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AI in Asia: Reimagining banking operations through agentic AI

Multiagentic systems are transforming operations, combining the power of technology, processes, and people to deliver outsized impact for banks in Asia.

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Foreword

Whenever we have connected with clients across Asia over the past few years, predictive AI, gen AI, and more recently, agentic AI have been the topics every banking leader has been most eager to discuss.

It's easy to understand why. There is genuine excitement as AI-led operational and process transformations begin to breathe new life and energy into financial services institutions that have often struggled to break free of traditional ways of doing things or transform outdated technology stacks, despite years of investing in digital solutions.

In parts of Asia the cheaper cost of labor has historically prevented many banks from pursuing tech-enabled transformations of operations. However, the opportunity that now exists to completely reimagine operations, improve the speed of processing and turnaround times, enhance customer experience, and advance fraud and complaints management has made the AI-enablement of operations a key priority for banks. This could be revolutionary, given that enterprise-wide operations typically represent 60 to 70 percent of a bank's cost base.

While AI technologies are more ready now to deliver the transformation that is needed, most AI efforts to date remain siloed, both in Asia and globally. Many existing AI implementation initiatives may need to be scrapped or redesigned over the next few years as agentic AI invites organizations to step back and relook at end-to-end workflows and processes.

Of course, getting things right in an AI-led operations transformation is not simple. It calls for a significant investment in time and resources and requires the right recipe for success—an approach for rewiring organizations that starts with a bold vision; defines the optimum talent, operating model, and technology stack; and then doubles down on the critical change management required to drive adoption at scale.

In our AI transformation work with financial services organizations, we have developed an end-to-end methodology that spans the entire banking value chain and is helping to unlock value by transforming ten key operational domains. Our approach is based on a deep understanding of more than 600 core processes in both customer- and noncustomer-facing workflows typically found within banks.

As organizations navigate these early stages of AI-led enterprise transformation, this report distills the insights and early impact we are seeing from our engagements with banks in Asia and beyond. In particular, it demonstrates how multiagentic systems (where fleets of agents work together with humans to make decisions and complete tasks) could redefine the operations of the future.

This future is likely to be one where crosscutting AI agents and human-in-the-loop orchestration combine to improve compliance, transparency, and resilience across all facets of a bank's operations.

In many ways, this future is already unfolding, as the case examples throughout this report help illustrate. Banking leaders understand the opportunity at stake. Now they must ask whether they are ready to seize it.

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Introduction

Artificial intelligence (AI) has been transforming the banking sector globally in recent years. Now, the advent and scale-up of agentic AI is expected to make an even bigger impact over the next decade; one that requires an organization-level mindset shift and a fundamental rewiring of the way work gets done.[1]

While agentic AI can be a significant enabler of efficiency and productivity, many banks are still struggling to show real value from their often-siloed technology investments. Amid all the current noise and hype around AI, this raises the very practical question of how AI and agentic AI can be deployed effectively, especially in banking operations, to optimize workflows, delight customers, cut costs, and increase productivity.

Against this backdrop, and despite the challenges, banks in Asia find themselves at an AI inflection point. They have a window of opportunity to pick up the pace of their transformations and to create distance from peers that may be slower to recognize and seize this moment. Legacy banks, specifically, stand to benefit the most from dramatic improvements in productivity and customer experience, but may find the transition hardest.

Difficult as the transformation ahead may be, use cases are already illustrating the impact of AI in banking. McKinsey's latest *Global Banking Annual Review 2025* estimates that AI could bring gross reductions of as much as 70 percent in certain cost categories, likely 15 to 20 percent of a bank's entire cost base if the short-term impact of rising technology costs are taken into account.

Drawing on our strategy and implementation work with clients, this report shows how agentic AI can become a key differentiator for the banking sector in Asia by reimagining operations to streamline processes, drive productivity, and deliver better customer outcomes (see sidebar "Our research methodology").

