

HFS WINTER SUMMIT

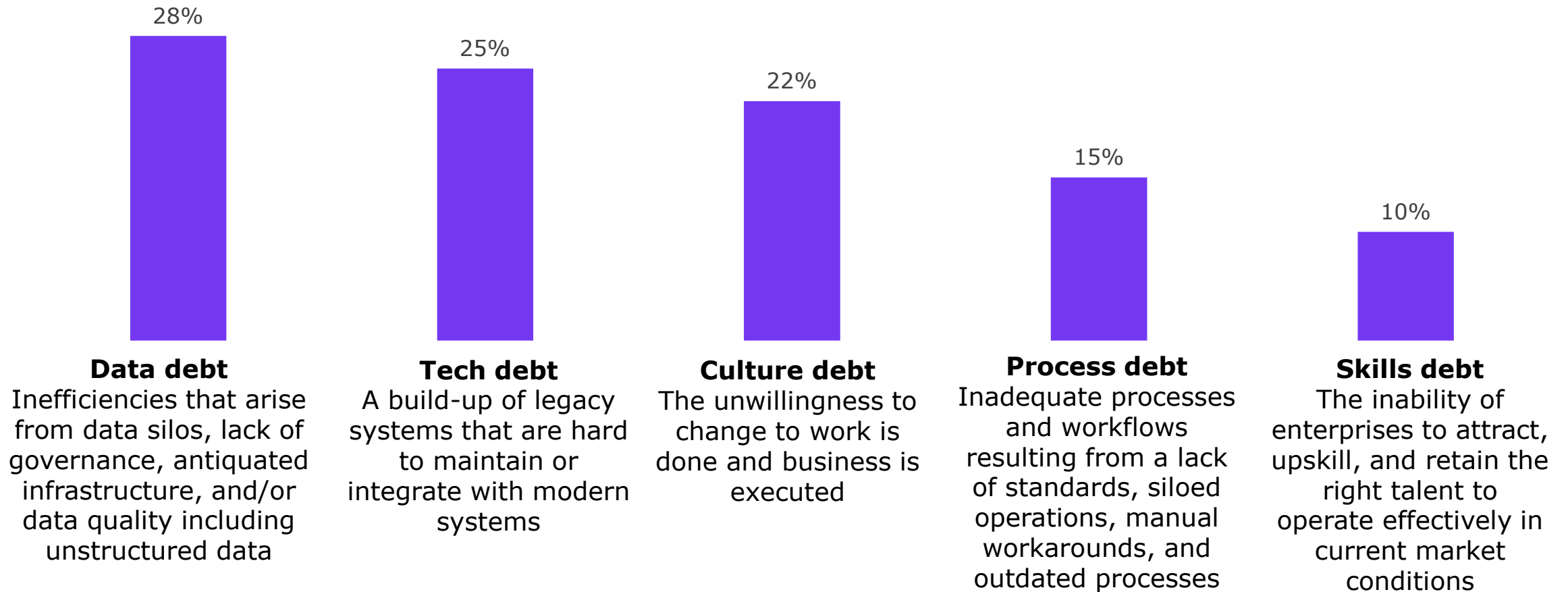
THE GREAT ENTERPRISE REGENERATION

**The 2025 AI Outlook – Banking, Capital
Markets, and Insurance**

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If BFSI enterprises want to be AI-led, they must pay their debts!

What are your company's top internal challenges?



Sample: HFS Pulse, 2024; 117 BFSI Global 2000 enterprise executives
Source: HFS Research, 2024

Data debt drill down

Significant challenges in creating scalable environments for GenAI due to fragmented governance, siloed integration, and restricted accessibility – worse in insurance.

How would you describe the state of your data governance, integration, and accessibility across different departments or purposes?



Data Governance

- BFS: Moderate maturity – **49%** have already developed a centralized or hybrid governance oversight for GenAI.
- Insurance: MIA - **55%** either have no governance frameworks for GenAI or are still defining them.



Data Integration

- BFS: **47%** of BFS firms report moderate integration, with some departments better connected than others.
- Insurance: **55%** report moderate integration and only 13% have achieved highly integrated systems.



