IBM Consulting's Global Managing Director Banking & Financial Markets. "As banks and other financial institutions around the world gear up for a pivotal year of investing in transformation, technology, and talent, we anticipate their efforts coalescing around initiatives using generative AI to level up customer experience, boost operational efficiency, reduce risks and modernize IT infrastructure."

The report shares insights from analysis of industry C-suite leader sentiment, bank customer behavior and economic data from eight major markets—the United States, Canada, European Union, United Kingdom, Japan, China, India, and Japan--and what

financial institutions and their ecosystem partners can glean from the trends.

For additional perspective and to download the full report, visit <https://ibm.co/2025-banking-financial-markets-outlook>.

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1. *6 Hard Truths CEOs Must Face: How to Leap Forward with Courage and Conviction in the Generative AI Era*. IBM Institute for Business Value. May 2024. <https://ibm.co/c-suite-study-ceo>

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