We explore the ten domains within banking operations that offer significant potential for reimagination, especially when approached holistically and through a fleet of enhanced agentic "operations transformers" with humans in the loop. Once deployed, these AI agents are reusable across functions, composable across journeys, trainable to institutional knowledge, and, most important, scalable to new use cases with minimal effort.

Capturing value from such multiagentic systems will require an enterprise-wide transformation, led from the top. Banking CEOs and their COOs will need to collaborate to take action holistically, aligning strategy, capital allocation, and operational execution to shift the approach from tactical automation toward enterprise intelligence.[2]

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[1] *Seizing the agentic AI advantage*, QuantumBlack, AI by McKinsey, June 13, 2025.
[2] "The change agent: Goals, decisions, and implications for CEOs in the agentic age," McKinsey, October 1, 2025.

Our research methodology

The analysis in this report draws from McKinsey's extensive experience in AI-enabled operations transformations and operational excellence projects at more than 1,000 banks worldwide, including more than 300 financial services institutions in Asia.

These insights are complemented by our institutional knowledge from delivering over 7,500 banking projects and 1,350 operations transformations globally, combining the collective domain expertise of over 1,000 McKinsey banking practitioners, more than 40 Asia-based domain experts, and an advisory council of over 30 senior leaders, which includes former CEOs, managing directors, and banking sector regulators.

Based on these insights and experience, as well as recent conversations with more than 50 financial services clients in Asia, this report unpacks the potential impact of multiagentic AI systems on ten operational domains that encompass more than 600 core processes in customer- and noncustomer-facing workflows in banking.

The improvement ranges included in this report are based on the impact observed during McKinsey client engagements and are thus illustrative unless otherwise stated.

Banks in Asia find themselves at an AI inflection point. They have a window of opportunity to pick up the pace of their transformations and to create distance from peers that may be slower to recognize and seize this moment.
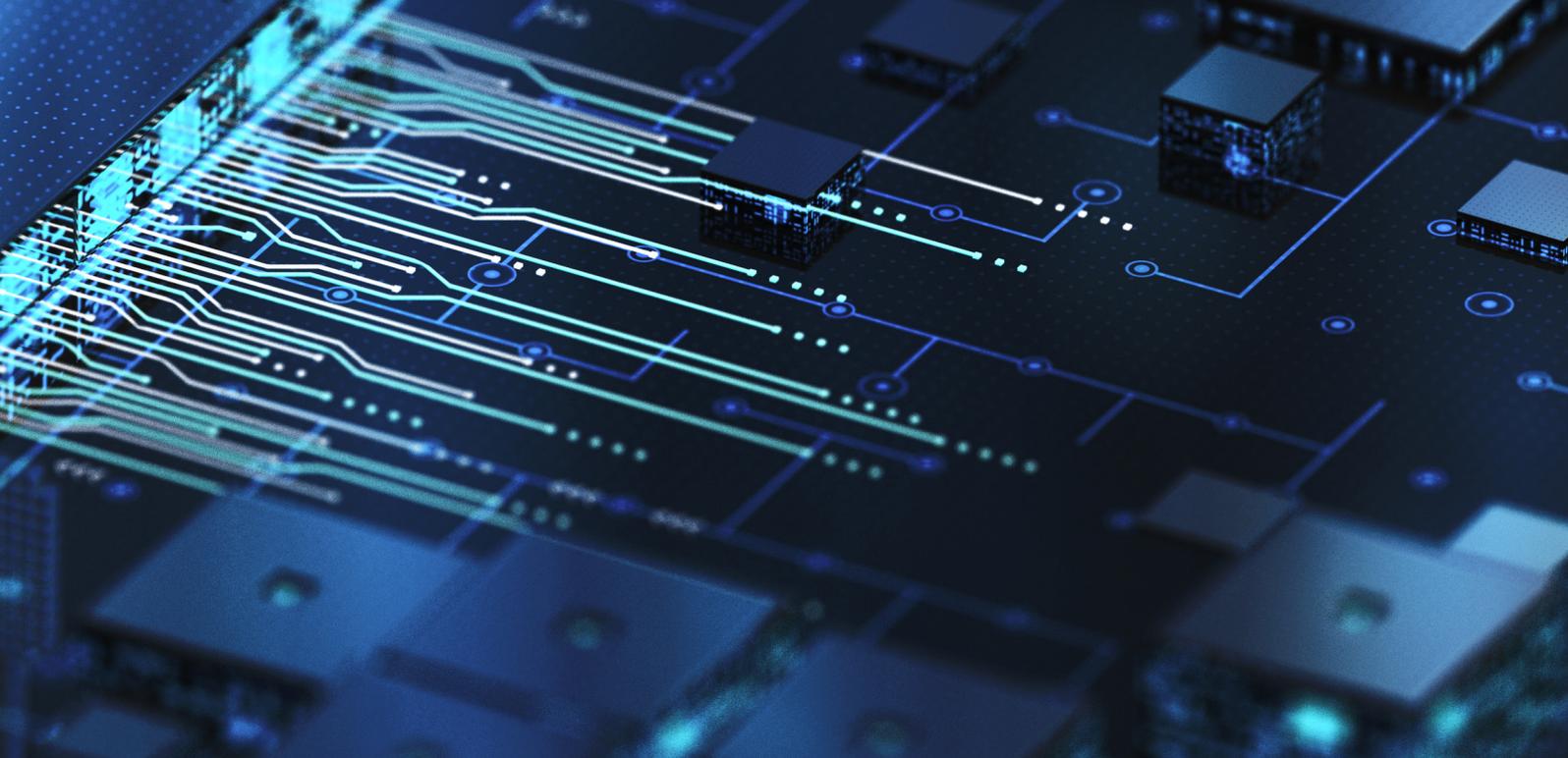
1 The AI imperative—a window of opportunity to transform operations and build a new competitive edge