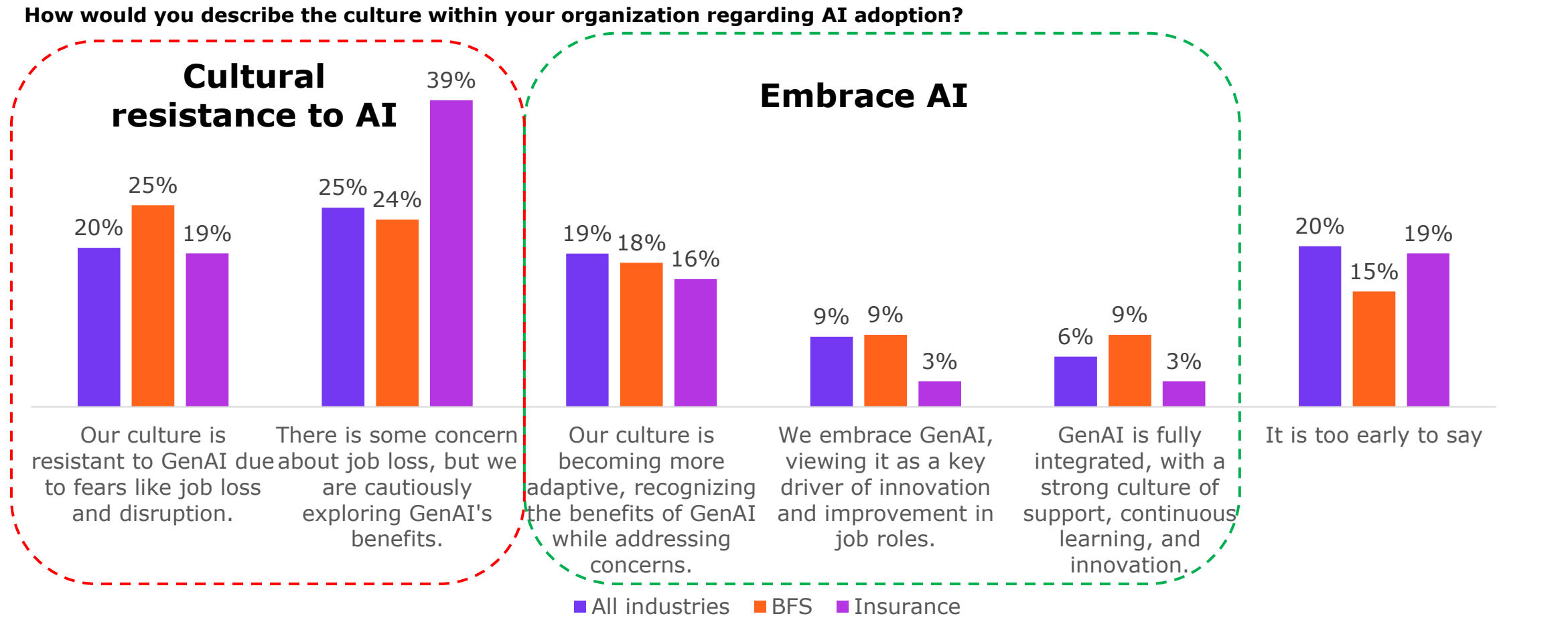
Data Accessibility

- BFS: Only **13%** have widely accessible data across departments.
- Insurance: Only **3%** report widely accessible data. Instead, 35% face restricted access to data.

Source: 100 BFSI enterprises, HFS Research 2024

Culture debt drill down – moving from resistance to embrace

Cultural resistance is dragging down half the BFSI enterprises. Both sectors must address lingering job security fears and invest in building an adaptive, innovation-driven culture to unlock GenAI's potential.



Source: 100 BFSI enterprises, HFS Research 2024

Happy holidays – your simple framework for determining AI initiative value and efficacy in BFSI

1 Improving and protecting customers' financial outcomes

- Protection of assets
- Return on assets
- Growth of assets
- Coverage/product options
- Security
- Compliance

1

3 Improving the customer experience

- NPS
- Personalization
- 360 relationship
- Predictive support and service

3

2

2 Driving operational and cost efficiency

- Premiums and fees
- Quality of service
- Speed
- Cost to serve
- Productivity

BFSI



Balance is essential to success

- Strive for multiple benefits across the elements

Source: HFS Research 2024

More gifts – recommendations for AI success in 2025

BFSI enterprises

- Focus on your foundations – aka paying down the debts.
- Be willing to change. Otherwise, change will happen without you.
- Be balanced in your approach to assessing the value and impact of your AI initiatives.

Service providers

- Double down on domain and industry specificity – this value is essential to success within industries.
- See change point above – your value is your willingness to change and help take your clients on the journey.
- Hasten the move from labor to tech arbitrage.

Tech providers

- Stop the AI-washing. Make it real or not, just don't fake it.
- Adoption is not license sales. Help your clients drive success and their AI-led future through utilization.
- Everything happens in an industry. Bring the expertise or partner to help your clients unlock it.

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Thank you.

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