

# GENERATIVE AI RADAR FINANCIAL SERVICES

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topaz



# Generative AI Radar – Financial Services

## Generative AI is still new, yet enterprises are already exploring its transformative potential

This year will bring further developments in generative AI as organizations get to grips with it.

Through this study we aimed to uncover how companies use generative AI, how much they spend on it, how it's rolled out in organizations large and small, and where it makes an impact. We looked at 3,000 companies across 12 industries:

- Automotive
- Consumer package goods
- Energy, mining, and utilities
- Financial services
- Healthcare
- High tech
- Insurance
- Life sciences
- Logistics and supply chain
- Manufacturing
- Retail and hospitality
- Telecommunications

**Many companies told us they are already spending significant sums of money - and are set to spend more this year. However, this pattern isn't the same across sectors. In this data book we highlight how financial services compares with the rest of the pack.**

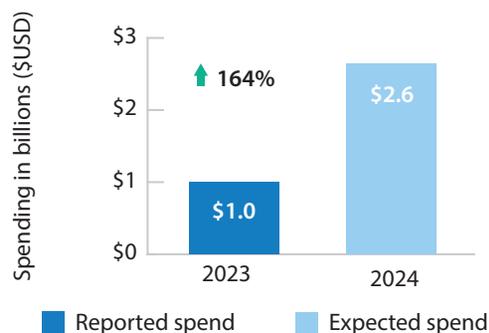
# Generative AI spending is steaming ahead

## Financial services' generative AI spending projected to more than double in the next year

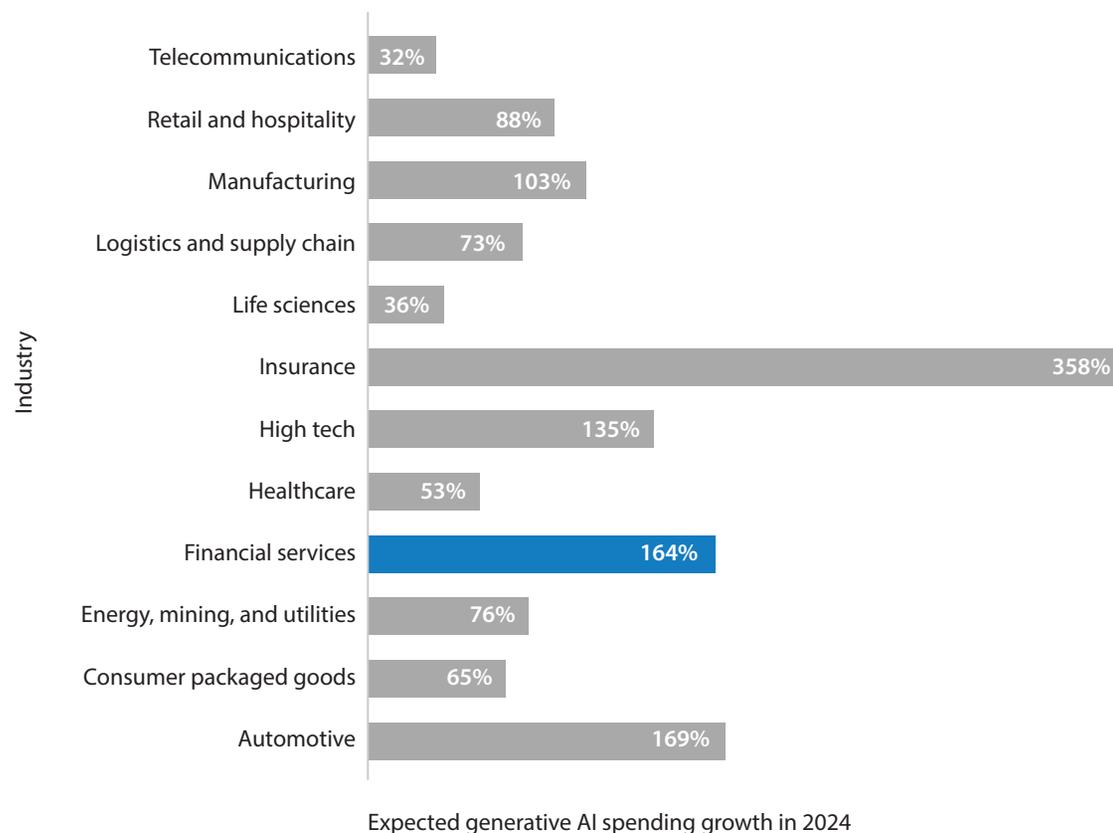
### Financial services spending is set to grow by 164% in 2024

