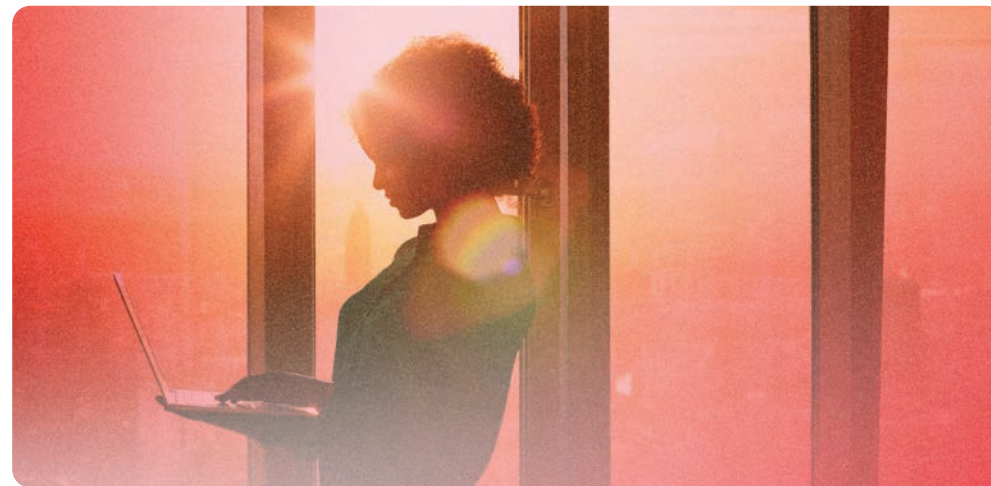
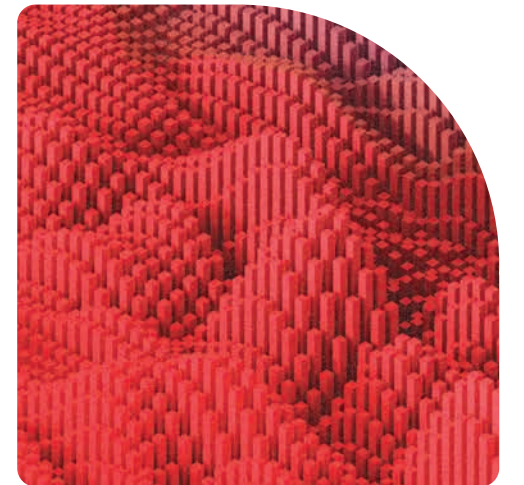


The AI-Powered



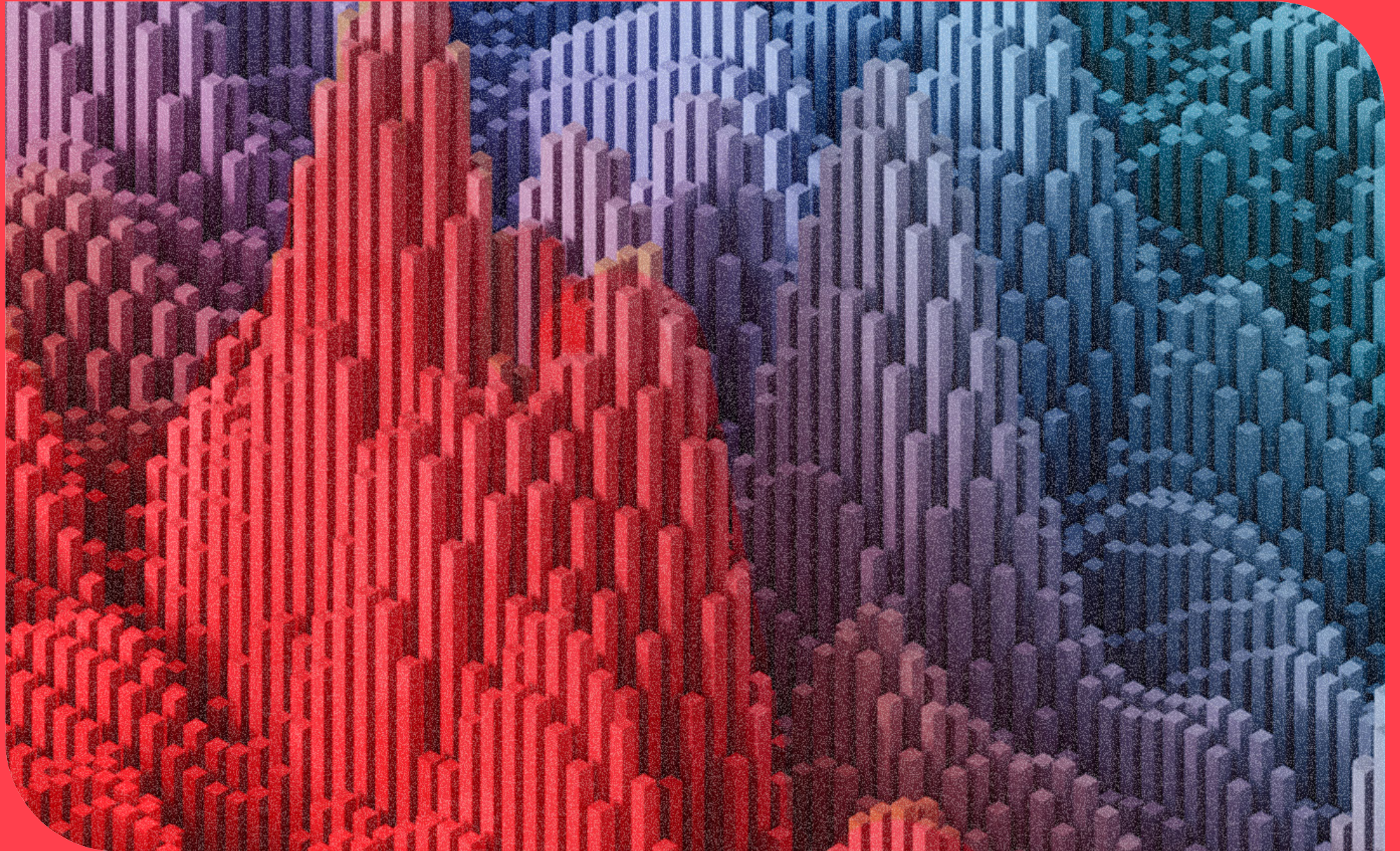
An AI playbook for wealth and asset
management firms in the agentic era

Investment Firm

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Research background	Keeping pace with AI innovation	AI leaders show the way forward	Five best practices of AI leaders	Key takeaways
				

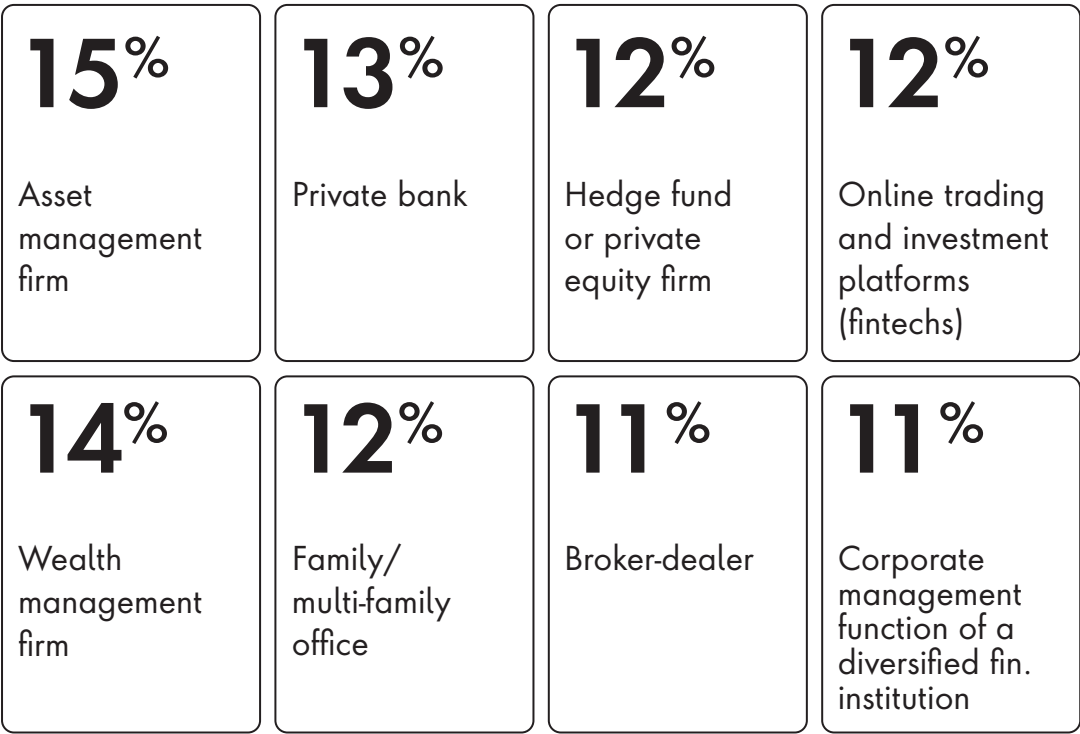
Research background



A variety of providers by type of firm

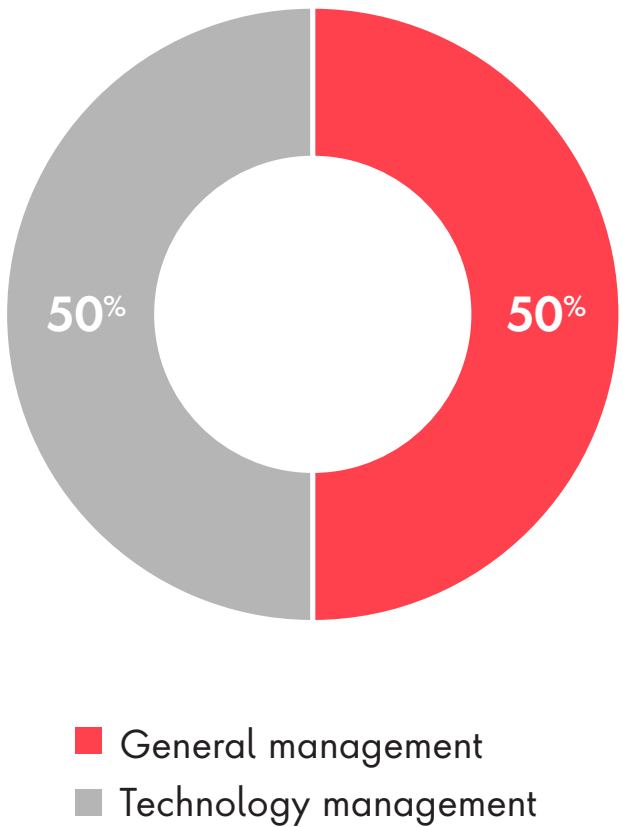
In Q3 2025, we partnered with ThoughtLab to analyze the impact of AI on wealth and asset-management providers by conducting a comprehensive survey of 500 firms across the world’s leading investment markets.

Respondents by sector

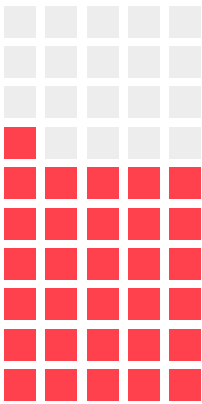


Note: Asset management firms refer to firms that primarily focus on managing investment portfolios, including investments such as stocks, bonds, mutual funds, real estate and commodities. Wealth management firms typically offer a broader range of services beyond investment management.

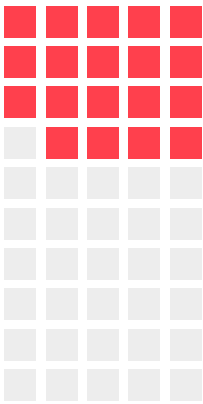
Respondents by management type



85% Respondents from firms offering services to both individual and institutional investors



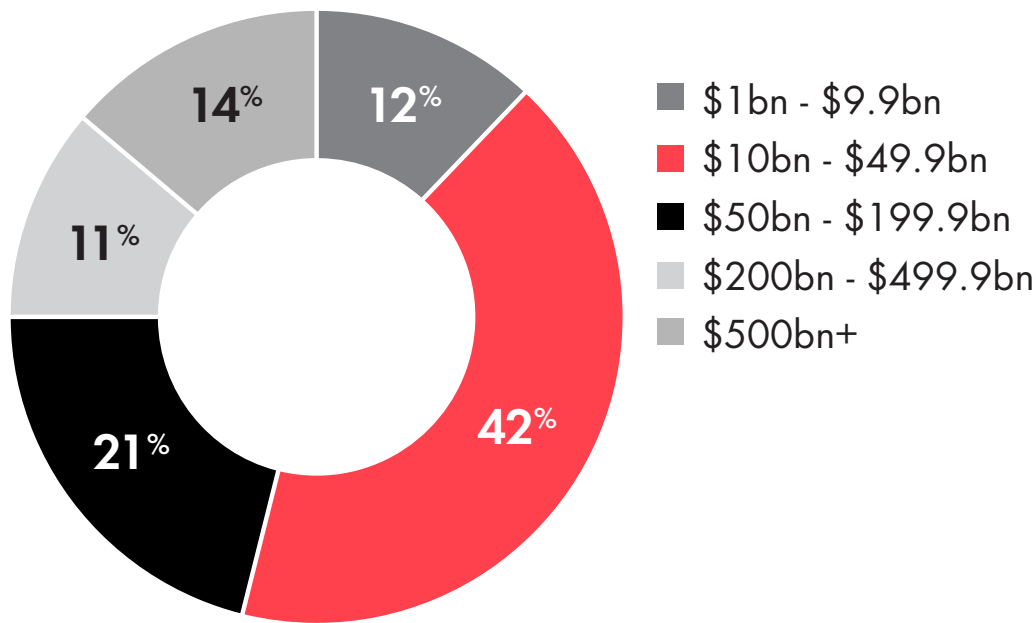
61% Respondents from independent firms



39% from a division of a diversified financial firm

A mix of providers by size and location

Respondents by AUM

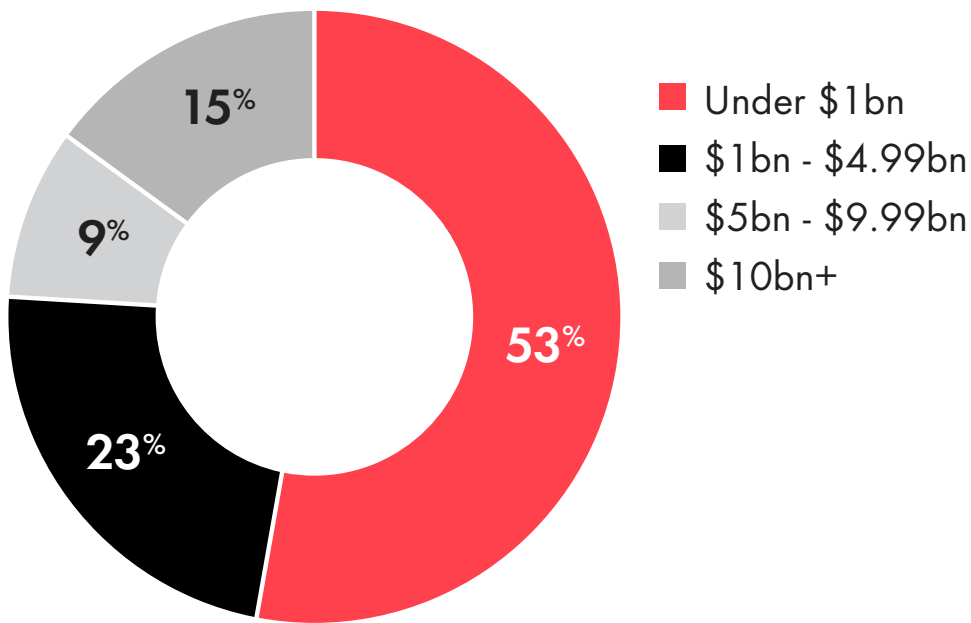


\$148.4 billion
Average AUM

\$74.2 trillion*
Total AUM

*Represents about 44% of world AUM, estimated at \$168.2 trillion according to Statista

Respondents by revenue



\$3 billion
Average revenue

Revenue for the last fiscal year estimated in U.S. dollars

Respondents by region and country

Japan	8%
China/Hong Kong	7%
Australia/New Zealand	7%
Singapore	6%
Malaysia	3%
Asia Pacific	31%
Germany	8%
United Kingdom	8%
France	7%
Spain	6%
Switzerland	6%
Finland	3%
Sweden	3%
Europe	41%
United States	20%
Canada	8%
North America	28%

Keeping pace with AI innovation



The AI revolution has begun

Most wealth and asset management executives in our study believe that an AI revolution is underway that will be critical for the future of their businesses. AI's new abilities to act and think like humans—and perform tasks autonomously—will galvanize all parts of the value chain for investment firms. Client interaction will become more effective, as AI makes experiences more efficient, personalized and seamless. Advisors will do a far better job at optimizing investment portfolios and generating greater alpha for clients from AI-enhanced data analysis. And AI's benefits will flow throughout the organization as it relieves employees of repetitive tasks, allowing them to handle a higher order of work.



AI will be a game changer for the industry. As usual it will start with fintechs, then will be adopted by incumbent banks, where it will eliminate complexity and spur huge leaps in efficiency."

Michel Longhini

Group Head, Global Private Banking
First Abu Dhabi Bank

How investment executives see the role of AI in their industry

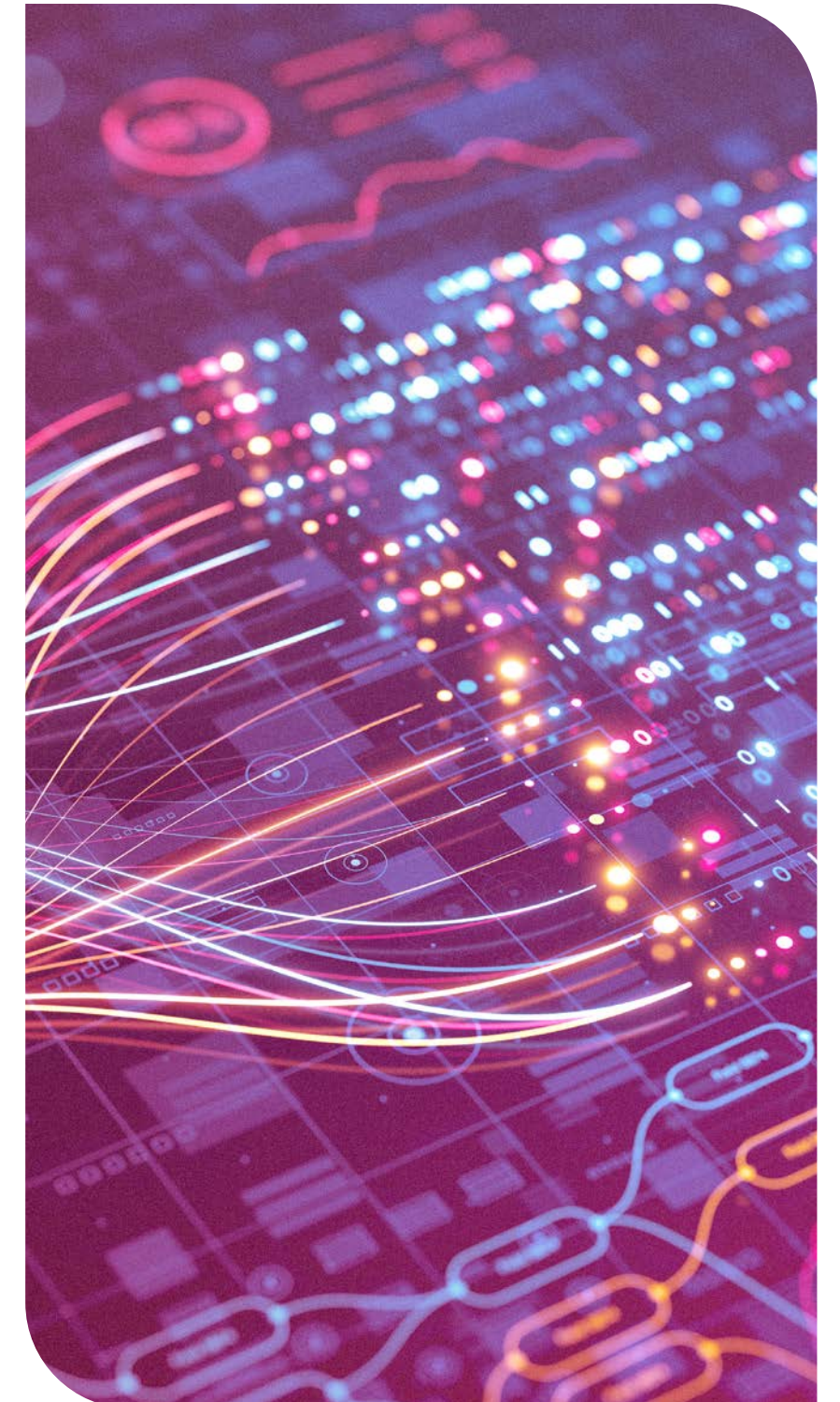
73% AI is critical for the future of my organization's business

64% AI will help us interact with our clients more effectively

63% AI will revolutionize the wealth and asset management sector

62% AI will enable us to optimize portfolios and generate alpha

59% Staff is enthusiastic about AI since it will handle mundane tasks



Firms are advancing in AI

Wealth and asset management firms are picking up the pace on AI adoption across their organizations.