– Financial services (FS) spent \$1 billion on generative AI in 2023. This is projected to grow to \$2.6 billion in 2024. This ranks FS behind only insurance and automotive in spending growth.

### Financial services generative AI spending



### Expected generative AI spending growth in 2024 by industry



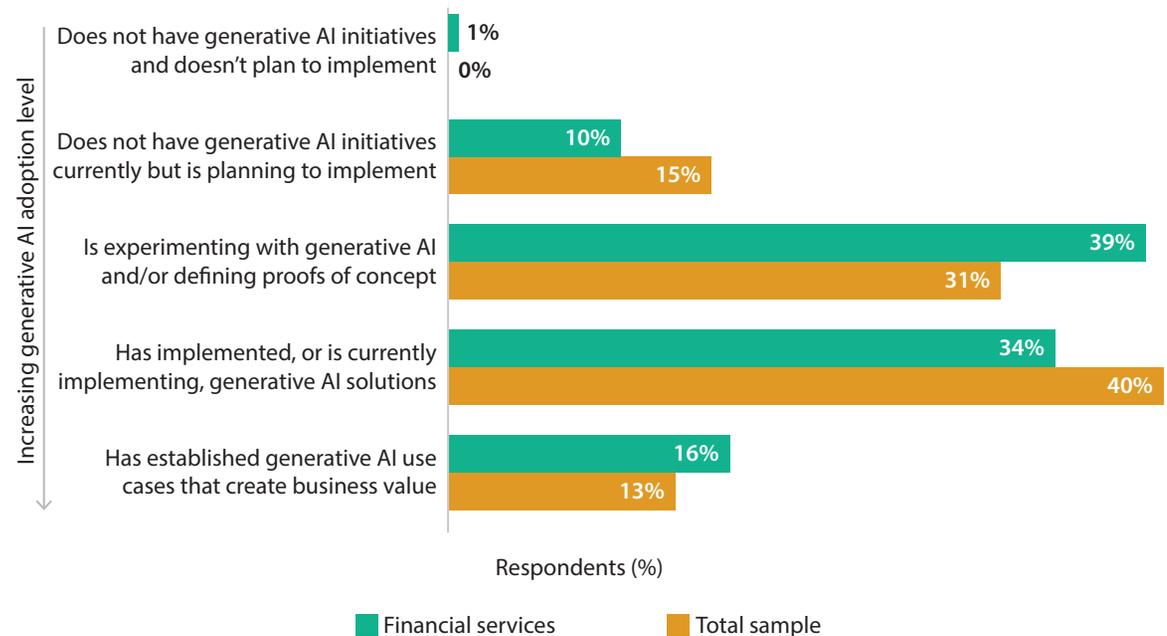
# Financial services firms create business value with generative AI

However, FS remains cautious, trailing other sectors in value creation and implementation to continue to experiment

Nearly all FS companies started their generative AI journey in 2023 – 89% of the financial services industry has started experimenting with generative AI. 16% have use cases that create business value.

More FS companies are experimenting with generative AI – A higher percentage (39%) of FS companies are experimenting with generative AI than the overall sample (31%).