Back-office functions—such as code development, business processes and custody services—have been prime candidates for early AI deployment because of the enormous efficiency and productivity gains they can yield.

Investment providers are also harnessing AI in the middle office. Most are using AI to automate compliance checks to quickly identify any violations. At the same time, they are boosting data security and privacy by using AI to detect anomalies in real-time and respond immediately to potential threats. They are using these same AI capabilities to identify and head off fraudulent transactions.

Growing use of AI in the front office

AI has also elevated front office activities with clients. Nearly six out of 10 firms now use AI to deepen customer analysis. Slightly fewer offer AI-enabled chatbots and self-service portals to provide clients with 24/7 personalized support. Almost half of firms currently leverage AI to create highly customized products for individual clients. For example, HSBC’s AI-driven “Future Planner” helps customers model multiple future scenarios based on their current holdings and personal goals.

Front office	% using
Customer analysis	59%
Conversational support	58%
Self-service portals	54%
Personalized experiences	48%
Product-development	46%
Middle office	% using
Regulatory and tax monitoring	59%
Data security and privacy	58%
Risk management and fraud protection	54%
Data management and analysis	48%
Portfolio support	46%
Back office	% using
Writing and editing code	59%
Business processes	58%
Custody service	54%
Financial statements and record keeping	48%
Employee training	46%



Firms are planting the seeds for AI transformation

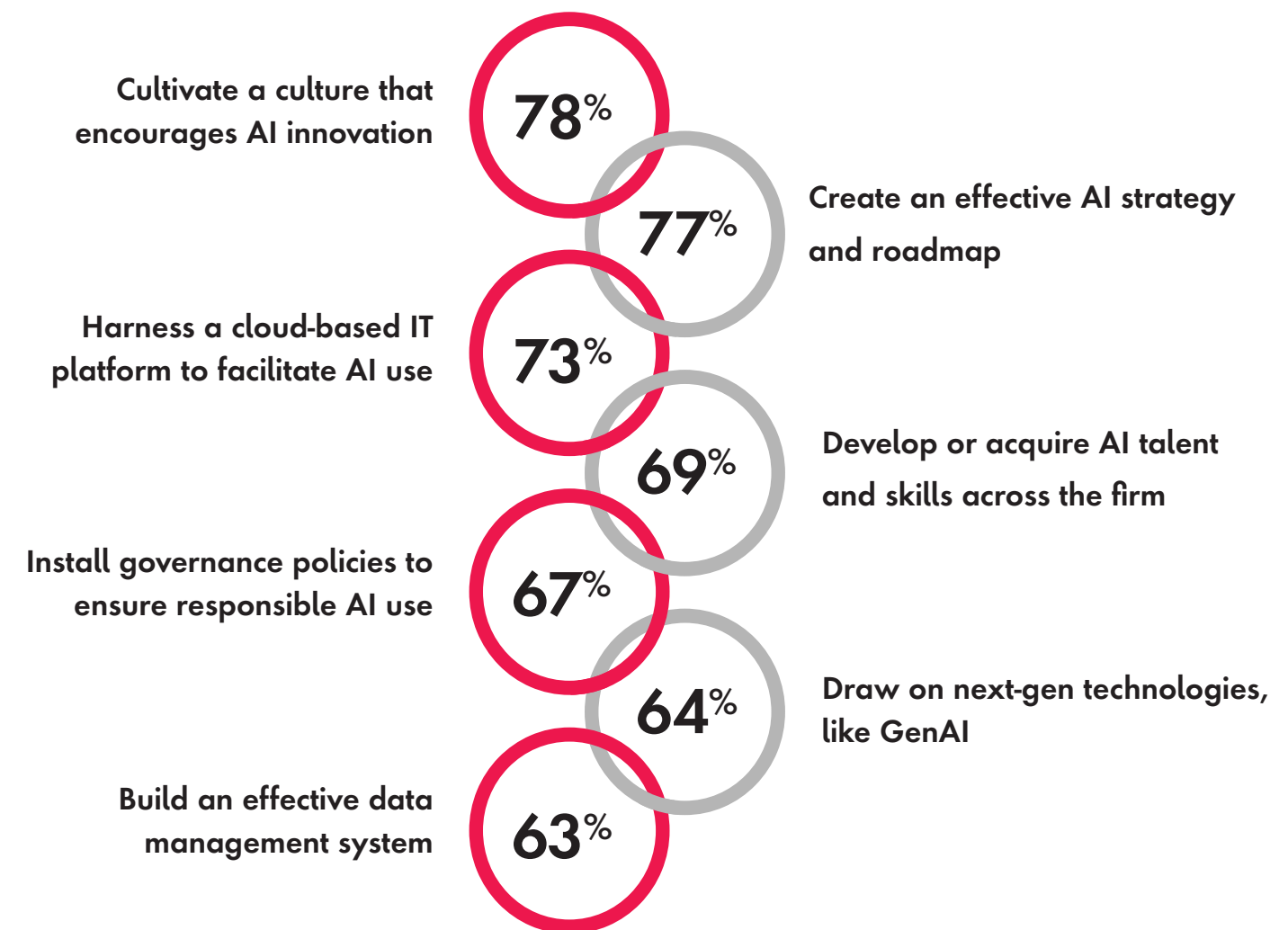
Investment firms have made considerable headway in laying the foundation for AI transformation. They have taken decisive steps to build a strategic roadmap, innovation culture and talent pool to foster AI reinvention. They are shifting to cloud-based modern platforms that facilitate deploying and scaling AI. They are adopting advanced AI technologies, like Generative and Agentic AI. At the same time, most are protecting themselves from the downside of AI by installing governance mechanisms to reduce AI risks.



You must be willing to learn and be curious to try AI. In literally everything we do and in everything we build, we think about where the place is for AI.”

Erik Smith
Senior Vice President, Wealth Planning, LPL Financial

Where firms are making moderate to significant AI progress



Traditional and GenAI have been the key focus

So far, most of the AI efforts of investment firms have been centered on earlier generations of AI, such as machine learning to automate specific, pre-defined tasks, and natural language processing to power chatbots. More recently, companies have embraced GenAI, tapping into its ability to create content, summarize documents and prepare meeting notes.

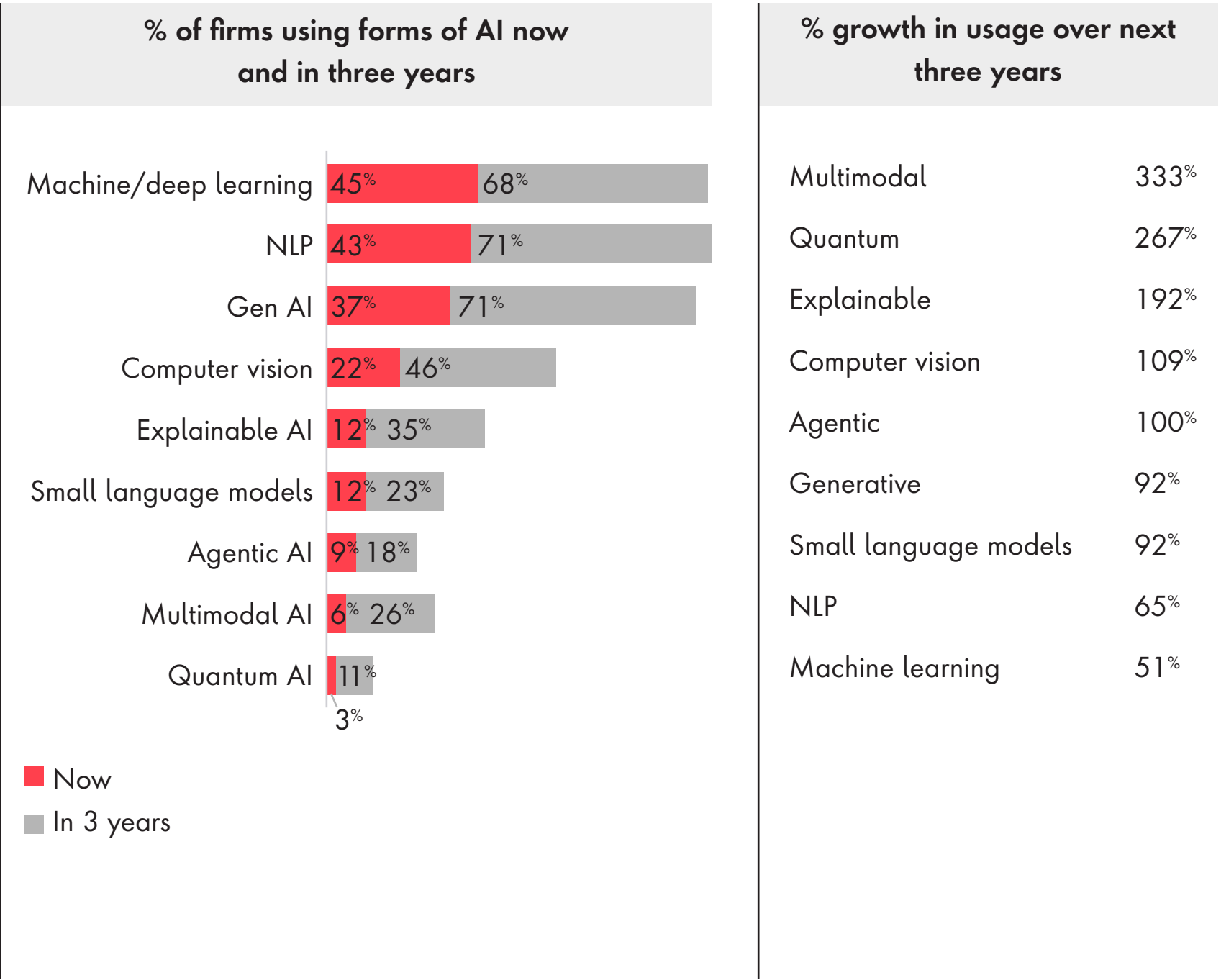
Over the next three years, firms plan to accelerate their adoption of the next wave of AI technologies, such as multimodal AI for analyzing data in any format, explainable AI to make AI decisions more transparent and Agentic AI to take on tasks formerly handled by people. This next wave of AI innovation will give firms the tools to make a step-change in their transformation strategies.



AI is moving quickly in Australia, despite heavy regulations. Almost every advice business that I talk to is using AI. Now it's used to drive productivity and provide information. But the tipping point will be the adoption of agentic AI, when it can perform investment tasks autonomously."

David Pritchard

Executive Director, CFS Wrap,
Colonial First State



AI is improving the advisor experience

Investment firms are actively deploying GenAI to enhance the experience and capabilities of investment advisors and financial planners. For example, Marc Butler, a financial planner at Anthony Petsis & Associates, says that GenAI saves his team up to 15 hours each week by automating meeting notes, handling compliance procedures and providing CRM updates and client follow-ups.

Better insights and more human skills

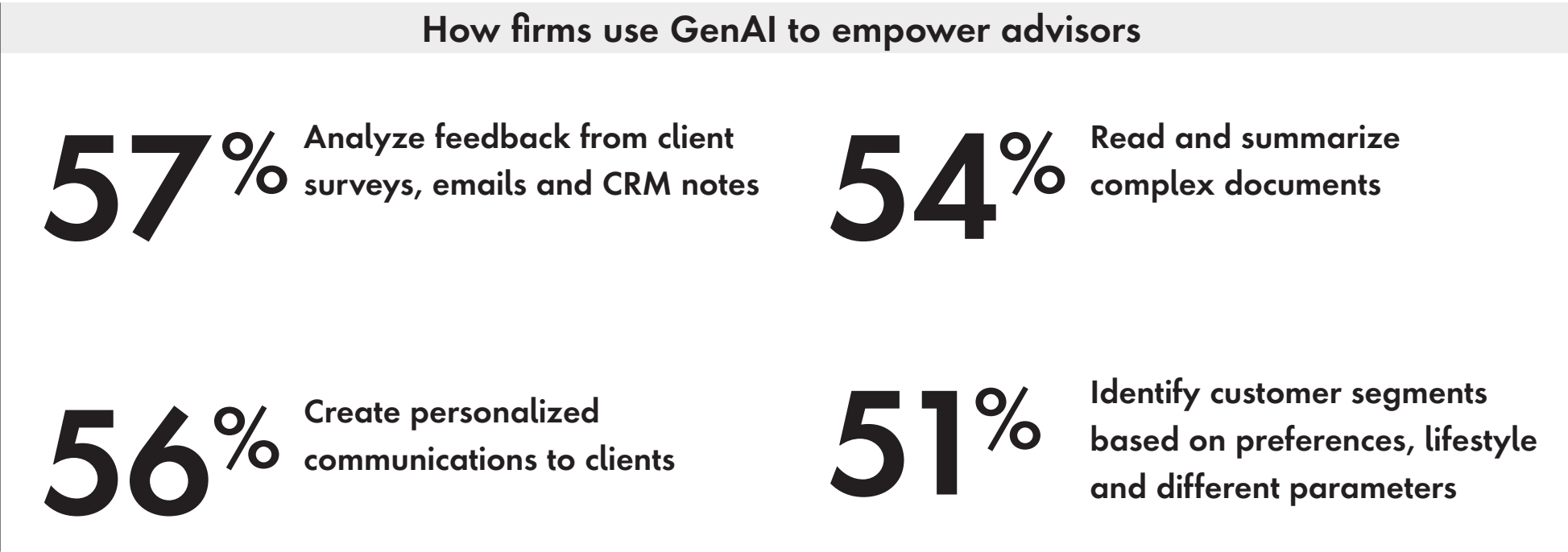
Investment firms are also using GenAI extensively to improve access to information and insights for example by powering internal bots that allow advisors to quickly query large data repositories for client conversations and insights.

Industry executives note that AI-enabled automation frees advisors to focus on the human side of their role, increasing the importance of skills such as empathy, listening and emotional support, qualities that clients highly value.



AI is already reshaping the investment industry, and its impact will only accelerate. The biggest opportunity lies in enabling advisors to deliver more personalized, timely and scalable advice. AI helps filter the noise, surface relevant insights, and automate routine tasks—freeing advisors to focus on clients.”

Peter Smith, Director, Customer Strategy, LSEG



Q23. In which of the following ways is your firm currently using generative and/or agentic AI to improve the experience of investment advisors/financial planners?

But AI adoption is mired in challenges

While wealth management leadership teams understand AI’s potential, they face formidable organizational, technological and regulatory hurdles that limit successful AI transformation.

Organizational obstacles

Their conservative cultures and ingrained ways of doing things can act as an invisible wall to AI adoption. Often a clear vision and roadmap—bolstered by AI training and recruitment programs—can break down employee resistance and fill AI skills and talent gaps.

Technological limitations

Most investment firms struggle to keep up with the rapid pace of AI innovation. Their data is often fragmented, inconsistent, and unreliable, and not AI-ready. At the same time, operational complexity and inadequate system and workflow integration prevents firms from optimizing and scaling AI innovation.

Regulatory headwinds

Driving AI innovation is particularly challenging in the highly regulated investment industry, where transparency, privacy, and security are table stakes and AI regulations are still a work in progress. Many firms are taking a cautious approach, installing systems to minimize data security and privacy risks and keeping humans in the loop when offering AI-driven services to clients.

Top challenges in AI adoption		
Organizational	Conservative, slow-moving culture	55%
	Lack of clear implementation roadmap	47%
	Limited AI skills and talent	45%
	Employee resistance to AI	42%
Technological	Inadequate data quality and access	51%
	Operational complexity	44%
	Poor system integration across teams	39%
	Keeping pace with rapid AI advances	38%
Regulatory	Lack of transparency	35%
	Managing AI risks	34%
	Regulatory and compliance complexity	33%
	Handling AI without human oversight	32%

Regulatory opacity is slowing AI efforts

Regulatory uncertainty is holding back the pace of AI adoption across investment firms. Firms face unclear and sometimes shifting regulatory guidelines, causing them to move cautiously on AI adoption, rather than embracing full-fledged AI transformation.

Without clearly articulated rules, executives tend to hold off on innovative AI solutions—particularly with client-facing applications or employing new technologies like Agentic AI—to avoid exposing their firms to compliance risks.

In fact, just navigating today’s existing regulations addressing privacy, transparency and model validation pose formidable challenges for three out of 10 firms.

31%

of technology leaders say the lack of regulatory clarity is a major hurdle

and

31%

of them say regulatory constraints are also a major hurdle

The need for clarity

“It is really important to have regulatory clarity, so we can be sure we are following the right rules.”

Kevin Dopko, VP, Private Wealth, IG Wealth Management

“Regulators are also trying to figure out where things are going so that they can set the rules of the road. This will remain a very dynamic topic over the next few years.”

Erik Smith, SVP, Wealth Planning, LPL Financial

“We are working with regulators and partners to develop a robust regime that addresses AI’s risks while supporting innovation.”

Janet Yuen, Head of Digital Wealth, Platforms, and Journeys, HSBC Hong Kong Wealth and Personal Banking

“There are an awful lot of regulations, and they have intensified over the last couple of years. You can only run as fast as regulations allow.”

Rob McClean, Senior Vice President and Head of Transformation, Northern Trust

% of firms that say the following regulations will facilitate AI use over the next 3 years	
Risk management guidelines	62%
AI transparency and explainability	61%
AI model assessment and validation	61%
Consumer protection and ethical guidelines	60%
AI governance practices and oversight	59%
Bias and fairness	58%
Data privacy and security	55%
Compliance with financial regulations	42%

Data gaps are undermining AI progress

Data integrity, security and privacy are critical concerns, particularly when it comes to AI adoption. Missteps in these areas can be extremely costly, eroding client trust, damaging a firm’s reputation, and exposing it to regulatory action.

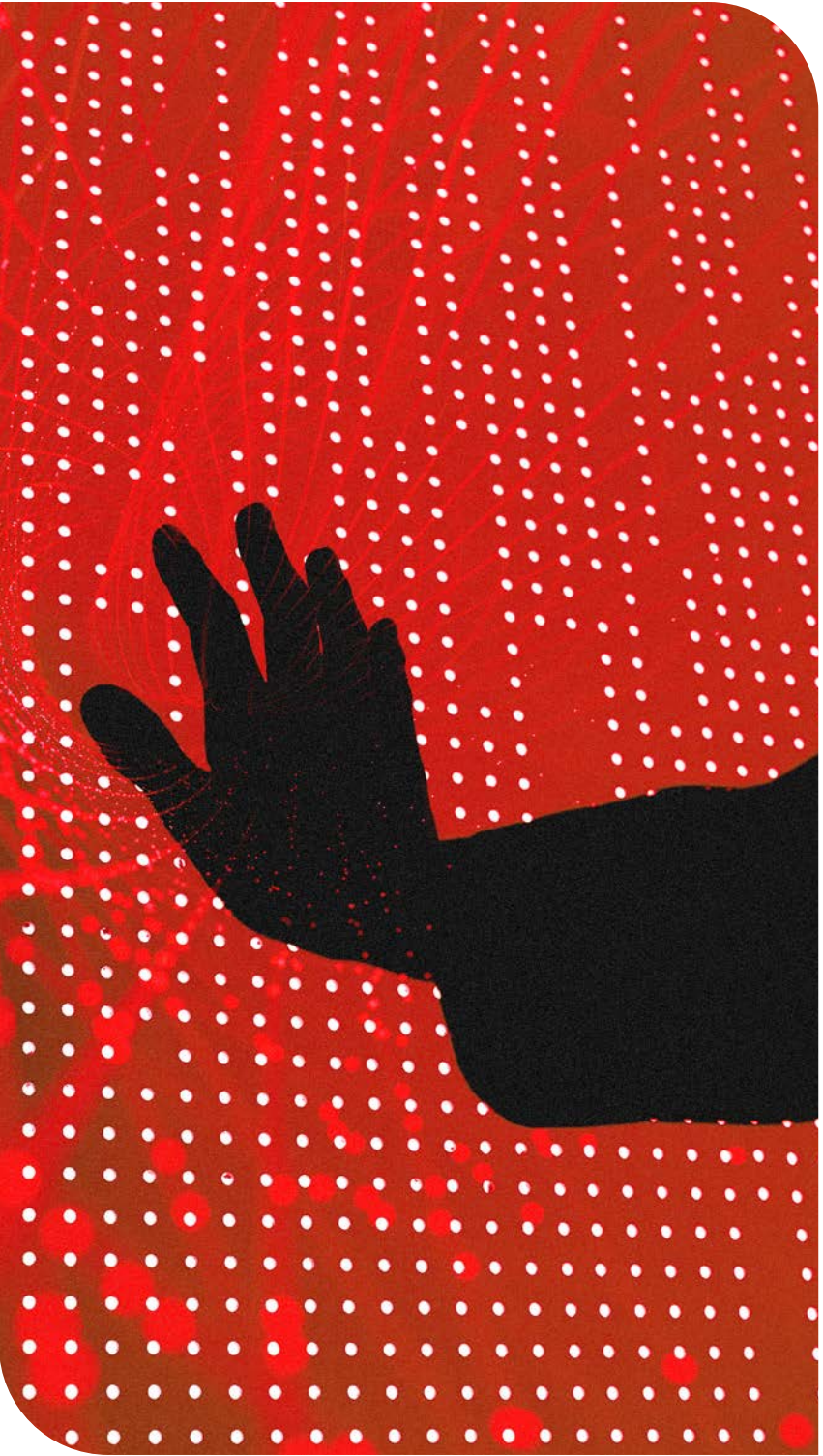
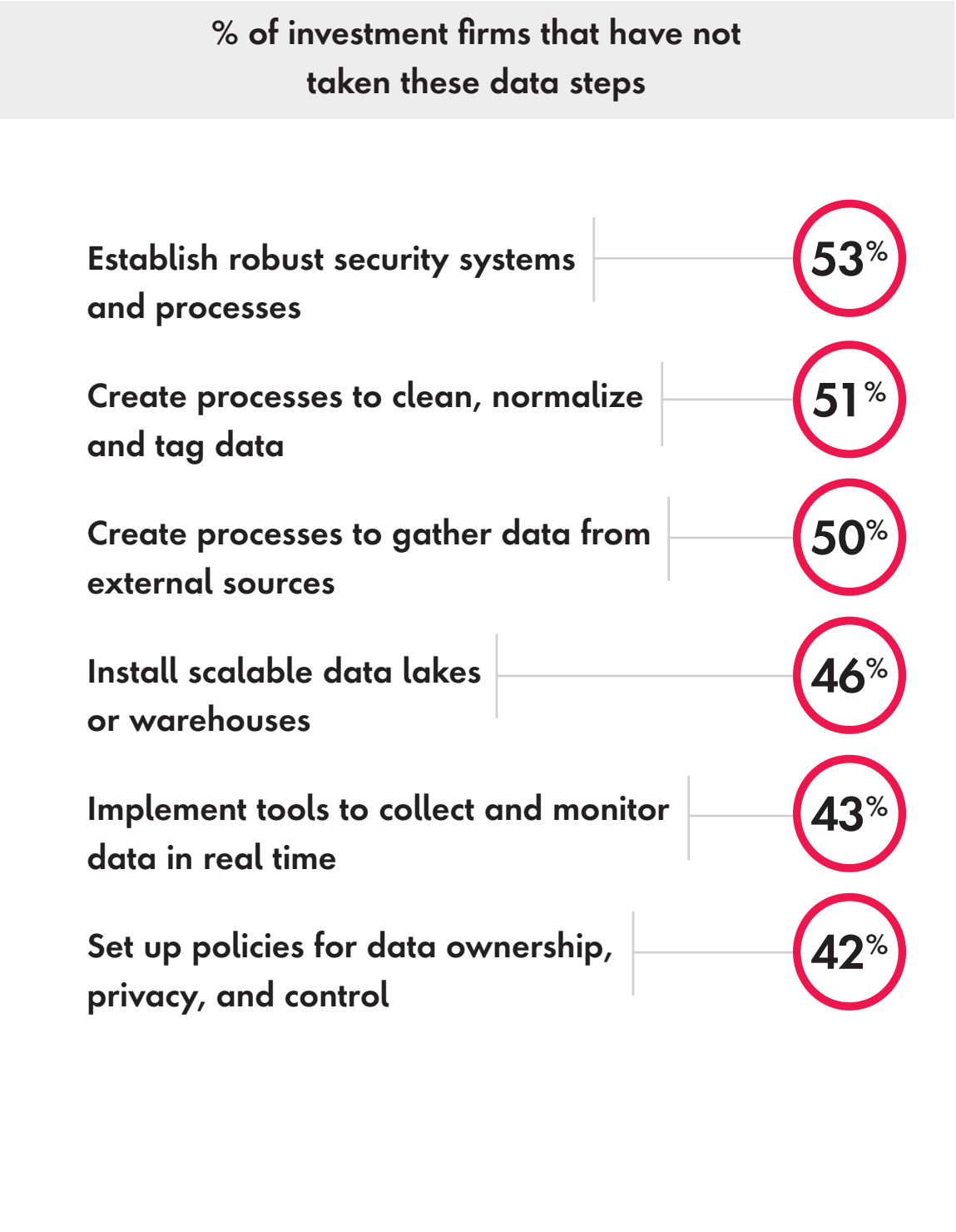
Struggling to get good data

AI can deliver the results that firms and their clients expect only if the underlying datasets are complete, accurate, and timely. This can be a challenge for many firms, especially those that grew by acquisition, and now harbor siloed datasets spread across disparate legacy systems and applications.

As critical as data quality is, many firms, particularly smaller ones, still fail to take fundamental steps to achieve it. For example, about half have not built processes to clean, normalize, and tag data or to gather data from trustworthy external sources.

Cybersecurity weaknesses

Investment firms operate in an environment where risk events and errors involving client money or sensitive data are unacceptable. Cybersecurity is paramount, yet fewer than half have robust security systems and processes in place. And about four out of 10 have not set up policies for data ownership, privacy and control, a worrying gap as the industry enters the Agentic AI age.



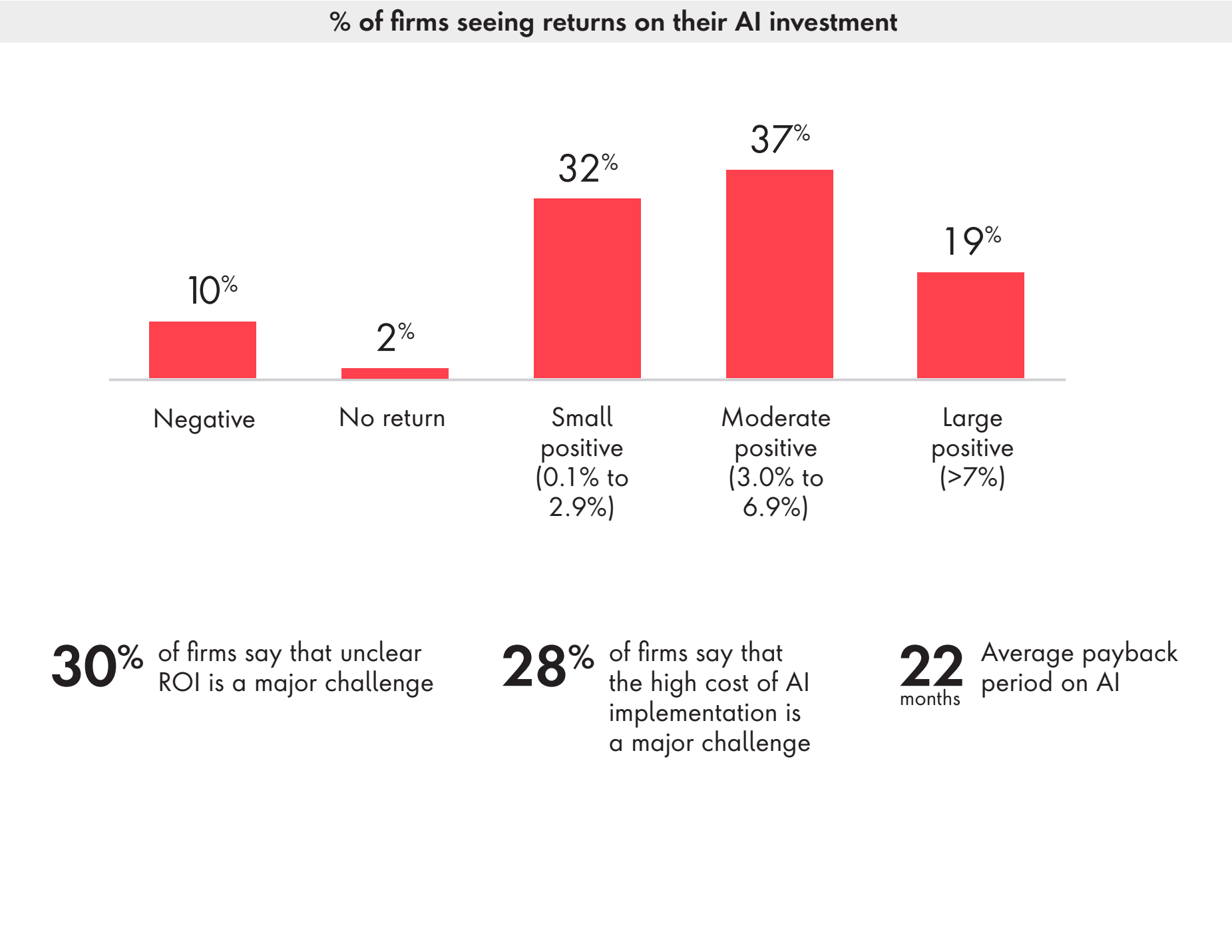
ROI is still elusive for many firms

Despite the promise of AI, over two thirds of firms are currently generating only small or moderate returns on AI investments and 12 percent are seeing no returns or negative ones. One reason for the lackluster results is that AI innovation is still a work in progress for many firms, which are still exploring which use cases work best. Another is that many are not setting clear goals up front for project teams. Indeed, three out of 10 firms see unclear ROI as a major challenge for AI adoption.

Investing in strategic change

Many management teams are finding that delivering hefty returns from AI takes time and money. With an average payback period of 22 months, achieving high ROI can take three years or more—a delay exacerbated by the high cost of AI implementation for many firms.

In fact, some firms eschew standard ROI measurements, viewing AI as more about transformative change than quick wins. For example, Aviva has not yet quantified a specific ROI, but the company is still making strategic bets on AI. Its goal is to free up advisors’ time for deeper client engagement, enabling the business to grow without a proportional increase in operating costs.



AI leaders show the way forward



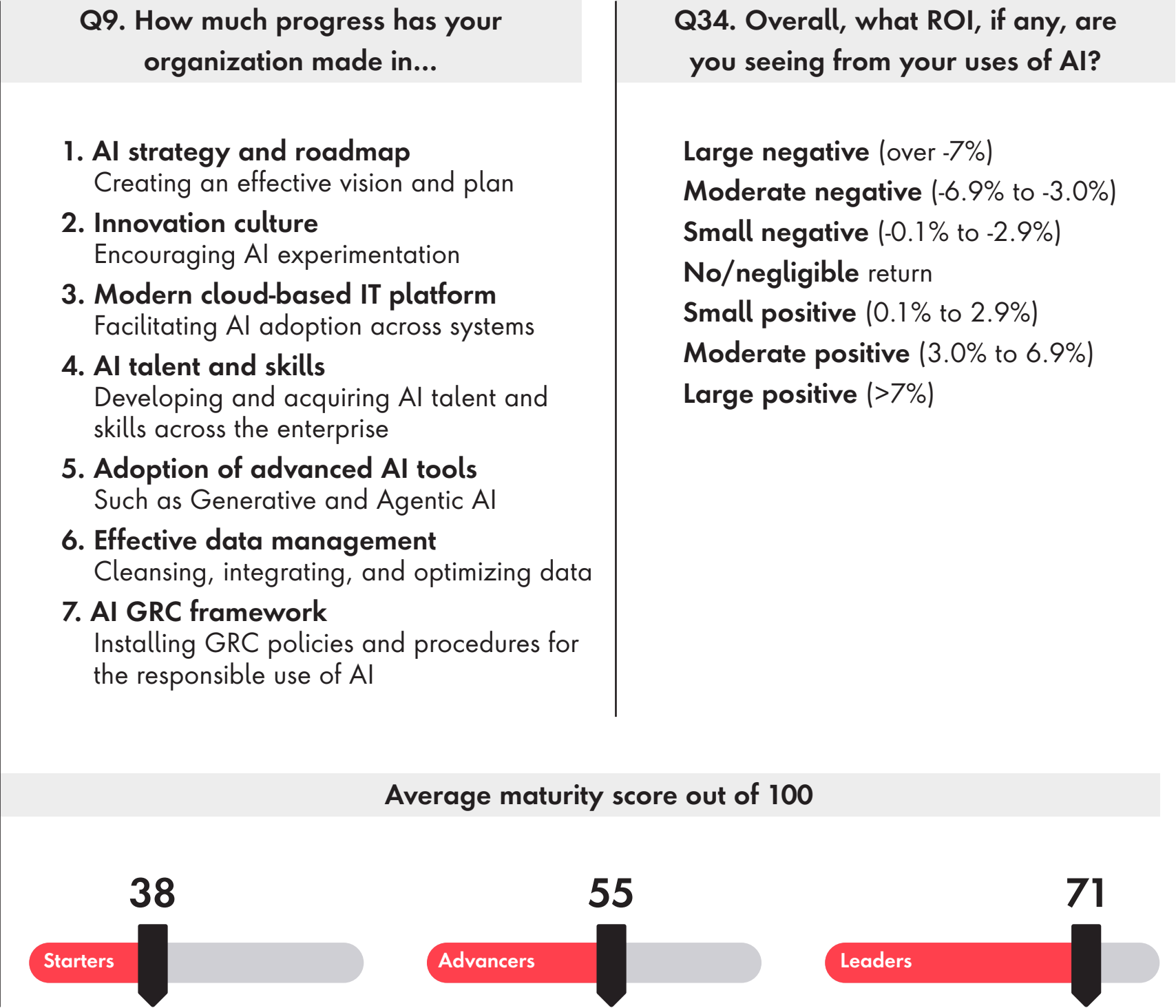
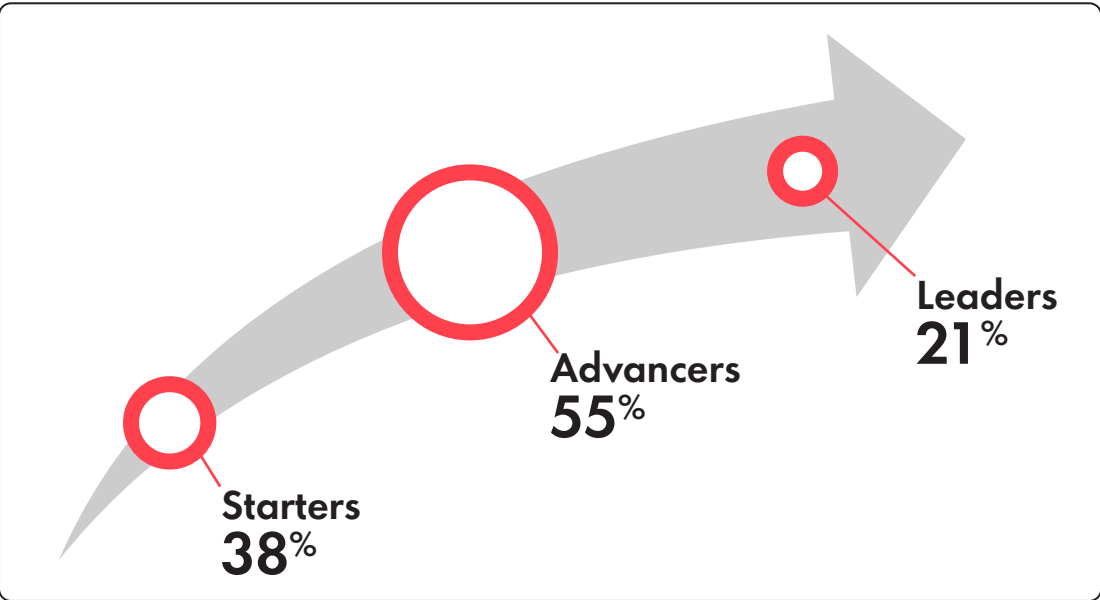
Looking to the leaders

Our survey found an elite cadre of investment firms that are well ahead of others in driving AI results. These companies offer a successful roadmap to others striving to transform their businesses through AI.

How we determined AI maturity

ThoughtLab assessed firms using two criteria: (1) Progress made on AI innovation across seven pillars of AI maturity and (2) the level of ROI on AI investments.

Our economists then categorized the firms into three maturity stages: 23 percent of firms are starters in the early stages of implementation across the pillars; 56 percent are advancers making good progress across the pillars; and 21 percent are leaders out in front and seeing the highest ROI.



Who are the leaders?

Our AI maturity model found that larger wealth and asset management firms tend to be AI leaders, due to their deeper pockets and greater talent resources.

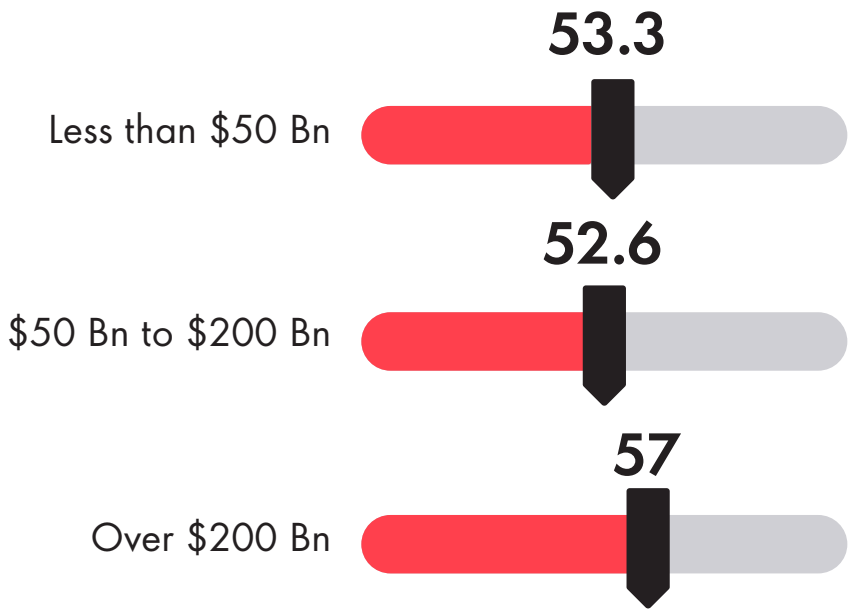
So, it follows that insurance firms and universal banks, among the largest firms in our sample, are also the most advanced in AI. Because of their high volume of repetitive customer interactions and onboarding activities, they are proactive users of AI automation.

Although asset management firms also have large AUMs, they have been held back by the massive proliferation of applications and data sets across client products, together with the inability of vendors to keep pace with AI. Not surprisingly, smaller companies, such as independent and alternative investment firms, have fewer resources to apply to AI and tend to move more cautiously, taking what some call a “fast-follow” approach.

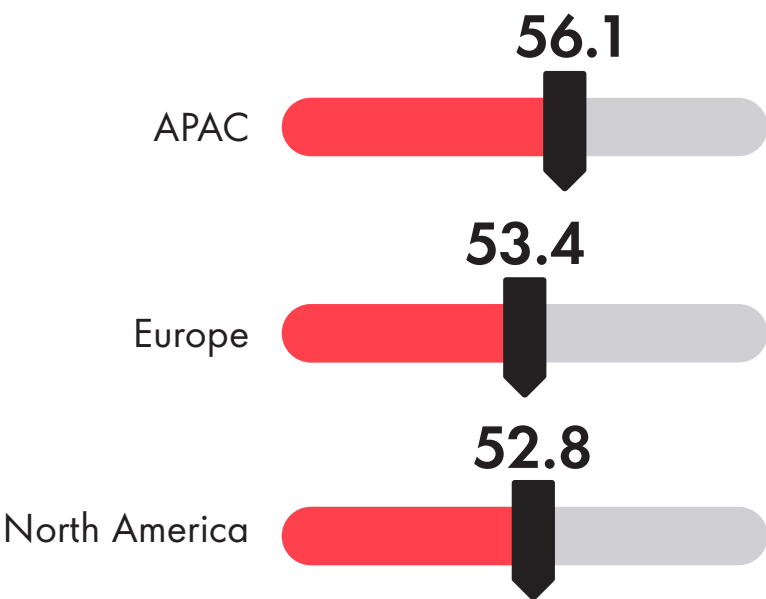
Regional variations

Firms in Asia Pacific are the most advanced in AI, partly due to national strategies to promote AI, as well as a large pool of AI talent and customers open to AI. Meanwhile, European and North American firms are slightly behind; however, that gap may close as they amp up their investment in advanced AI technologies, such as Generative and Agentic AI.