Generative AI adoption by proportion of respondents



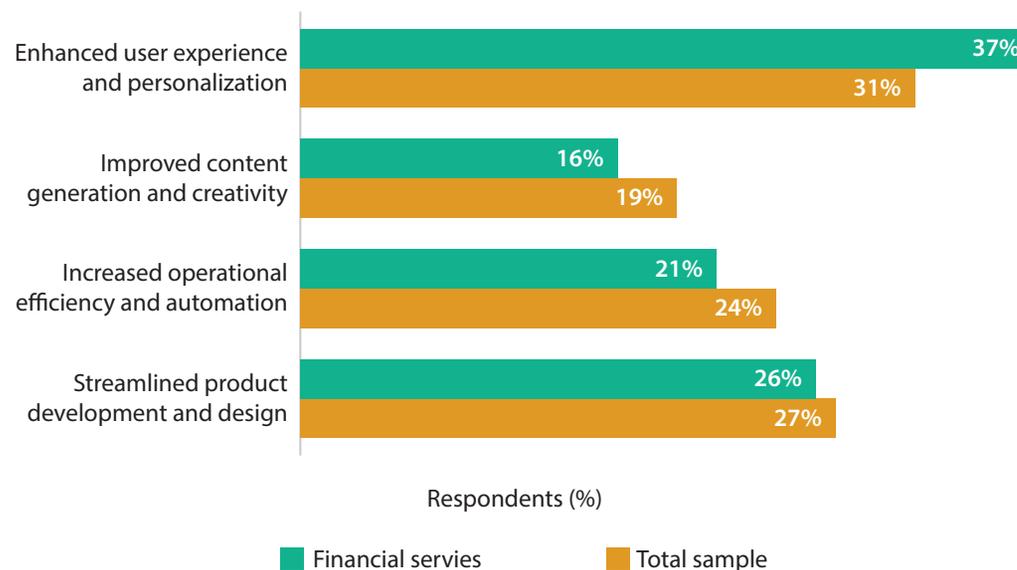
Note: Percentage numbers do not add up to 100% because of rounding.

# User experience optimism is high for financial services

## FS companies outstrip other sectors with high hopes for user experience and personalization

**FS industry is more optimistic about generative AI's impact on user experience** – 37% of FS companies believe generative AI will have a positive impact on user experience and personalization – slightly higher than the overall trend (31%).

Where companies expect generative AI to have the most positive impact



| Note: Percentage numbers do not add up to 100% because of rounding.

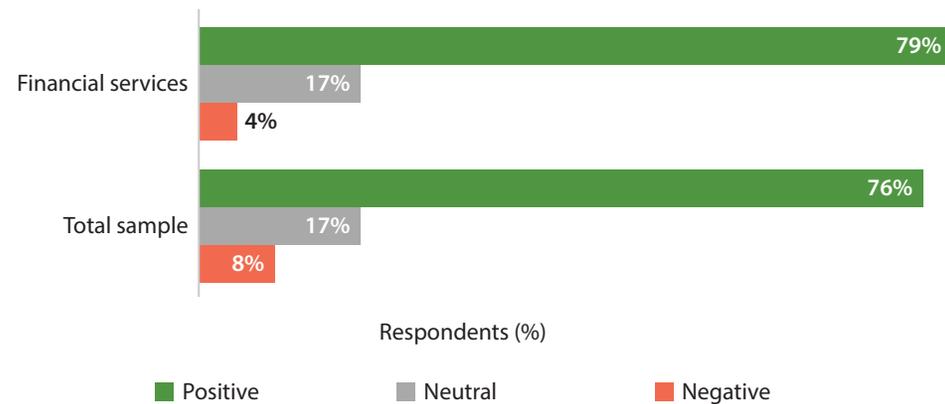


# Financial services less negative than other sectors on impact

## FS has a strongly positive sentiment toward generative AI

**The FS industry is positive about generative AI's impact on business** – 79% of FS companies believe generative AI will have a positive impact on business. Only 4% of FS expressed a negative sentiment, less than the overall trend (8%).

Expected generative AI impact on business areas by proportion of respondents



| Note: Percentage numbers do not add up to 100% because of rounding.

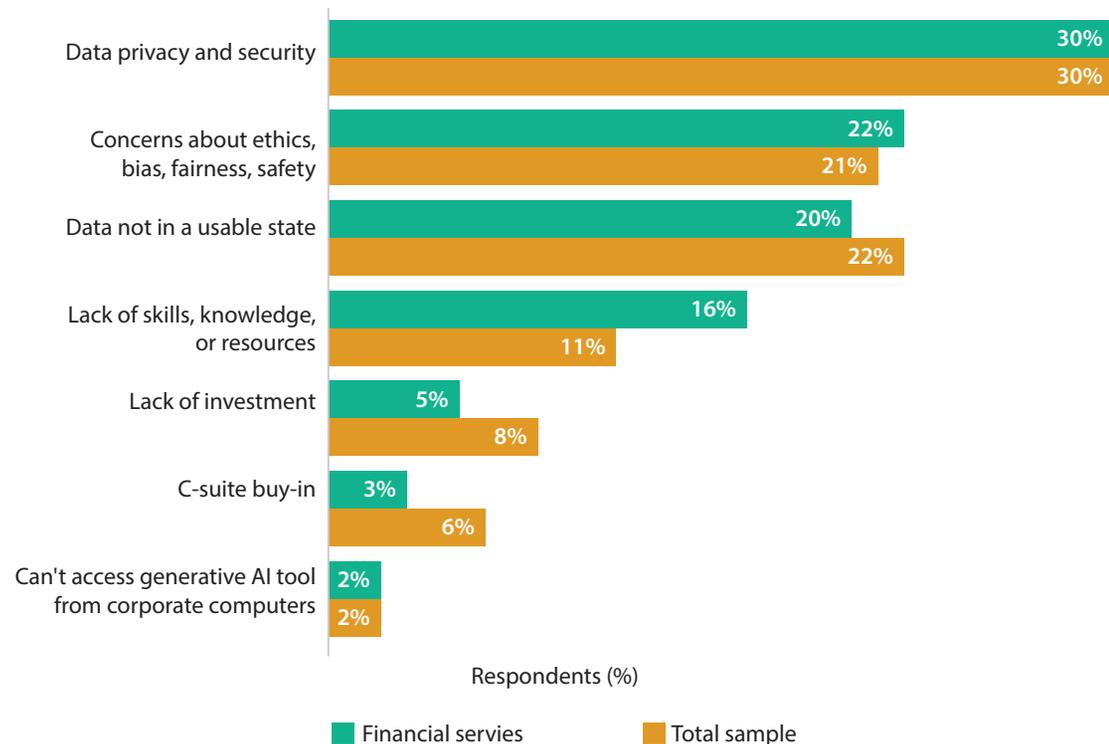
# Financial services more worried about skills than the overall trend

## Data privacy and security concerns top list of worries about generative AI for the industry

**Data privacy is the top barrier** – 30% of FS companies ranked data privacy as their top barrier to generative AI adoption.

**Lack of skills is a bigger obstacle for FS** – 16% of FS companies reported lack of skills as an obstacle to generative AI adoption, statistically higher than the overall trend (11%).

Obstacles to generative AI adoption by proportion of respondents



| Note: Percentage numbers do not add up to 100% because of rounding.