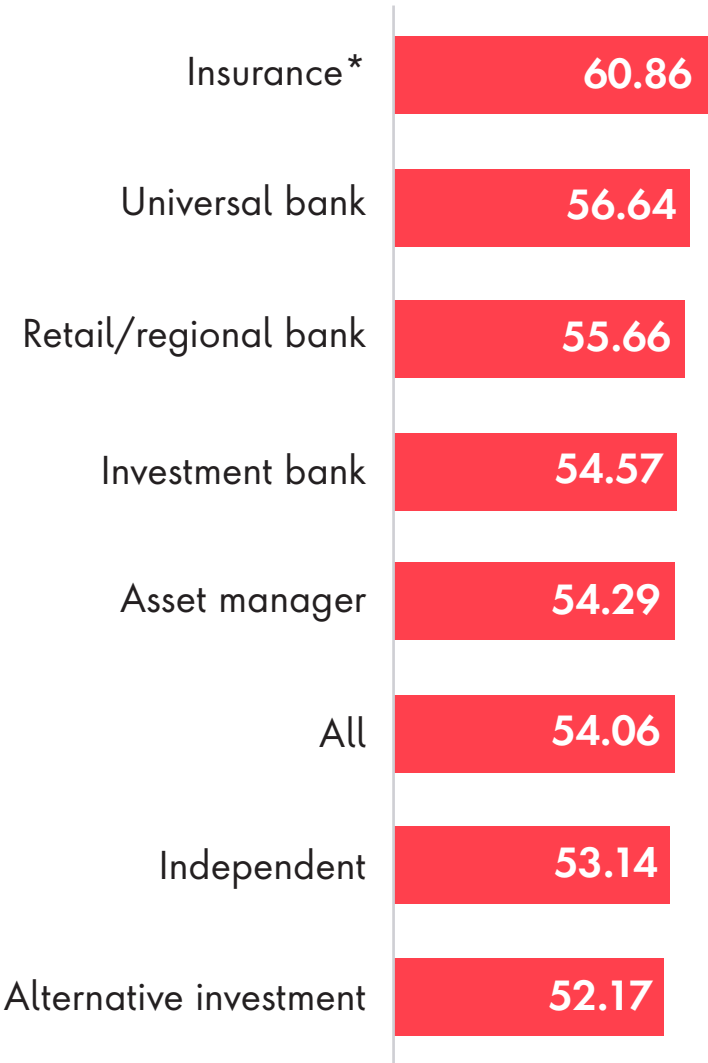
Maturity score by AUM size



Maturity score by region



Maturity score by firm type



*Smaller sample size could skew ranking

Leaders earn higher ROI

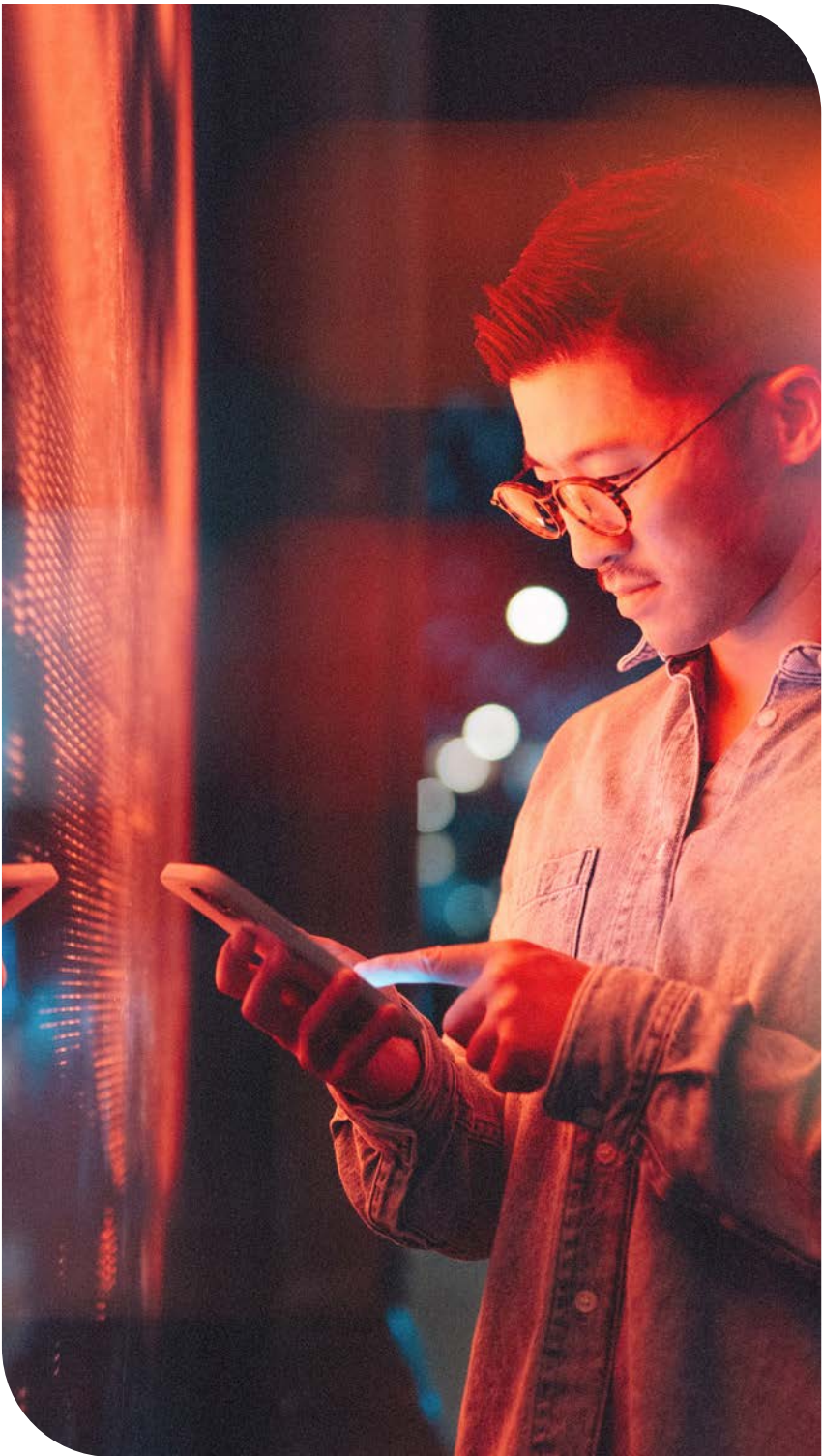
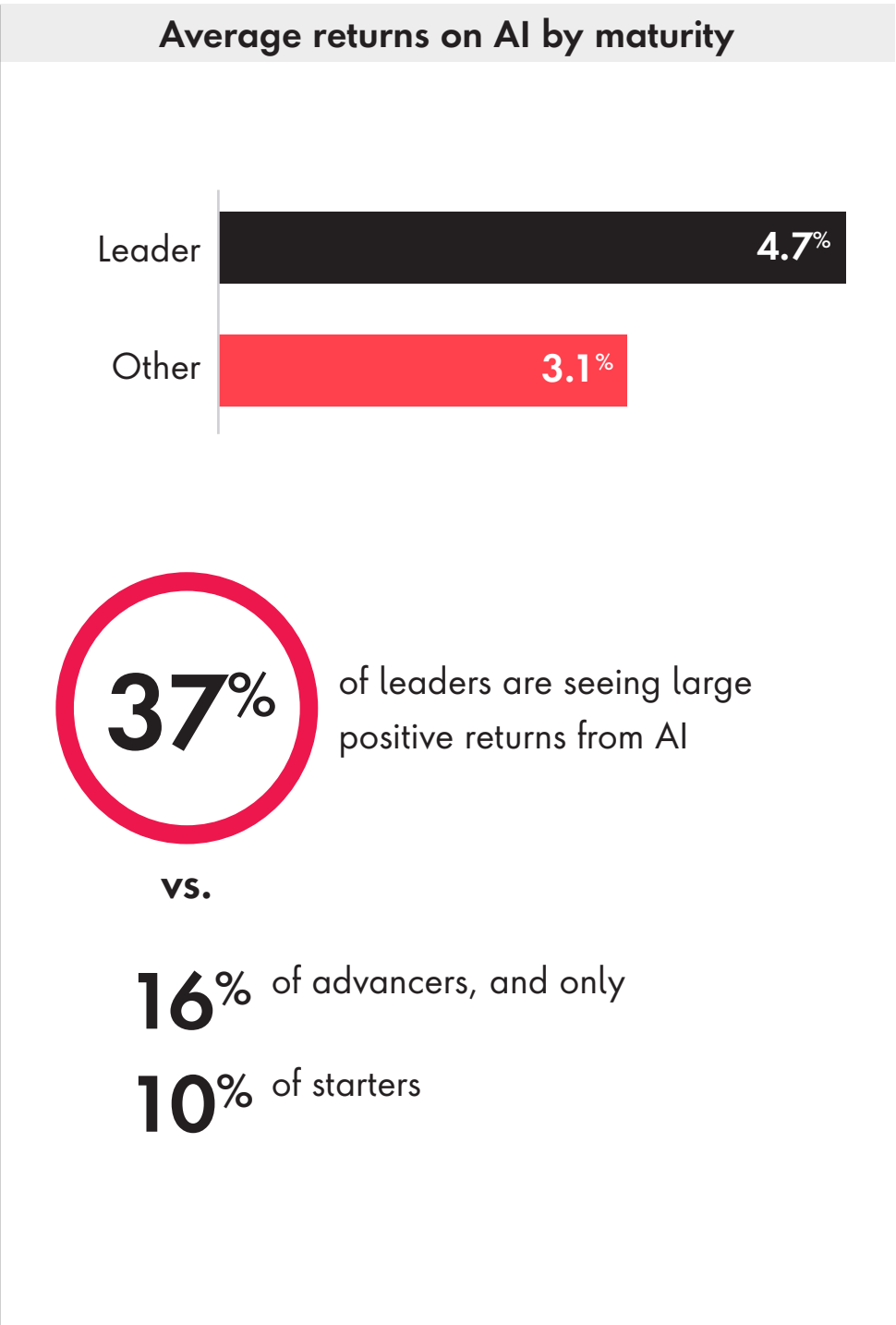
Thanks to more informed AI approaches and advanced AI maturity, leaders enjoy bigger payoffs from their AI investments. On average, leaders see a return of nearly five percent versus about three percent for others.

In fact, well over a third of leaders report large positive returns of over seven percent overall on their AI investments, more than double the percentage of other firms. The returns on individual use cases can be much higher: for example, 44 percent of leaders report 50 percent-plus ROI on robo advisers and 29 percent report similar ROI on writing and editing code.

Why leaders outperform on ROI

Building ROI on AI takes time: 22 months just to break even, according to our study. Leaders have the edge since they started earlier on their AI journeys.

But there are other reasons that leaders are better at generating ROI. For one thing, they identify high-potential AI solutions up front. For another, they have an AI-ready organizational, data and technology foundation in place.



Q34. Overall, what ROI are you seeing from your uses of AI? Consider the full range of benefits across the value chain (internal efficiencies, employee productivity, customer acquisition, etc.) as well as the full costs (technology, staffing, training, etc.) of the investment.

How leaders generate ROI

"We found rapid ROI when we started using GenAI to summarize client meetings, which saves time for advisors."

CIO, Japanese broker-dealer

"Currently AI is being used to automate back-office operations to help improve SLAs for complex customer service requests. The ROI we are seeing currently is about 15 percent."

CIO, Japanese broker-dealer

"Our AI models help us identify clients most at risk and enable timely advisor interventions to boost client retention and ROI."

CEO, UK wealth management firm

"We leveraged our Gen-AI-enhanced CRM to help advisors target best actions and boost productivity."

Senior executive, US wealth management firm

"Machine learning models developed with exclusive borrower data led to a notable decrease in default rates."

Senior marketing executive, US online trading platform

"AI-driven claims routing increased processing speed by 50% and raised NPS scores."

CIO, Australian/NZ insurance firm

"Profit margins have improved due to faster trading actions driven by AI."

Senior strategy executive,
Swedish alternatives firm

"AI-powered credit analytics improve distressed asset pricing and portfolio returns."

Senior executive, US asset management firm

"AI offers enhanced returns by managing risk and helping our clients reach their goals effectively."

Chief innovation officer, Canadian diversified financial firm











Leaders outperform on key goals

Investment firms gain myriad benefits from their AI investments, most notably on their top and bottom lines. They also spark faster issue resolution, higher productivity and reduced risks.

Leaders see more key benefits

While AI leaders recognize many of the same benefits, they show stronger performance than others on their top AI goals around strategy, growth, innovation and efficiency. These include boosting shareholder value, igniting growth, speeding up time to market and cutting costs.

Leaders excel at aligning AI strategies with business goals and identifying the strategic use cases that will unlock the greatest value for their firms.

Top 10 benefits of AI				
1 Research background 	2 Improved profitability 	3 Faster issue resolution 	4 Higher productivity 	5 Reduced risks 
1 Improved compliance 	2 Accelerated time to value 	3 Accelerated time to market 	4 Greater shareholder value 	5 Higher customer satisfaction 

Areas where AI leaders outperform
Strategic Higher shareholder value
Growth Greater ability to scale business
Innovation Accelerated time to market
Efficiency Reduced costs

AI generates multiple benefits for leaders

"AI-driven workflows reduce errors and back-office costs by automating key processes."

Chief AI Officer, Malaysian bank

"Credit risk in fixed income portfolios is assessed more precisely with ML models."

CIO, Japanese bank

"Strategic integration of AI across investment management, customer engagement, and operations helps us drive performance and innovation."

Chief operating officer, UK insurance firm

"Client retention efforts have strengthened as AI scans communications for departure risks."

Senior technology executive,
French investment bank

"Inconsistencies in trading volumes are flagged by Generative AI monitoring tools."

Senior innovation executive, Finnish broker-dealer

"AI-driven risk scoring and fraud detection reduce losses and boost credit accuracy."

Chief digital officer, Japanese bank

"Legacy systems have been unified using machine learning and Generative AI, giving managers deeper data insights."

Chief AI officer, Finnish asset manager

"Over the past two years, developer productivity has increased by 15-20%. I wouldn't be surprised if in the next two years it increases by another 50%"

Oren Michaely, AI Director, Motive Partners

"New client activation has speeded up as AI reduces onboarding friction."

Senior AI executive, Japanese bank

Leaders optimize their AI spending

Leaders spend only slightly more than others on AI—and their AI investment is not increasing as rapidly. Nonetheless, they are getting higher returns. Why?

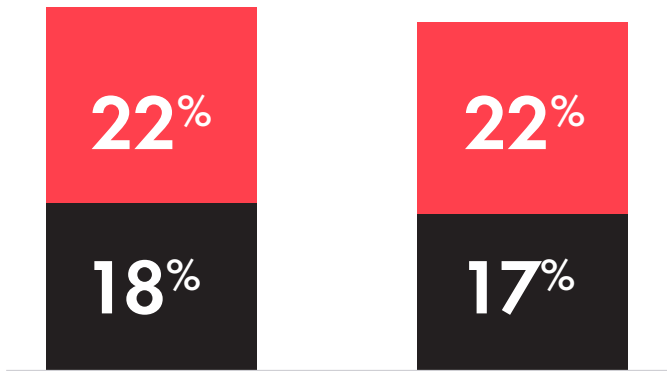
The answer may lie in their AI implementation approach, which relies much more heavily than others on SaaS solutions. By leveraging AI applications built into SaaS solutions, investment firms can reduce the cost of building such applications in-house.

Invesco’s AI development strategy

For example, Invesco’s AI development strategy includes not just in-house initiatives, but also the AI solutions that SaaS vendors incorporate into their products, according to Dave Dowsett, CTO of AI and Advanced Engineering. When forming its AI plans, Invesco considers the upcoming AI initiatives of its SaaS vendors.

“This helps us to differentiate between what we should develop ourselves and what we should wait for vendors to add,” says Dowsett.

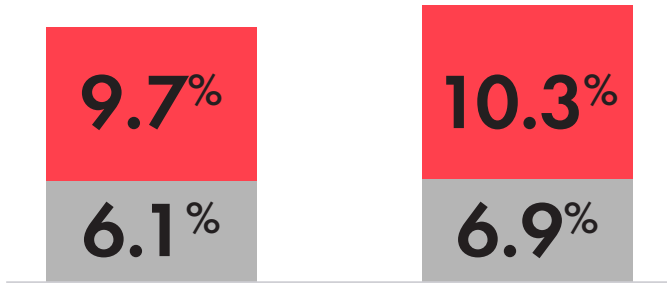
AI spending as % of IT spending by maturity



Leader Other

■ Three years ■ Current fiscal year

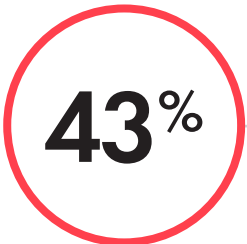
AI spending change by maturity



Leader Other

■ Next fiscal year ■ Last fiscal year

AI implementation approach by maturity



43% of leaders are seeing large positive returns from AI

vs



28% of others



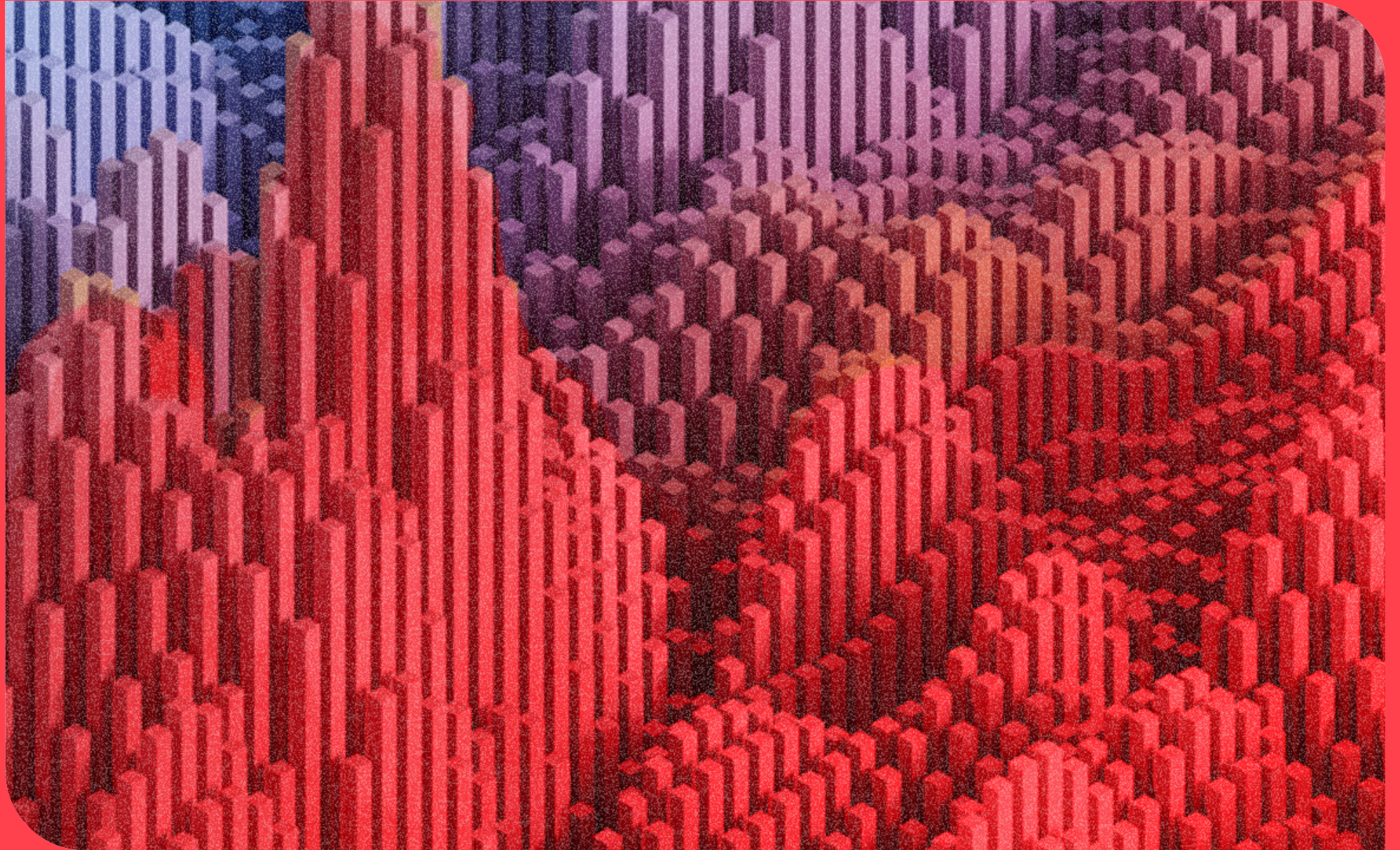
66% develop an ecosystem of partners to support AI strategy

vs



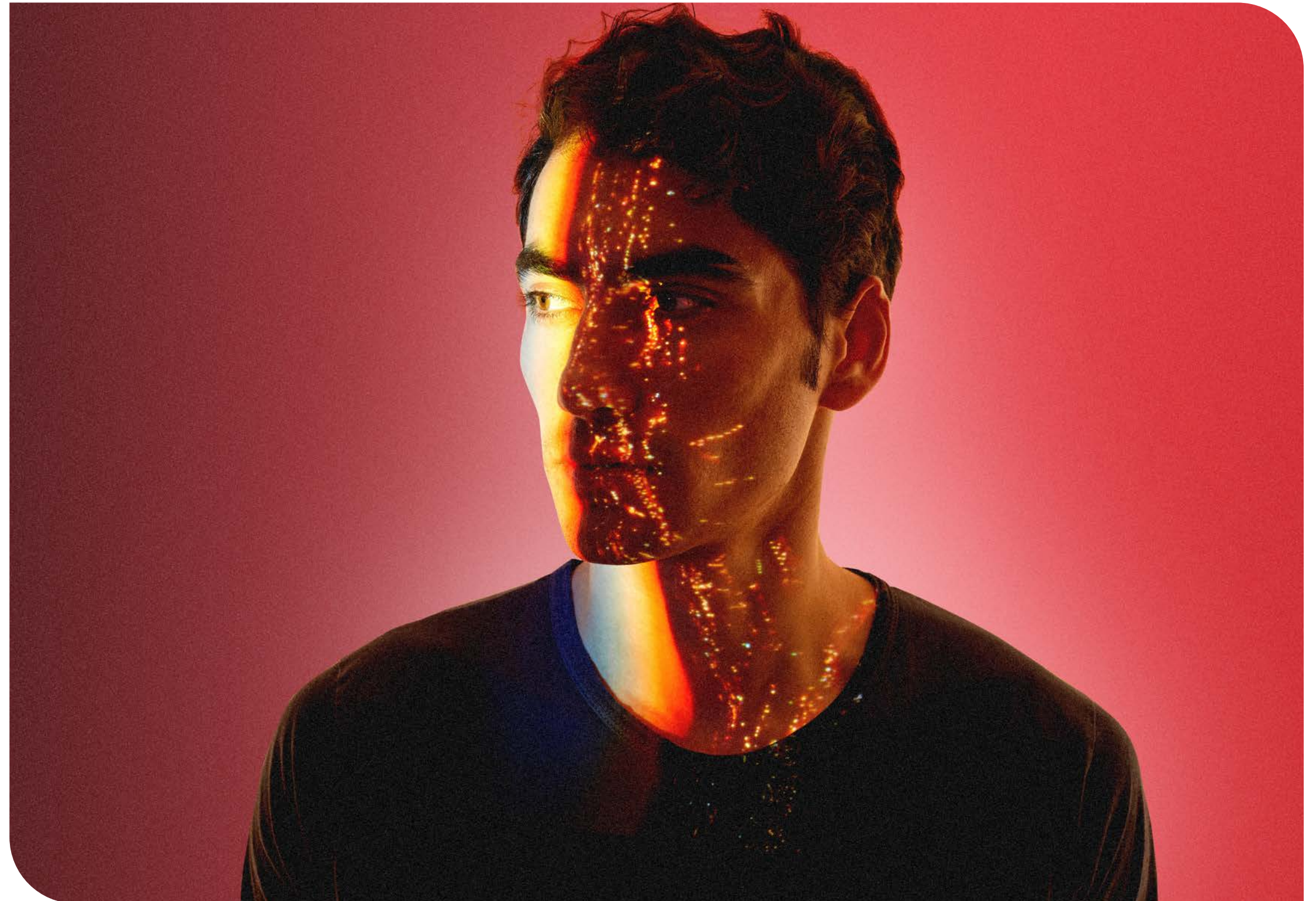
59% of others

Five best practices of AI leaders



Create an AI vision and culture to inspire change

Leaders develop a shared AI vision and implementation roadmap that unites views across the C-Suite. They cultivate an AI mindset that encourages staff to reinvent how they get things done.