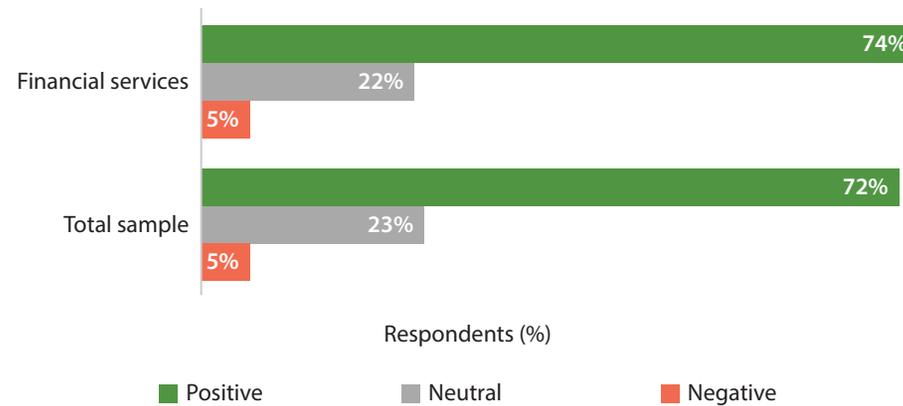
# Confidence in ability to manage and control generative AI systems

## Sector's confidence about generative AI management is on trend

### FS companies are confident in their generative AI management

– 74% of FS is positive in their ability to manage generative AI, much like the overall trend. Only 5% of FS expressed a negative sentiment.

Confidence in ability to manage generative AI systems by proportion of respondents



Note: Sentiment on confidence in managing generative AI systems. Percentage numbers do not add up to 100% because of rounding.



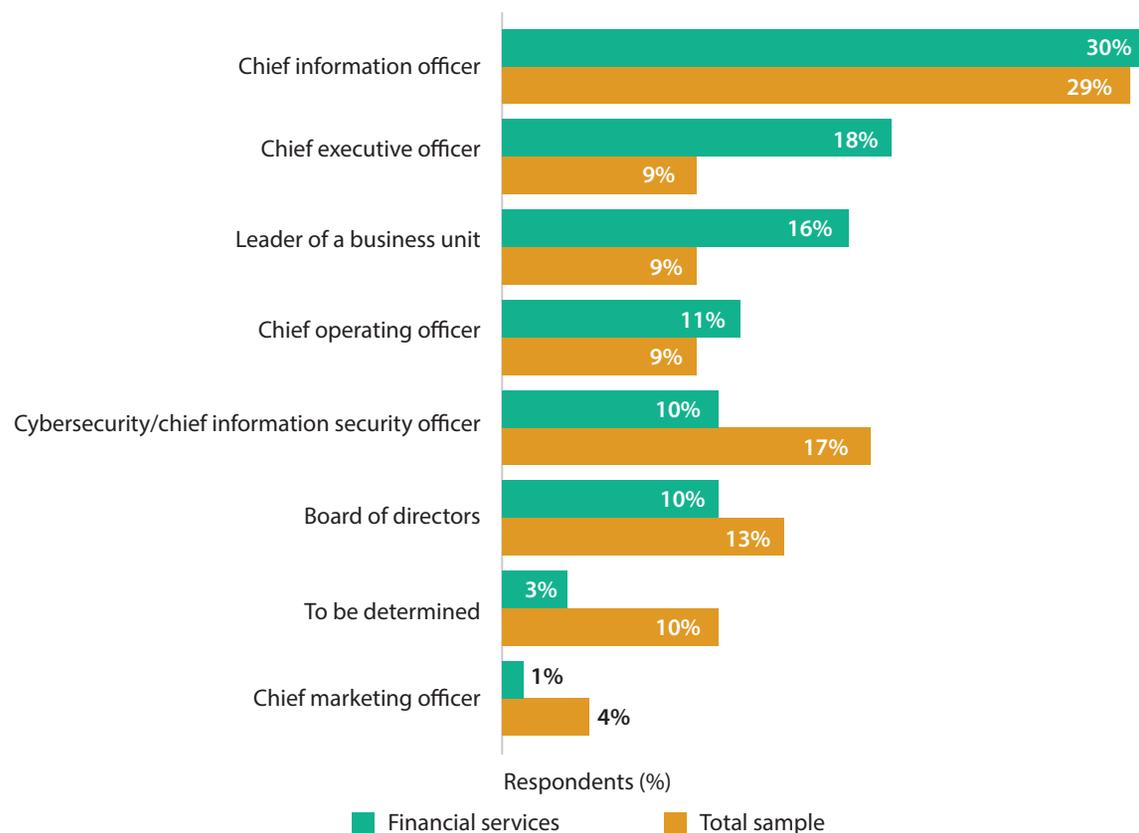
# CIOs are main sponsors of generative AI in financial services

## But FS firms are more willing to let business unit chiefs lead on generative AI

**CEOs sponsor generative AI initiatives more often** – 18% of FS companies report that the CEO primarily sponsors generative AI, compared with 9% of the overall sample.