Leaders start with an AI vision and strategy

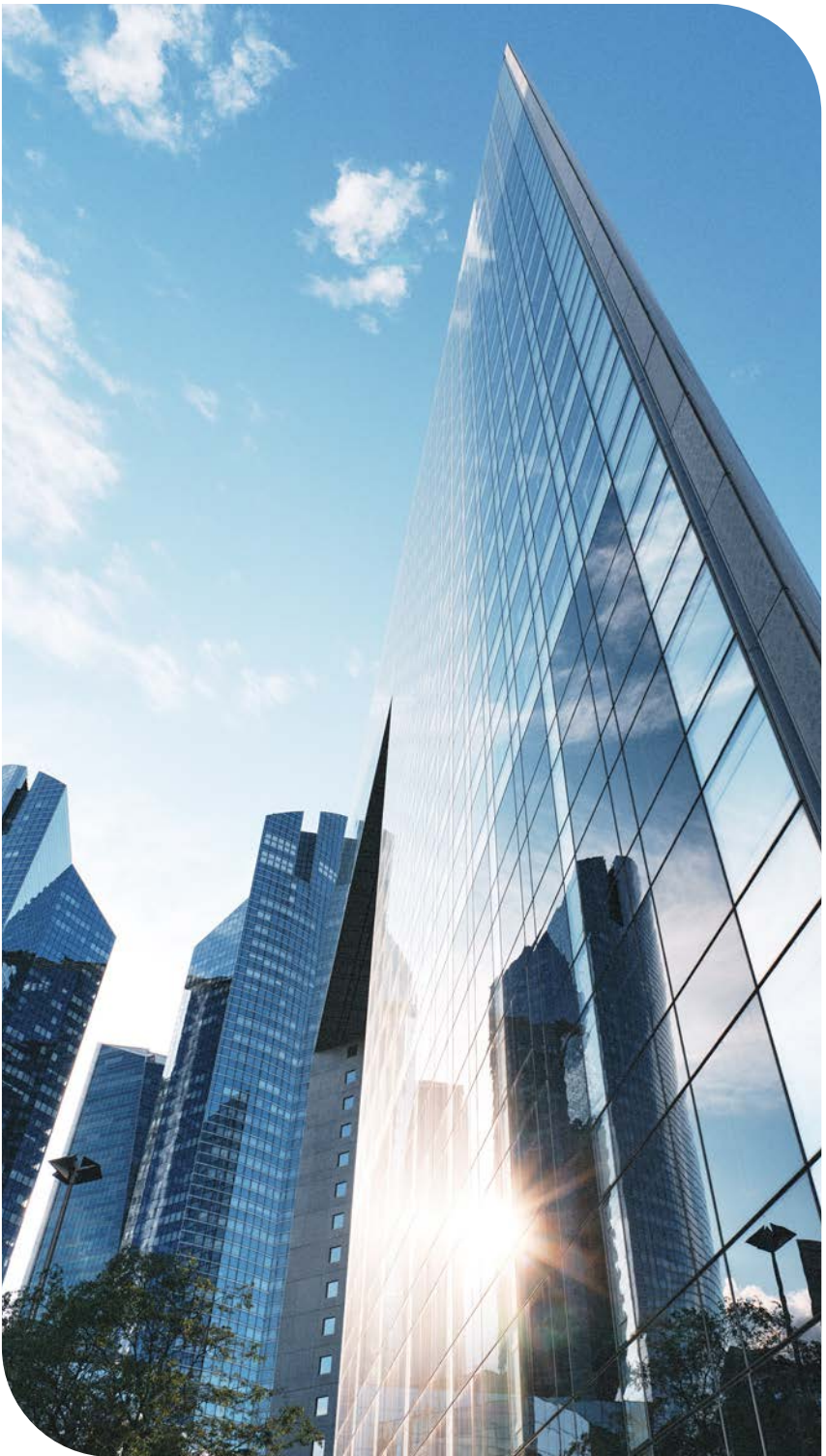
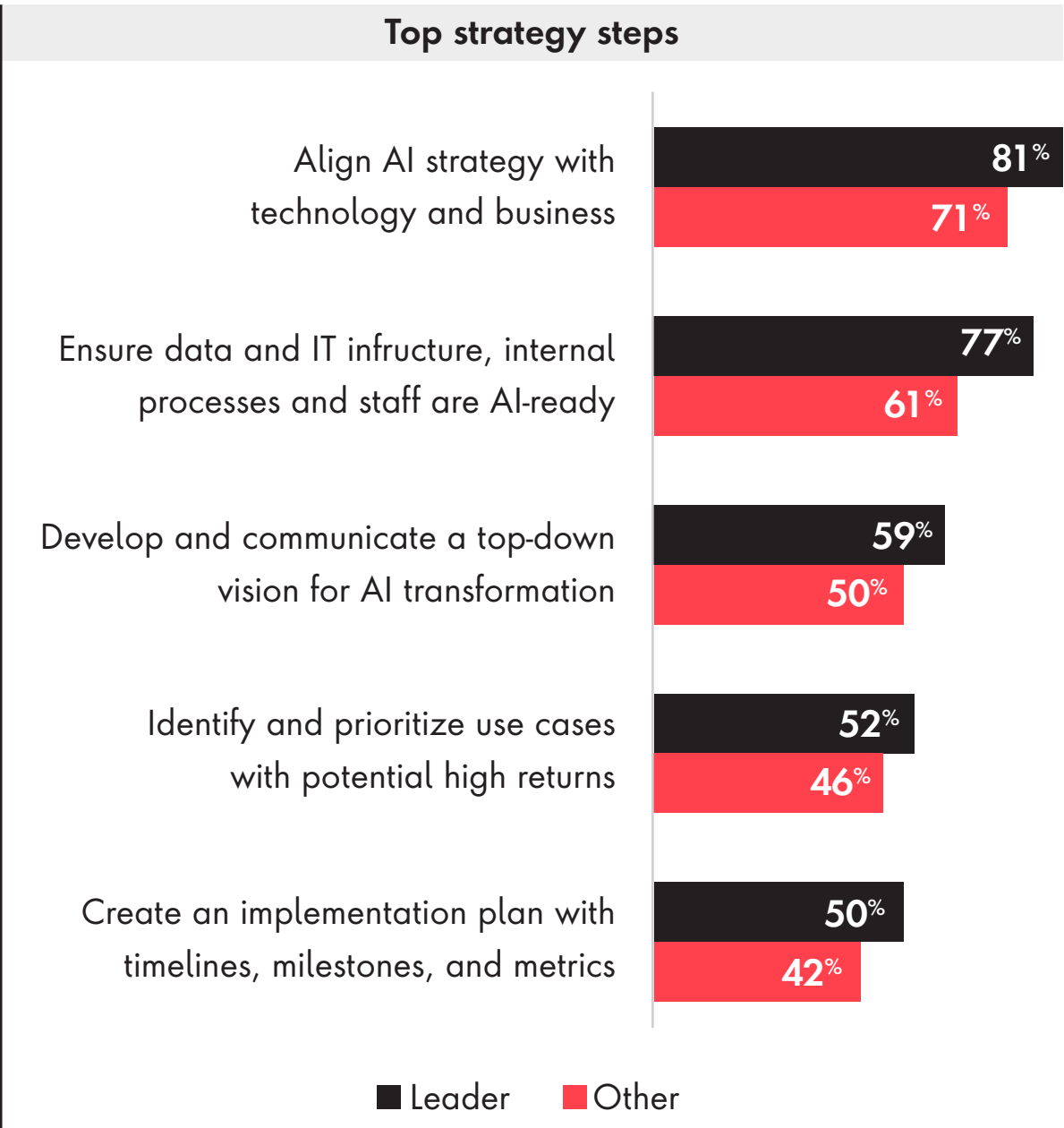
AI leaders develop effective strategic roadmaps for AI transformation—one that sets timelines, milestones and metrics. They understand that, at its core, AI transformation is about strategic reinvention, and they ensure that their AI approach is fully aligned with their firm’s overall business goals.

To deliver on their AI plans, leaders communicate a top-down vision to staff that highlights the need to embrace AI to stay competitive. At the same time, they provide staff with the data, IT infrastructure and skills to succeed. Crucially, they build on their successes by prioritizing use cases with the greatest potential for high returns.



When implementing an AI strategy, you must meld the vantage points of different stakeholders across the firm, from HR to the legal department.”

Donie Lochan
Global CIO, AHEAD



Leaders measure the strategic returns on AI

To gauge the effectiveness of their AI initiatives, firms rely on core metrics such as revenue growth, cost savings, return on investment and efficiency.

Leaders, however, give greater attention to their goals tied to AI transformation. This starts with measuring **strategic impacts**, such as boosting growth, reducing risk and creating new business models and channels.

Leaders put **people** at the center of their AI strategies. That is why they focus more on employee productivity, customer satisfaction and retention.

For leaders, fast-tracking **AI innovation** is crucial. To assess their performance, they rely on metrics relating to new product development, time to market and time to value.

Leaders also do a better job of measuring the efficacy of **AI models and solutions**. Metrics such as error reduction/model accuracy, client user adoption and frequency of AI model use can be illuminating.

Top seven metrics for firms	
1	Revenue growth
2	Cost savings
3	Return on investment
4	Operational efficiency
5	Reduced risks
6	New product development
7	Faster issue resolution
Metrics that leaders use more than others	
Strategy	Revenue growth, reduced risks, new business models
People	Employee productivity, customer satisfaction, customer retention
Innovation	New products and services, time to market, and time to value
AI-specific	Model accuracy, client user adoption, and frequency of use of AI models



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Leaders nurture an AI culture

Leaders create a culture and organizational approach that makes AI innovation the center of gravity. They know that AI transformation recasts how people work, so they give employees the tools for AI experimentation. At the same time, they often appoint chief AI officers and other senior executives to guide AI transformation.

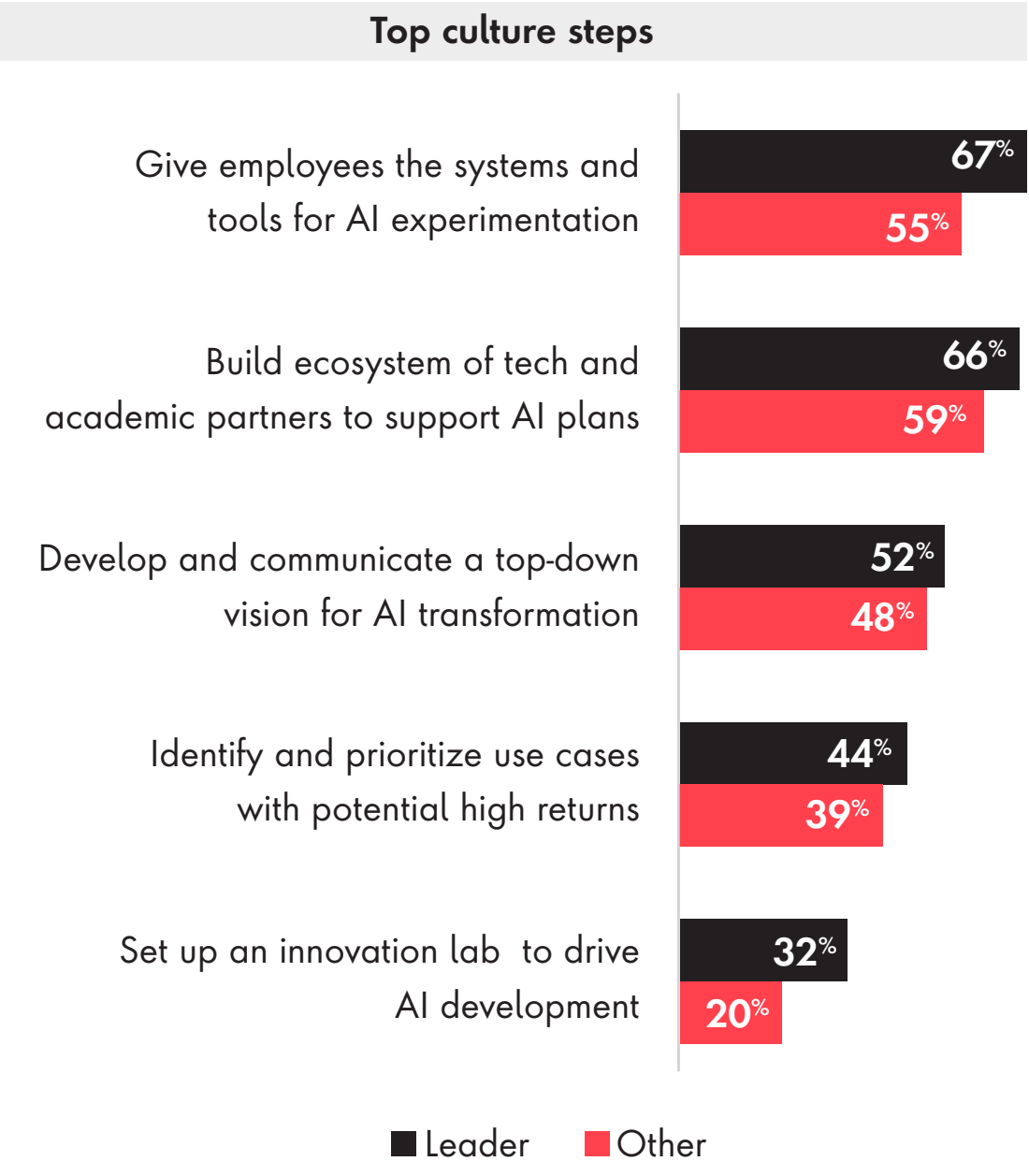
But they don't stop there. Rather than going it alone, they work with tech partners to harness AI solutions embedded in their offerings. They also set up innovation labs—often with universities—to conduct AI research. One example is Vanguard, which recently announced a strategic AI partnership with the University of Toronto.



We are currently running what we call a ‘lab phase’ with a group of advisors, deploying tools for experimentation to understand how they would use these tools, and what help they need to do it safely.”

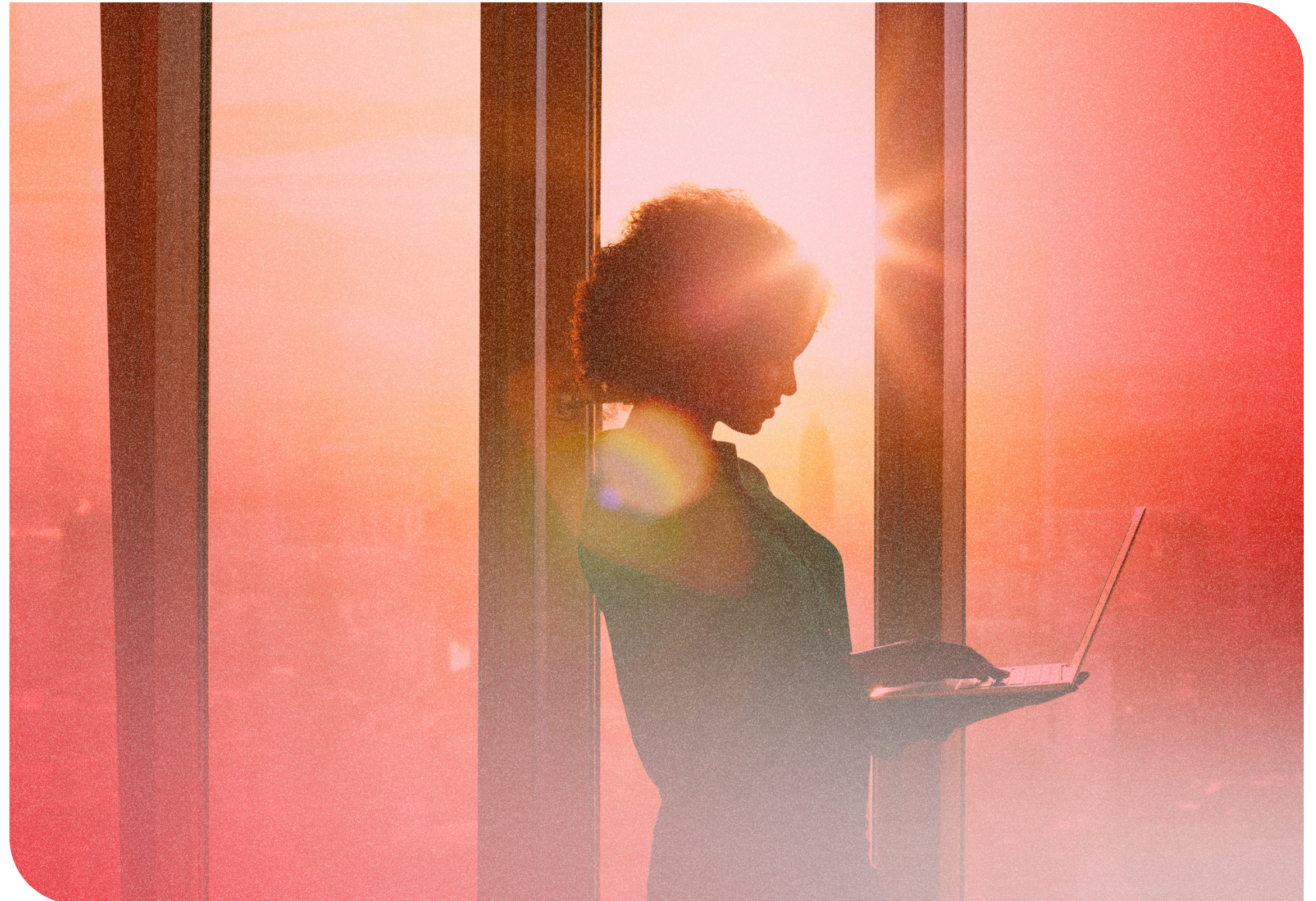
David Pritchard

Executive Director, CFS Wrap,
Colonial First State



Build an AI-ready IT and data platform

AI solutions are only as good as the IT systems, processes, and data they run on. To scale AI innovation across their enterprises, firms should take a lesson from the leaders by first upgrading their IT and data architecture.



Leaders modernize IT to support AI innovation

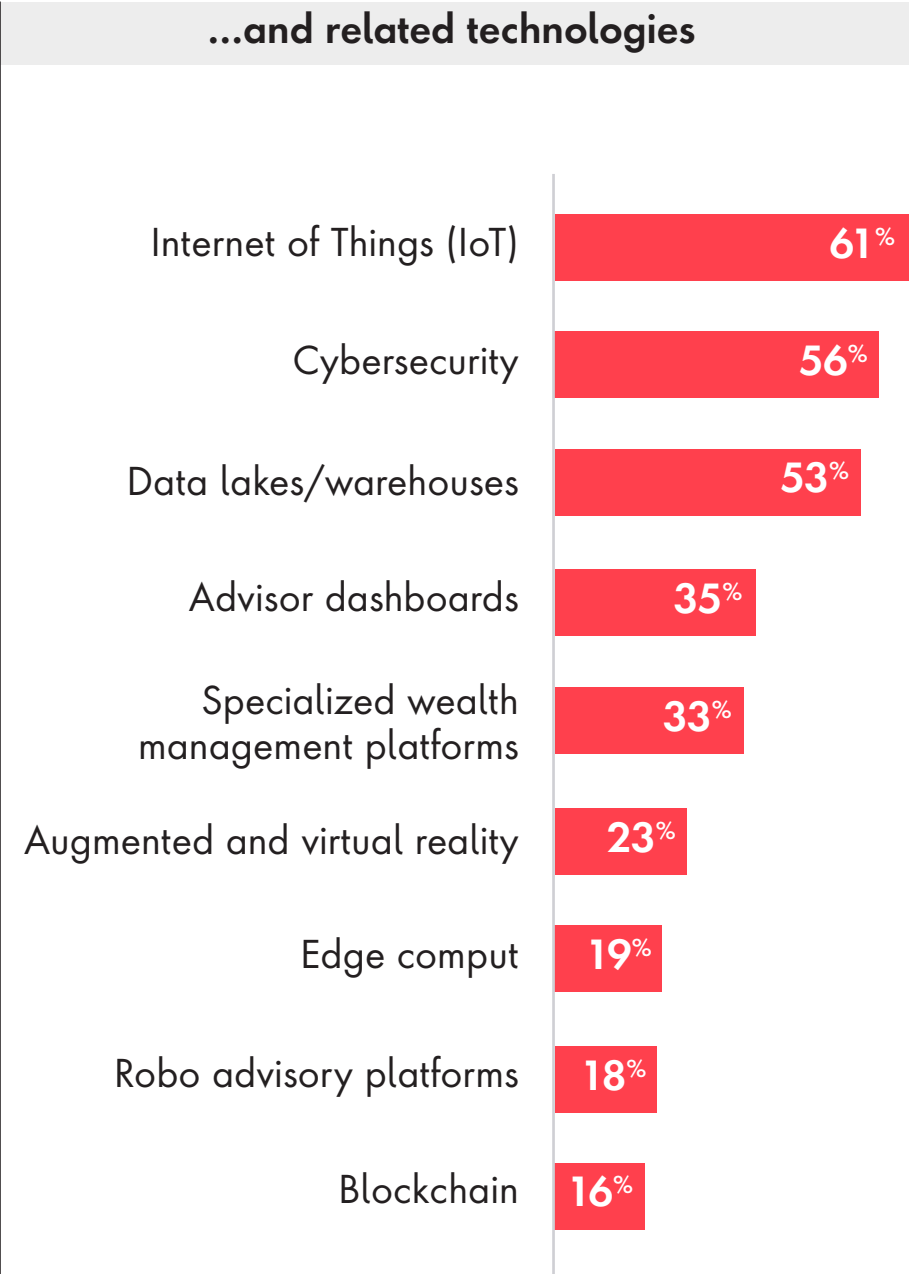
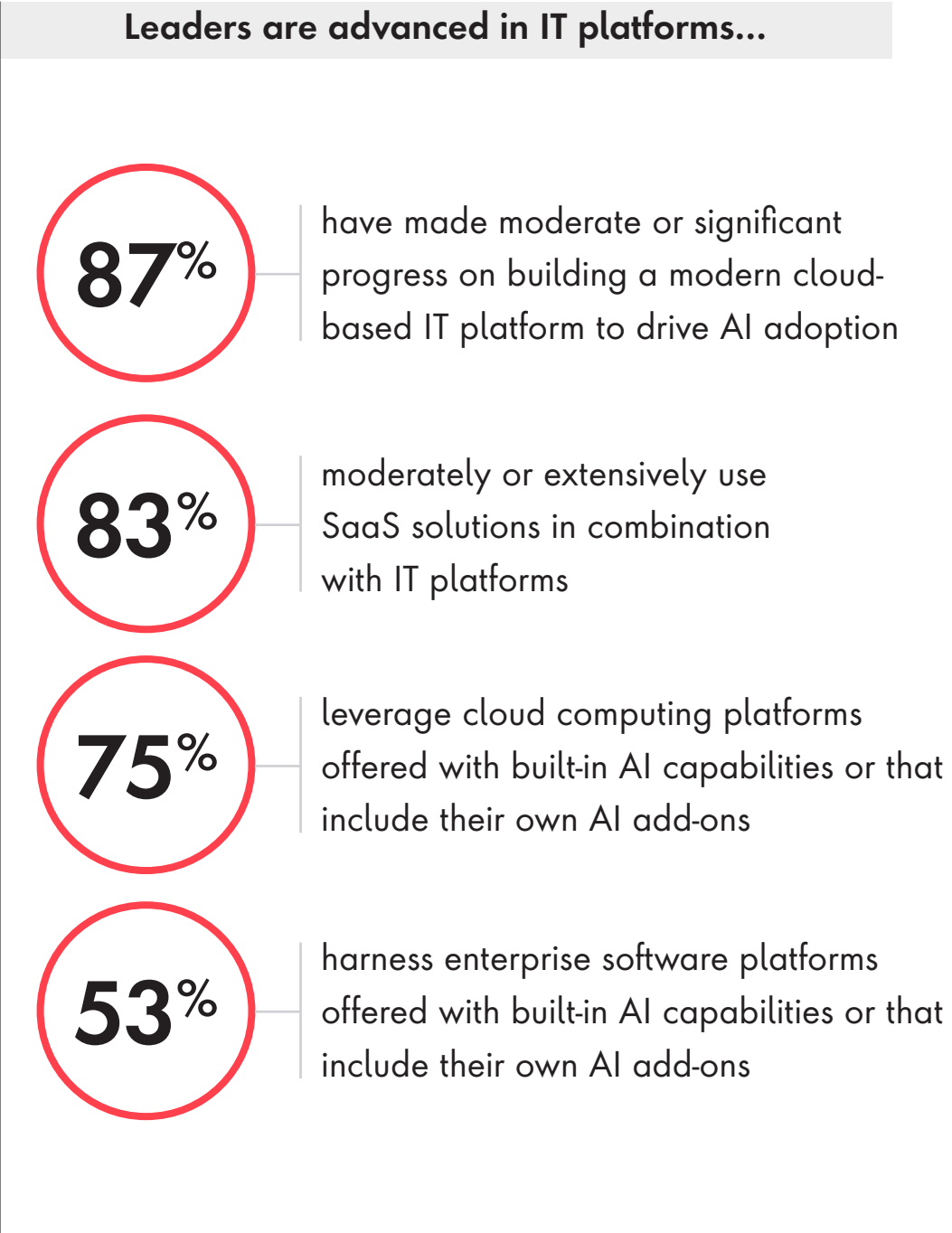
To ensure that their firms have the proper foundation in place for AI transformation, more than 8 in 10 leaders are adopting modern cloud-based IT platforms. They combine these with the built-in AI capabilities offered by SaaS solutions, cloud computing platforms and enterprise software platforms.

Leaders understand that combining AI with other advanced technologies can enhance its power. More than half use AI to analyze IoT data and to improve cybersecurity. Using data lakes or warehouses with AI is key for leaders, since clean, accessible data is crucial underpinning for successful AI implementation.



To be AI-ready, we needed to create data lakes and to move all our systems and data to the cloud. By modernizing our platform, we made it stabler and safer, and improved the overall quality of our technology, architecture, and data.”

Erik Smith
Executive Director, CFS Wrap,
Colonial First State



Building an effective IT platform for AI use

"SaaS AI platforms are indeed effective for rapid pilot projects."

Chief data officer, US diversified financial institution

"Improving system modularity allowed for more seamless integration of AI tools into internal platforms."

CTO, UK asset management firm

"Faster, responsive AI systems require real-time data access and robust processing capabilities."

Chief strategy officer, Singapore online investment platform

"Robust computing power and scalable infrastructure are necessary to support evolving AI tasks and data volumes."

Chief product officer, Swiss regional bank

"Scalability must be considered from the outset, even for minor AI pilot projects."

CDO, Spanish commercial bank

"Seamless integration with legacy IT infrastructure is necessary to unlock the full potential of AI tools."

CDO, German alternative investment firm

"AI needs scalable cloud or on-prem infrastructure for data and model handling."

Senior executive, US investment bank

"It helps to identify unseen integration challenges before full-scale deployment."

CIO, US asset management firm

"The integration of AI into traditional legacy systems can prove to be more difficult than creating a system from scratch."

Chief innovation officer, Canadian asset management firm

Leaders make data work harder

Leaders know that the way to differentiate yourself in the AI era is through data. Says Motive Partners’ Oren Michaely, “Consumer brands, like Netflix and Amazon, are far ahead of investment firms in using data to anticipate customer needs and provide proactive service. People have been saying that data is the new oil, but investment executives are just starting to take that to heart.”

Five top data strategies of leaders

Our research shows that leaders focus on five key data strategies. (1) Integrate data across departments to create a single source of truth; (2) Install data lakes or warehouses to scale data across the enterprise; (3) Set up robust security systems to protect against data risks; (4) Create processes to ensure that data is clean, consistent, and reliable; and (5) Add an AI factory to turn data into actionable insights at scale.

What separates leaders from others			
		Leader	Other
1	Integrate data across departments	64%	60%
2	Install scalable data lakes or warehouses	57%	53%
3	Establish robust security systems and processes	56%	44%
4	Create systems to clean, normalize, and tag data	54%	47%
5	Add an AI factory to deploy AI at scale	45%	38%

Northern Trust: Ensuring accuracy

As a global custodian and fund administrator, Northern Trust deals with unstructured transaction and securities data from its clients that often has missing fields or conflicting naming conventions. “Our solution is to get our data correct at source,” says Rob McClean, Senior Vice President and Head of Transformation. “Rather than scrubbing the data downstream—sometimes months after the fact—we are piloting an AI application that fills in and corrects the data at the point of entry.”

LPL Financial: Scaling data

LPL Financial, the largest independent broker-dealer in the U.S., is actively building a data foundation for AI excellence. “You need good data for AI to work, and that means good data hygiene. We are working to make sure that we have clean data that is properly organized and governed,” says Erik Smith, SVP, Wealth Planning. “And to be able to scale, we are moving our data lakes and other systems to the cloud.”

Install a robust AI governance, risk, and regulatory framework

Without solid guardrails, AI models can introduce new risks and undermine trust. That is why leaders set up regularly updated GRC mechanisms that ensure their AI solutions are reliable, transparent and compliant.



Leaders protect their firms from AI's downside

Leaders realize that true AI transformation is impossible without robust oversight to ensure that their use of AI is reliable, compliant and trustworthy. That is why 81percent have already built AI governance, risk and compliance frameworks with acceptable use policies and clear guidelines.

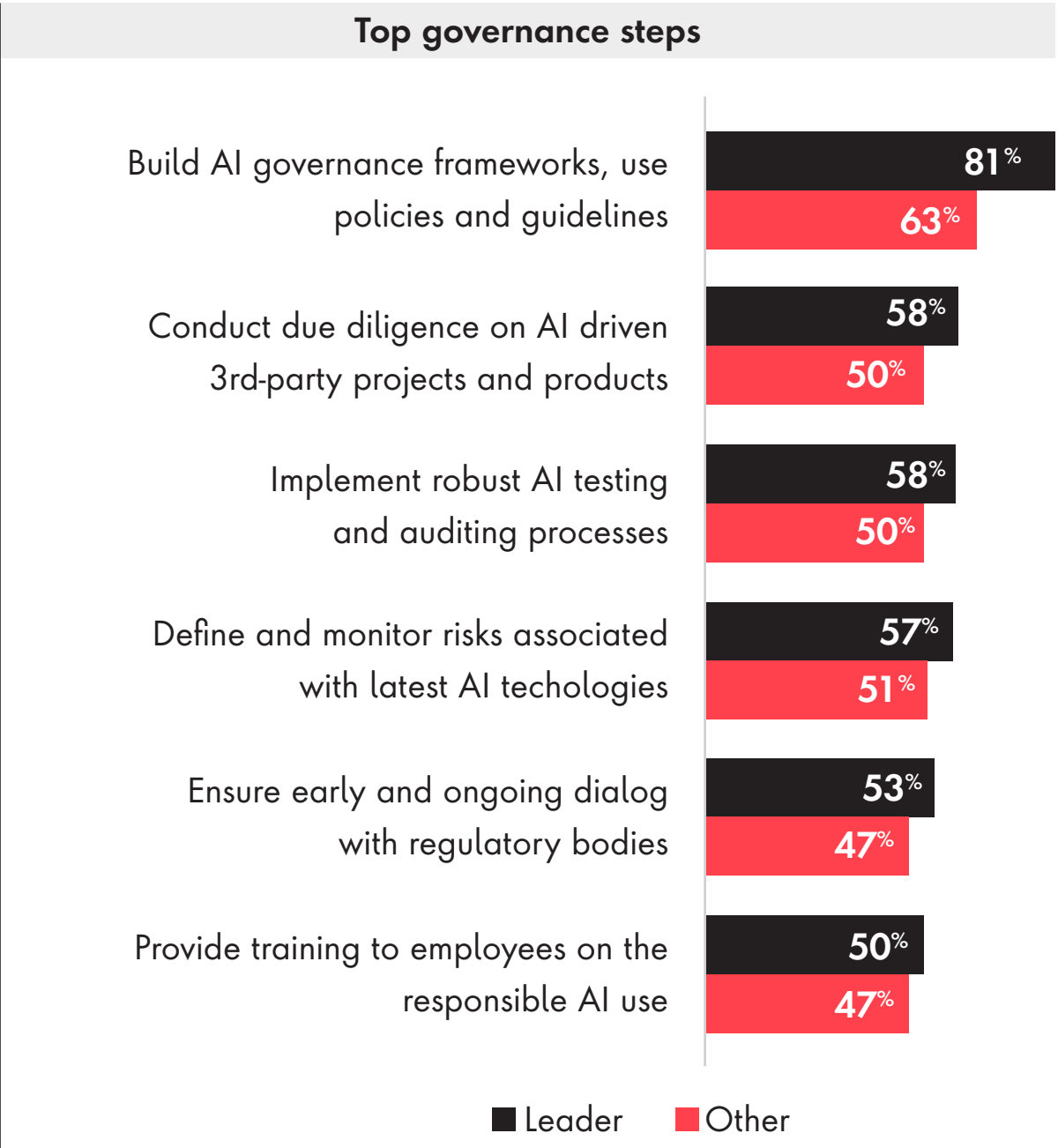
Most leaders also run robust AI testing and auditing, conduct due diligence on third-party AI products, and work to control risks associated with newer AI technologies, such as Generative and Agentic AI.

And with AI regulations still a work in progress, leaders stay in touch with regulators on an ongoing basis to keep on top of coming developments and help shape future policies.



In a big bank, there are many different perspectives to be taken into consideration. To create confidence that AI technologies are robust enough to be used more widely, building the right governance mechanisms is critical.”

Janet Yuen
Head of Digital Wealth, Platforms, and Journeys,
HSBC Hong Kong Wealth and Personal Banking



How leaders ensure responsible AI

"The utilization of AI in regulated sectors must be traceable from the very beginning."

CDO, US private bank

"Mixing AI insights with human verification fostered confidence and guaranteed effective compliance oversight."

Chief investment officer,
Chinese investment bank

"Strong governance clarifies ownership of data and accountability of AI systems."

Chief data officer, Swedish family office

"Regulators and risk teams require AI outputs to be transparent, interpretable and justifiable."

Senior IT executive, Japanese broker-dealer

"By incorporating audit logs into AI outputs, trust within the investment team was significantly bolstered."

CTO, German wealth management firm

"Protecting sensitive family data required strong governance and responsible AI usage to safeguard privacy."

Senior executive, Spanish alternative investment firm

"AI systems require ongoing updates to stay accurate, compliant, and ethically sound."

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"AI tools that were shared too much too fast, like investment alerts or summaries, caused concern. We had to build in control layers."

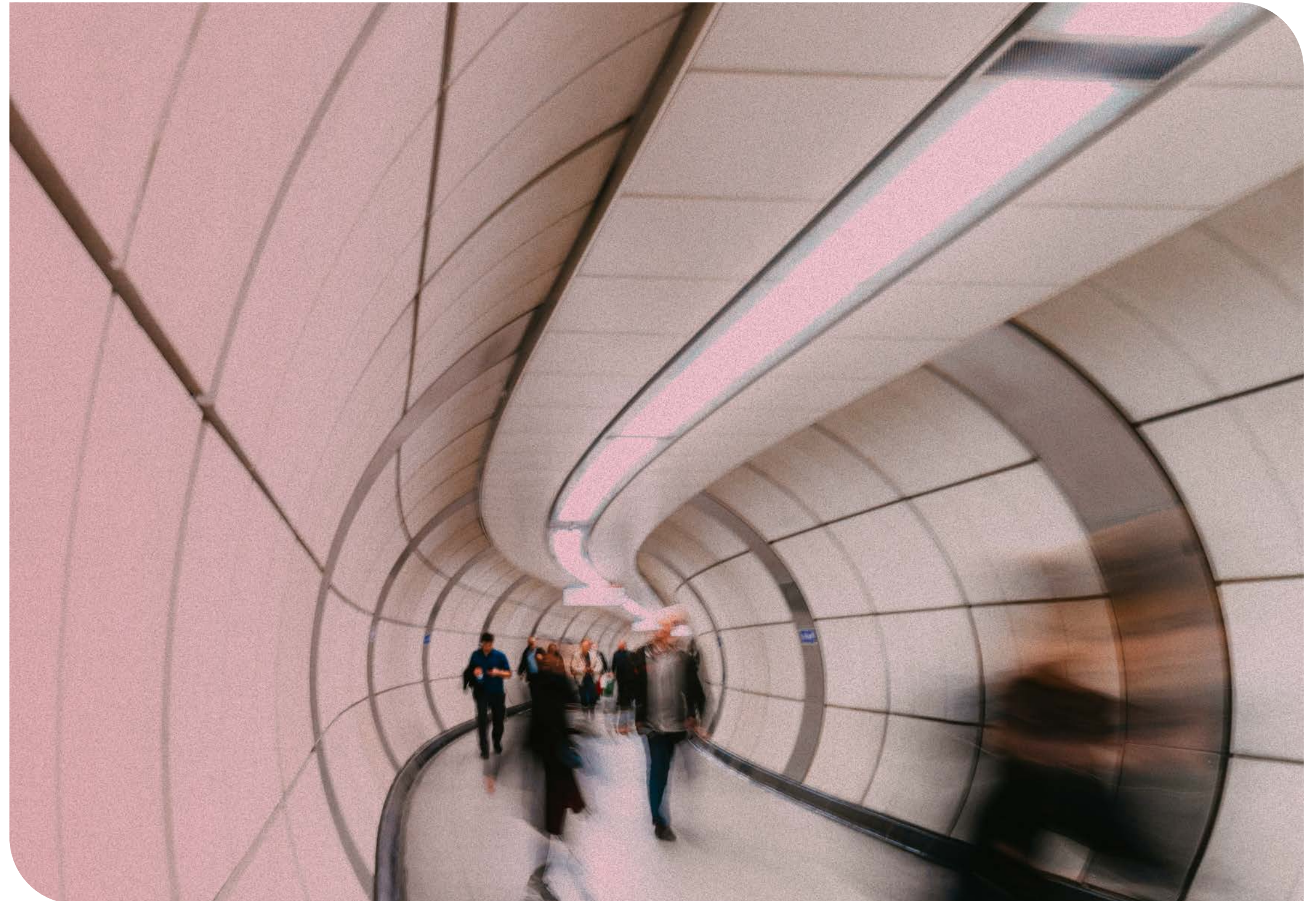
Senior executive, US family office

"Agentic AI applications require diligent governance to ensure alignment with regulatory mandates."

CIO, Finnish private bank

Prepare for the future of work

In the future, AI will work together with people in new ways that will hugely boost human productivity. But to get there, firms must hire the right talent and train existing staff to collaborate with AI.