**More FS business unit leaders sponsor generative AI initiatives** – For 16% of FS, a business unit leader is the primary sponsor of generative AI initiatives, compared with only 9% of the overall trend.

Primary sponsor of generative AI initiatives by proportion of respondents



| Note: Percentage numbers do not add up to 100% because of rounding.

# Generative AI governance comes from on high

## Governance in FS is most likely led by CIOs or boards of directors

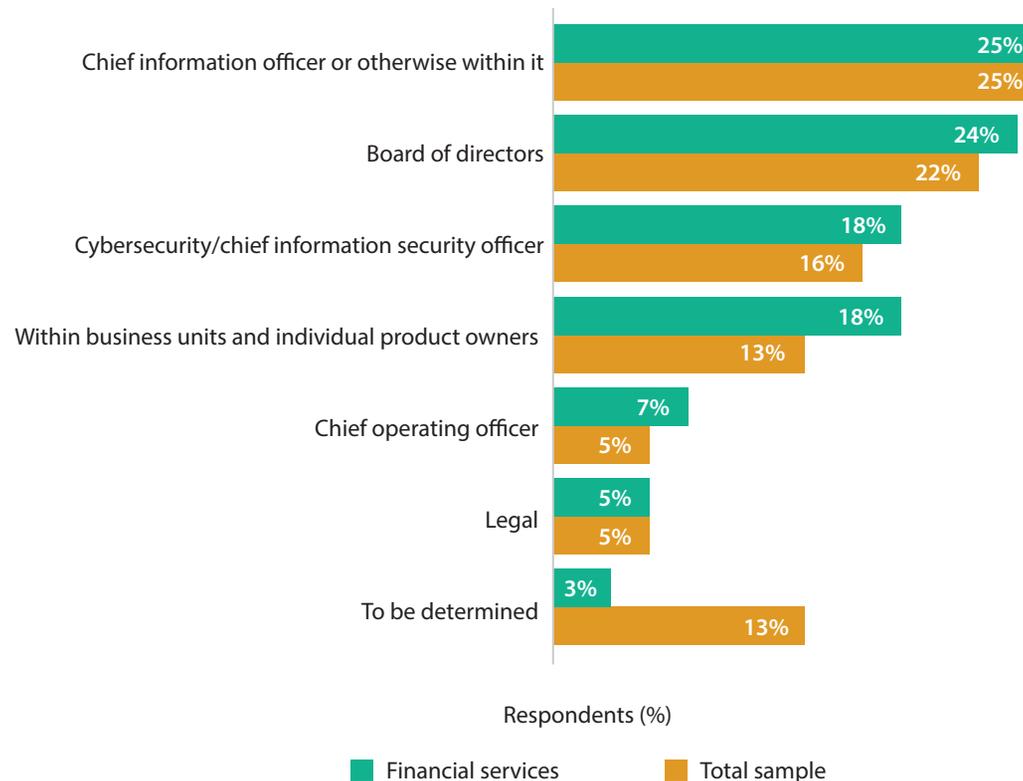
### CIOs and boards govern

**generative AI most often** – FS CIOs (25%) and boards of directors (24%) define generative AI policies most often.

### Fewer FS companies without

**generative AI governor in place** – Only 3% of FS respondents haven't determined who governs generative AI, compared with 13% of the overall trend.

Primary generative AI policy maker by proportion of respondents



| Note: Percentage numbers do not add up to 100% because of rounding.

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