Leaders nurture AI talent and skills

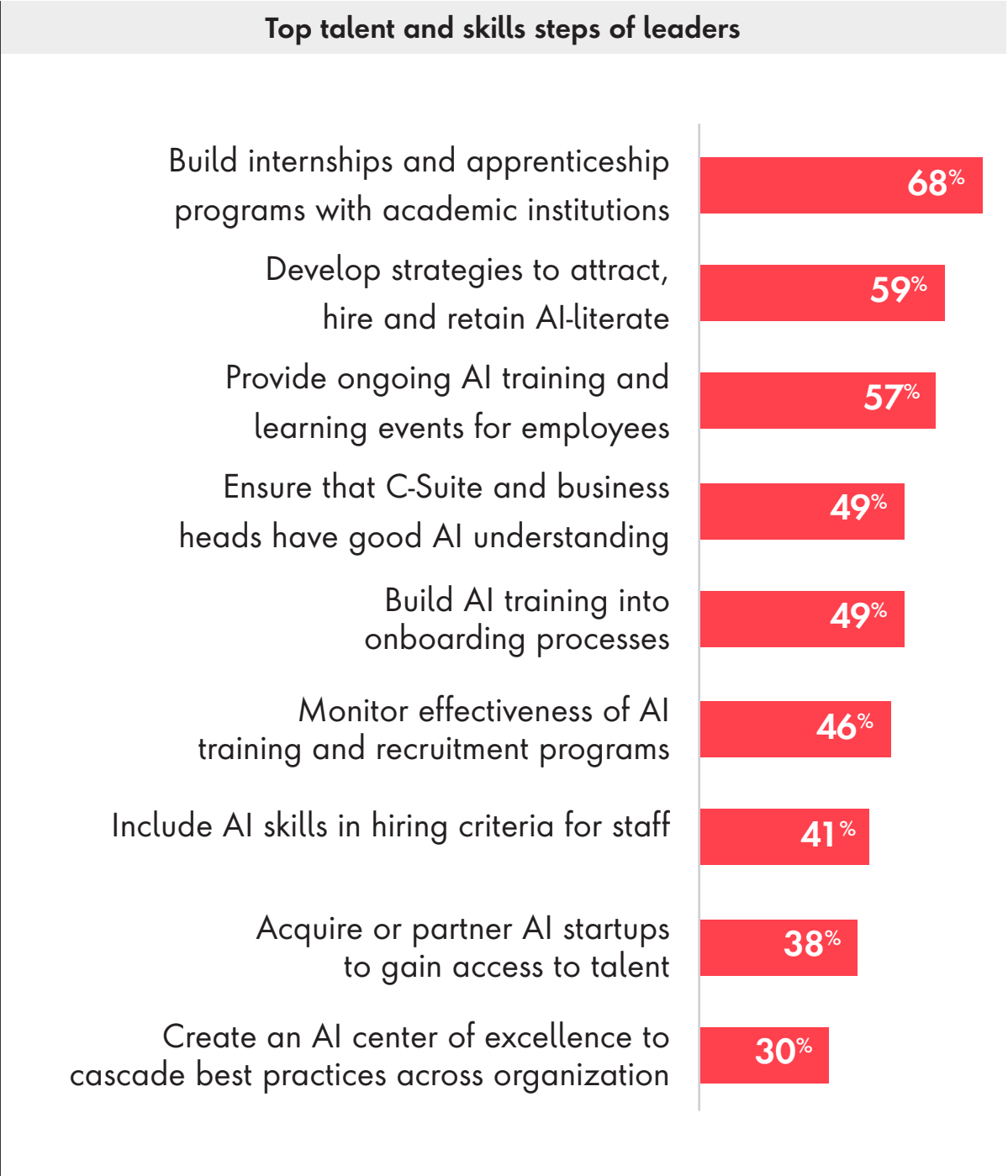
Leaders ensure they have the skills and talent to guide AI transformation now and into the future. Leaders often partner with universities to build AI internship programs. One example is the collaboration between Australia’s Commonwealth Bank and the University of Adelaide.

Leaders develop other innovative strategies for attracting and retaining AI talent. For example, JP Morgan Chase engages talent through AI hackathons and its annual event, Innovation Week, to discuss emerging technologies. A U.K. private bank in our study uses AI to find AI talent, speeding up and improving its hiring process by having AI comb through resumes of AI candidates.

Most leaders provide ongoing AI training for existing employees. These programs not only build skills, as one Chinese broker-dealer told us, but can also turn staff fears and resistance into curiosity and trust.

“Ultimately, AI is about changing the way people work. This takes time. The first step is to train the staff, so they are not afraid to use AI. The second is to empower them to use GenAI for business as usual.”

Donie Lochan
Global CIO, AHEAD



Leaders prepare for a new division of labor

Over the next three years, the role of AI and people in client and investment activities will increasingly converge. To gain efficiencies, machines and humans will work together on key client activities, such as onboarding, administration and communication. Humans will continue to play a more dominant role in areas requiring interpersonal skills, such as relationship management.

AI will gain traction in investment

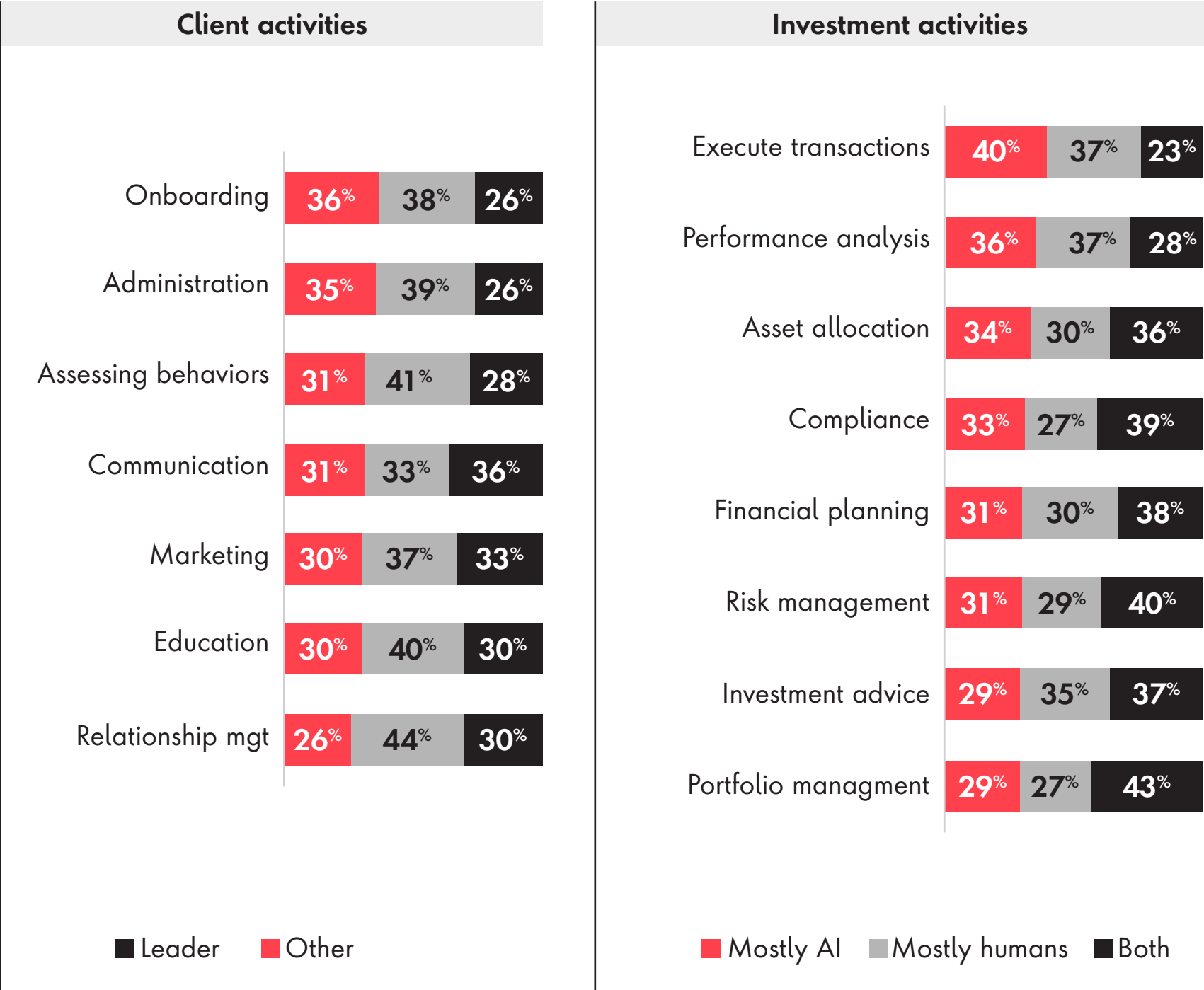
Machines are likely to play a bigger role than people in more mechanical investment activities in the near future, such as executing transactions, allocating assets and compliance. In other, more nuanced, areas such as risk management, investment advice and portfolio management, machines and humans will increasingly work hand-in-hand.



AI, and particularly Agentic AI, will fundamentally reshape the industry by embedding intelligence into the heart of operations. GenAI applications have enhanced productivity in discrete tasks, but agentic AI brings the ability to autonomously plan, decide, and act across complex workflows.”

Richard Doherty

VP, Asset & Wealth Management
Lead, Publicis Sapient



What will the future of work look like?

Investment firms believe that the new era of collaboration between people and AI systems will fundamentally change the nature of work for their staffs and advisors—triggering a step-change in human productivity.

David Pritchard, Executive Director, CFS Wrap, at Colonial First State, estimates that its advisors currently service about 120 clients. With an AI platform, he believes the firm can more than double that number, to 300 clients per advisor.

At the same time, firms say the technology will create new roles in areas like AI oversight and product development and refocus staff and advisors on value-added activities. As a result, nearly two-thirds of executives say that in the future, they will hire staff with soft skills that AI cannot easily replace.

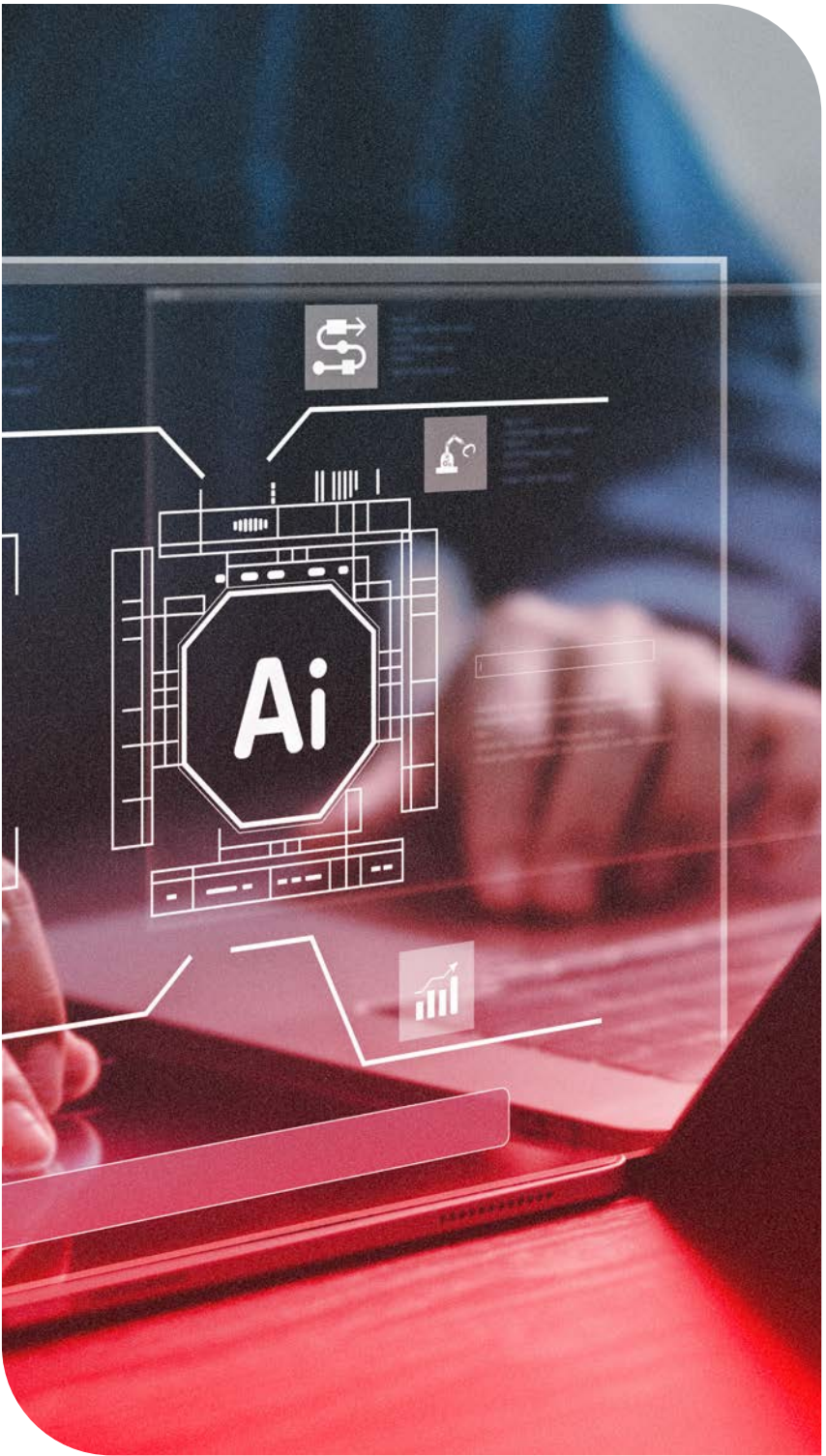
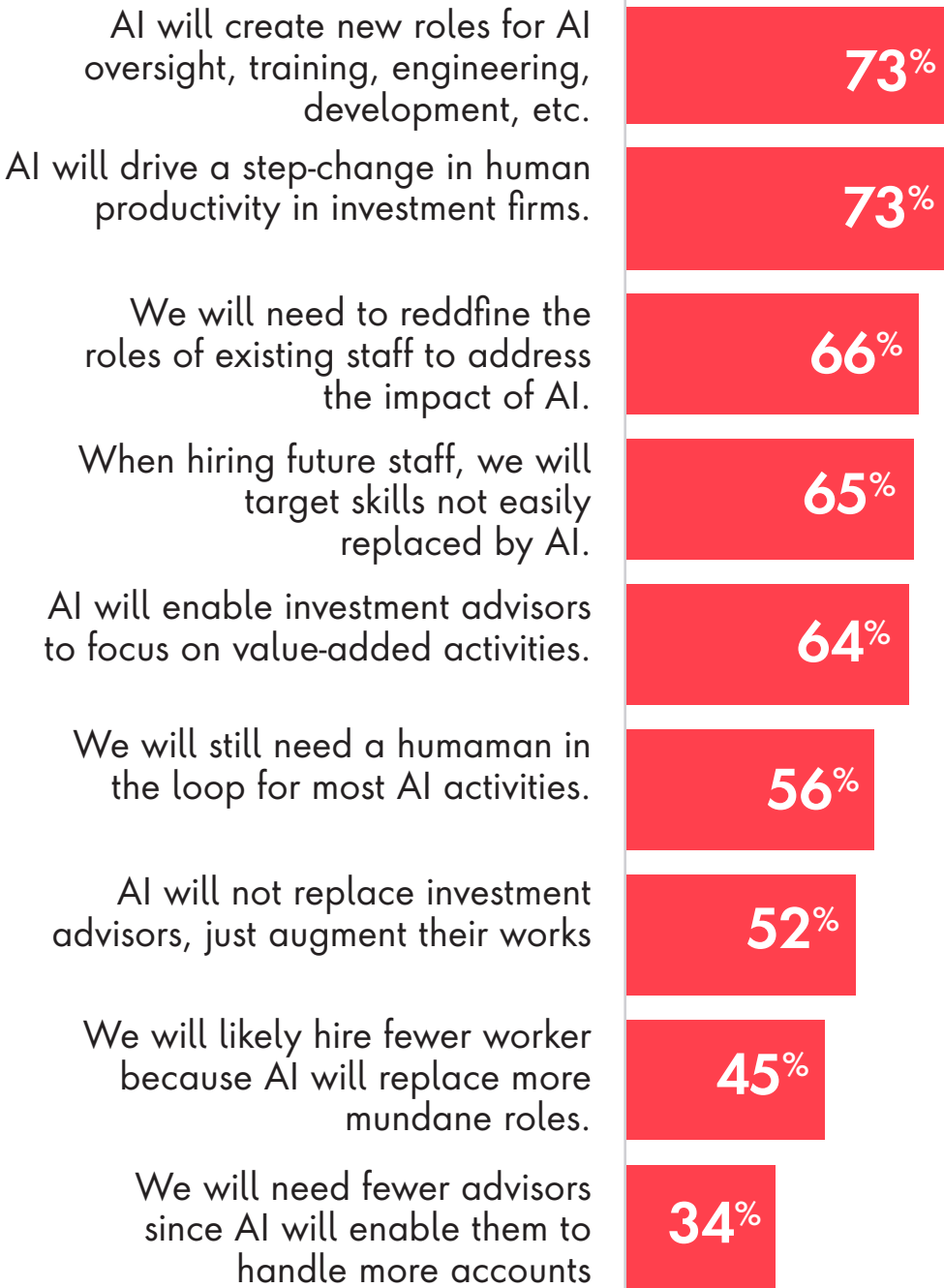
However, the jury is still out on whether AI will slim the number of advisors and workers needed. A bare majority agree that AI will simply augment advisors’ work, rather than replacing them.



AI will not replace advisors—except for those who don’t use AI.”

Kevin Dopko
VP, Private Wealth, IG Wealth Management

Views on the future of work (% agreeing)



What the experts say



Humans will need to be more human. Our ability to develop trust, show empathy, use judgement, tell stories, and develop relationships will be more important than ever. People will also need to acquire skills to utilize AI, just as we all had to learn basic software skills to work with computers every day."

Erik Smith, CFP®

Senior Vice President, Wealth
Planning Product Management,
LPL Financial



When we hire people now, we look for AI and technical proficiency and aptitude, rather than lengthy operations experience. Surprisingly, age really doesn't matter that much. We interview 35-year-olds who prefer to deal with paper, and we see people in their 60s who know AI applications through and through."

Richard Doherty

VP, Asset & Wealth Management
Lead, Publicis Sapient



AI isn't replacing people—but it's helping to redefine their purpose. As intelligence systems handle more of the recognition and processing, humans must move up the value chain. Professionals will shift from information gatekeepers to judgment-makers and relationship-builders. AI accelerates the work, but human perspective gives it meaning."

Brie Williams

Global Head Of Advisory Solutions
& Wealth Intelligence, State Street
Investment Management



The advisor's role is evolving from information provider to strategic guide. In the AI age, advisors will need to be skilled in interpreting data-driven insights, contextualizing advice, and building trust through meaningful conversations. Emotional intelligence, adaptability, and digital fluency will be just as important as financial expertise."

Peter Smith

Director, Customer Strategy, LSEG

Rethink business for the Agentic era

The whirlwind advances in Generative and Agentic AI have shaken up old ideas about the technology, allowing firms to reimagine how—and where—they can apply AI in their processes and operations.



Leaders fast-track latest AI solutions

Leaders have gone further than others in applying newer AI technologies—and they plan to amp up usage over the next three years.

Forty-one percent of leaders are now using Gen AI, and the number will almost double to 75 percent in three years. Another 19 percent are already using explainable AI to ensure transparency and compliance, and the number will more than double over the next three years.

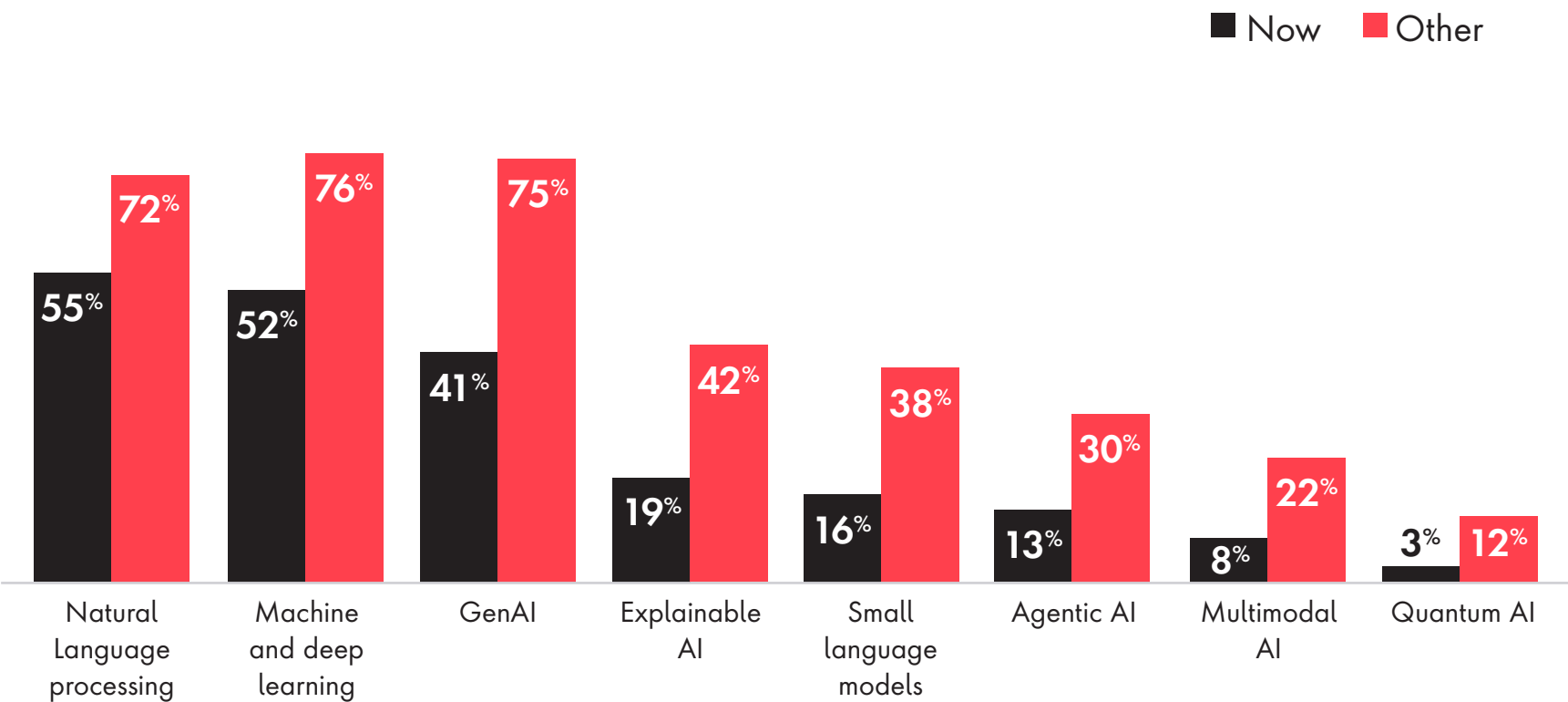
Small language models, agentic AI, multimodal AI and quantum AI will see similar trajectories as leaders move fast to capitalize on emerging AI innovations.

Older AI technologies

Leaders continue to progress in their use of more established forms of AI. More than half of leaders now use natural language processing (NLP) and machine and deep learning, and the percentage will jump to over seven out of 10 over the next three years.

Leaders are using machine learning and NLP for host of activities, from optimizing investment strategies and portfolio performance to detecting market anomalies and suspicious behaviors.

Leaders’ use of AI now and in three years



Q17. To what extent is your firm using the following AI technologies across its business? Q19. Which of the following digital technologies and solutions does your organization use in conjunction with AI (either through built-in AI capabilities in vendor services or your own AI add-ons)?

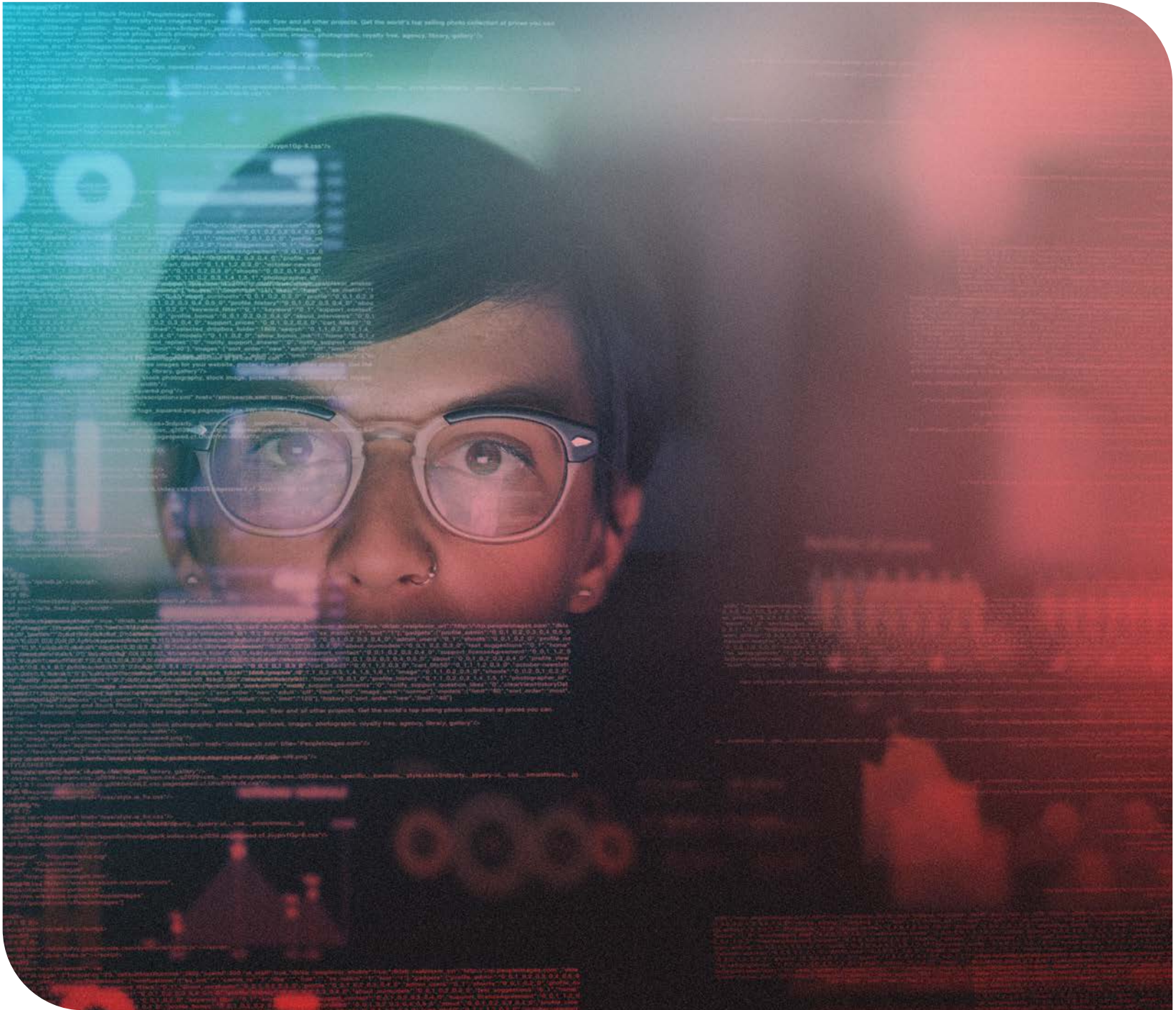
Leaders embrace Generative and Agentic AI across the business

publicis
sapientThoughtLab

Top front-office use cases for leaders		Use of GenAI	Use of Agentic AI
1	Conversational support	42%	15%
2	CRM	42%	2%
3	Self-service portals	41%	16%
4	Customer analysis	38%	8%
5	Personalized recommendations	29%	10%

Top front-office use cases for leaders		Use of GenAI	Use of Agentic AI
1	Risk and fraud protection	47%	6%
2	Data security and privacy	35%	5%
3	Data management	31%	7%
4	Regulatory and tax monitoring	30%	16%
5	Portfolio support and analysis	30%	5%

Top front-office use cases for leaders		Use of GenAI	Use of Agentic AI
1	Writing and editing code	41%	6%
2	Product development	35%	5%
3	Custodial services	22%	9%
4	Trade settlement	19%	9%
5	Client administration	18%	3%



Q20. For which of the following specific activities is your business currently using AI?

Leaders see myriad benefits from Generative and Agentic AI

"The utilization of AI in regulated sectors must be traceable from the very beginning."

CDO, US private bank

"Mixing AI insights with human verification fostered confidence and guaranteed effective compliance oversight."

CIO, Chinese investment bank

"Strong governance clarifies ownership of data and accountability of AI systems."

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"Regulators and risk teams require AI outputs to be transparent, interpretable and justifiable."

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Senior executive, US family office

"Agentic AI applications require diligent governance to ensure alignment with regulatory mandates."

CIO, Finnish private bank

How far will AI transform business processes?

Over the next three years, some of the most exciting AI advances will occur in the front and middle offices. More than a third plan to use GenAI for many tasks, from customer analysis and self-service portals to regulatory monitoring and fraud protection.

Forward-looking firms will step up with Agentic AI, particularly insurance firms and universal banks. RBC is already showing the way forward with Aiden, an electronic trading platform that uses advanced AI technology to automatically make trades in a client’s best interest based on what it has learned from prior transactions.

Unclogging the back office

The back office, which still handles many repetitive tasks manually, is ripe for AI transformation. Northern Trust, for example, is exploring the use of Agentic AI to automate the processing of voluntary corporate actions, which are often straightforward, but hugely time-consuming for human staff.

“Looking ahead, firms will embed GenAI and Agentic AI into their front-to-back value chains,” says Dr. Henning Stein, Finance Fellow, Cambridge Judge Business School. “These solutions will enable continuous nudging and engagement based on real-time client behavior, as well as automated synthesis of complex data sources, such as legal, tax and ESG information for better planning.”

Top front-office use cases for leaders				
Front office	Front	Front	Front	Front
Customer analysis	87%	39%	14%	Insurance firms, 29%
Self-service portals	86%	33%	9%	Universal banks, 33%
Conversational support	85%	34%	6%	Insurance firms , 50%
Portfolio management	83%	42%	17%	Asset managers, 25%
Middle office	Front	Front	Front	Front
Regulatory and tax monitoring	90%	40%	8%	Integrate data across
Portfolio support	85%	36%	11%	Integrate data across
Data security and privacy	82%	32%	4%	Integrate data across
Risk and fraud protection	80%	32%	13%	Integrate data across
Back office	Front	Front	Front	Front
Custodial services	78%	21%	9%	Insurance firms, 25%
Asset valuation	75%	19%	7%	Insurance firms 17%
Trade processing, reconciliation	75%	34%	15%	Insurance firms, 80%
Client administration	72%	23%	6%	Universal banks, 27%

* % of those planning to use AI in that area

What the experts say



Firms must strike a balance between automation and human judgment, and ensure that AI-driven recommendations are explainable, compliant, and aligned with client goals. The firms that succeed will be those that embed AI into advisor workflows in a way that enhances—not replaces—the human touch.”

Peter Smith

Director, Customer Strategy, LSEG



The biggest wins are coming from AI use cases embedded in end-to-end investment workflows: AI agents automating client onboarding across regulatory jurisdictions, intelligent trade surveillance reducing manual exception-handling, and personalized portfolio recommendations that adapt in real time to market conditions.”

David Murphy

Financial Services International Lead



Gen AI-powered advisor dashboards have emerged as a key area of innovation. These systems are revolutionizing pre-meeting intelligence gathering, reducing what once took hours to just minutes. They’re also identifying client retention risks through sophisticated pattern recognition in behavior and market conditions, enabling more proactive and timely client engagement.”

Chris McDonald

Global Wealth Management Strategy, AWS

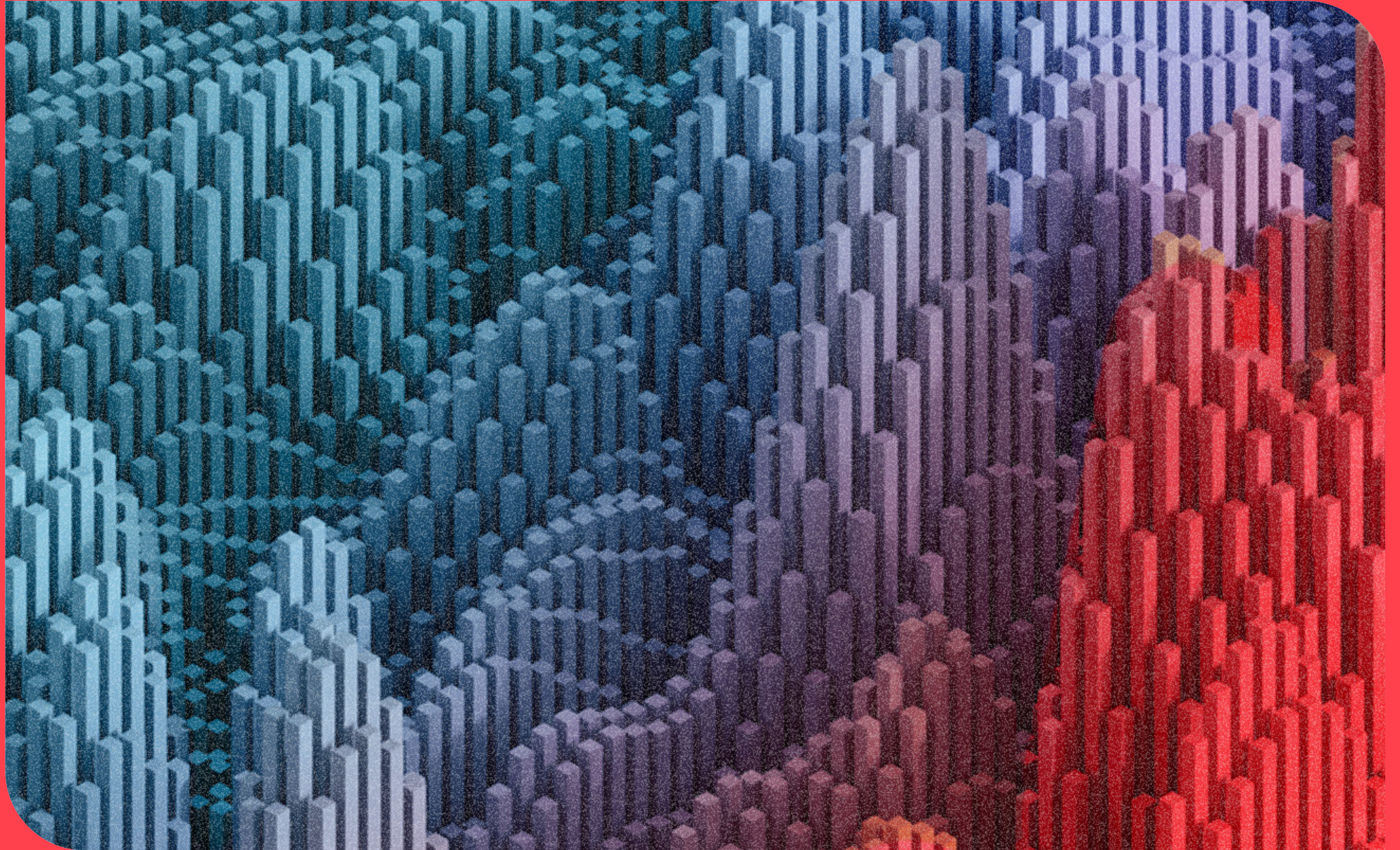


Take baby steps and be willing try to things out. There’s no ‘easy button’ to just apply AI across all the possible tasks and functions, so it’s best to start small and understand that AI transformation is a journey that will never really finish.”

Erik Smith

Senior Vice President, Wealth Planning,
LPL Financial

Key takeaways



Nine key lessons learned by firms

1

Start with focused AI uses and clear goals



Starting with small, focused AI projects that have clear goals and measurable results works better than trying big, unclear ones."

German broker-dealer

2

Experiment, but stay mindful of risks



Fostering AI experimentation fuels innovation but must be balanced with careful risk management."

Japanese wealth manager

3

Communicate your AI strategy



Open, honest communication during AI adoption boosted staff and client confidence."

Singaporean broker-dealer

4

Promote team coordination



We didn't realize how much coordination would be needed. It wasn't just an IT project. Legal, compliance, and other teams all had to be on the same page."

French alternatives firm

5

Start with focused AI uses and clear goals



Starting with small, focused AI projects that have clear goals and measurable results works better than trying big, unclear ones."

German broker-dealer

6

Build compliance from the outset



AI should be built with regulatory compliance seamlessly embedded from the outset."

US wealth management firm

7

Install a modern IT platform



Building a robust infrastructure is key to scalable and efficient AI systems."

Malaysian alternatives firm

8

Make sure data is AI ready



AI systems learn from the information we give them. If the data is outdated, messy, or wrong, the AI will make mistakes."

Spanish private bank

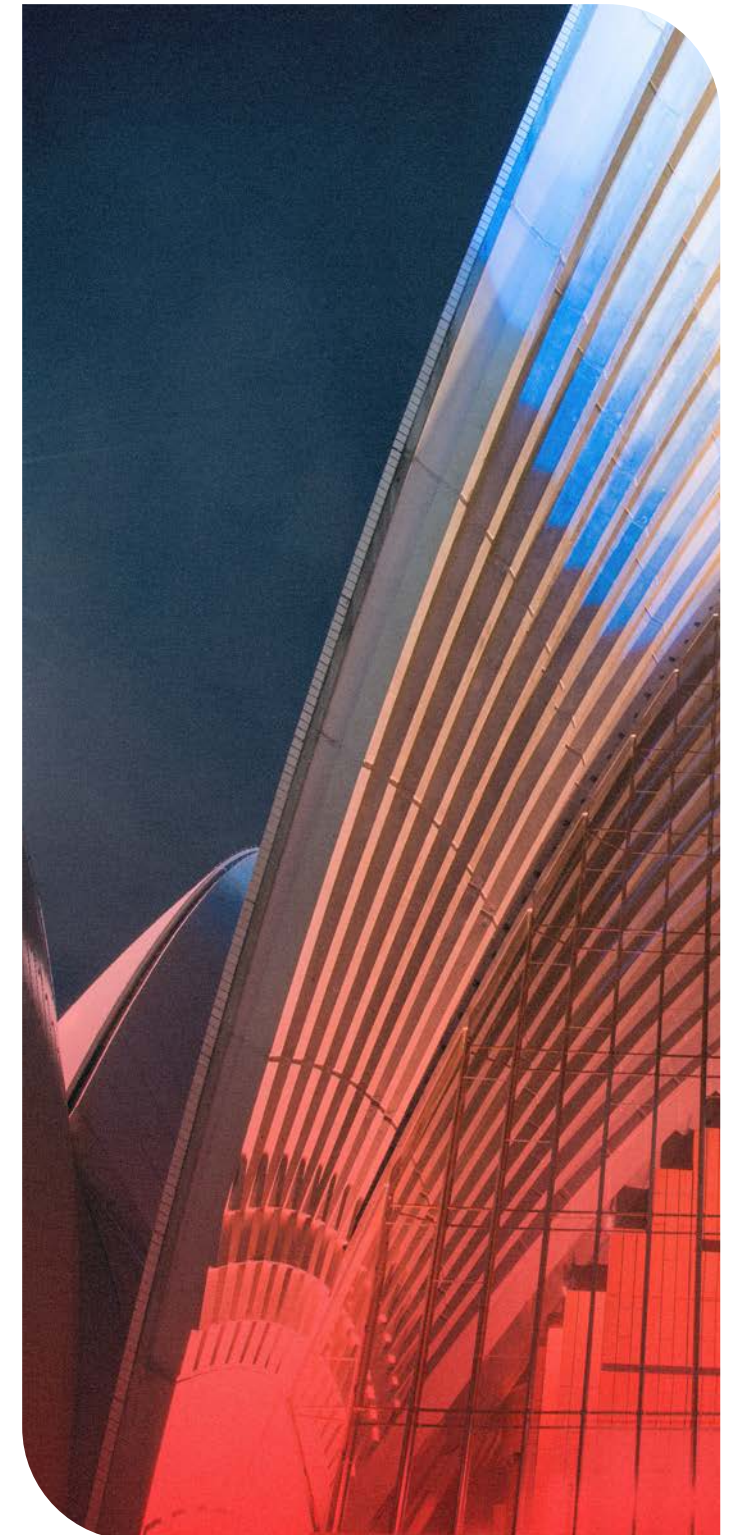
9

Keep a human in the loop



Some junior staff began ignoring market context, trusting models too much. We reintroduced human review into key decisions."

Australian investment bank



Calls to action from our experts



Dave Murphy,
Financial Services International Lead

Lay the foundation for AI success



In financial firms, AI is shifting staff from routine tasks to high-value roles in strategy, oversight, and client counsel. The leaders will be those who treat AI not as a bolt-on but as the operating fabric of the investment firm.”



Dan Pitchenik
Financial Services North America Lead

The enablers: Agentic AI, cloud and data



Success requires the integration of AI, cloud and data into a unified operating backbone. AI delivers value only if cloud platforms provide real-time access to clean, trusted data, and predictive wealth scenarios rely on interoperable models spanning both retail and institutional datasets.”



Richard Doherty
VP, Asset & Wealth Management Lead

Focus on the ROI of AI



Lead a structured AI program, making every initiative prove meaningful ROI—whether that’s accelerated revenue growth, reduced cost overhead, or risk mitigation—so that investment converts into measurable profit and loss impact at speed. That is the key to unlocking value.”

Publicis Sapient is here to help

Our proprietary AI platform, Sapient Slingshot, drives enhancements in productivity, efficiency, speed and quality. Blending advanced code generation with Agentic AI and an enterprise-level code library, our engineers are able to create high-impact solutions—supporting everything from modernization to development and testing.

Slingshot features various AI agents that can automate complex development processes, drawing from a Publicis Sapient code repository to deliver industry-specific solutions rooted in our extensive client work.

Our agile engineers designed, built and trained Slingshot with an internal instruction-tuned large language model that enables precise, high-quality results. They know the ins and outs and are equipped to harness its potential.

Publicis Sapient, powered by Sapient Slingshot:

- Enhanced developer productivity
- Fewer instances of human error
- Automatic documentation and increased transparency
- Streamlined development process
- Expanded test coverage
- Fewer code defects

Sapient Slingshot Key Features:



Extensive code library

An exclusive code library enriched with 20+ years of domain and industry expertise, a comprehensive IP catalog and robust data models.



Proprietary AI agents

Specialized AI agents that can automate complex application processes within the SDLC.



End-to-end software engineering

- Automated code generation and logic simplification
- Advanced code reviews, unit test support and precise code accuracy
- Automated documentation and real-time assistance
- Seamless integration with project management tools, ensuring security and privacy

Our partner

ThoughtLab is an innovative thought leadership and economic research firm providing fresh ideas and evidence-based analysis to help business and government leaders cope with transformative change. We specialize in analyzing the impact of technological, economic, and demographic shifts on industries, cities, and companies.

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Visit **publicissapient.com** to see how we are preparing clients for an AI-enhanced future.

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