Banks globally and in Asia are under mounting pressure as margins tighten, customer expectations shift toward digital-native experiences, and fraud and resilience risks continue to intensify.

Over the last five years, for example, financial services institutions in India have seen a fivefold increase in digital fraud cases as cybercriminals exploit vulnerabilities in their operational resilience.[3] At the same time, customers have become more discerning and demanding, raising the stakes for customer experience as challenger banks set new standards for how banking gets done. Banks, meanwhile, continue to see their economics challenged, amid a squeeze on net interest margin (NIM) and growing competition for resources.[4]

Within this context, many banks are still struggling with significant manual processing, despite years of technology investment. In fact, of all sectors,

banks spend the highest proportion of revenue on technology, though the positive impact on productivity and efficiency has often fallen short of expectations.[5] Some estimated 60 to 70 percent of workflows in banking operations still rely on manual processes.

The operational challenges banks face today are both deep and structural—but they are solvable. Banking leaders are looking for balanced outcomes that combine improved productivity and efficiency with better customer experience or satisfaction scores. They also want to manage risk in line with evolving regulatory expectations.

What has been missing until now is the ability for banks to act in a way that is coordinated, intelligent, and scalable to address these different requirements. The arrival of agentic AI—in particular, multiagentic AI systems—brings new opportunities for banks to fundamentally rethink their operations, transforming

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[3] *Annual report 2023–24*, Reserve Bank of India, May 29, 2024.
[4] "China's big banks warn of more margin pressure in the second half," Reuters, August 29, 2025.
[5] "Global Banking Annual Review 2024: Attaining escape velocity," McKinsey, October 17, 2024.

a space that has been seen as cost-heavy rather than value-creating in the past.

Multiagentic AI systems could go even further in their impact. These systems orchestrate workflows across a series of dedicated atomic agents, which effectively act as coworkers to address the most complex tasks and reduce the risks of hallucination. They can create multistep plans to achieve goals, use tools to process data and take action, examine their own work to come up with improvements, and collaborate with other agents to split up tasks or build on each other's work.

The potential impact of such systems could be transformative, not just for operations, but also for financial services customers, and therefore for overall organizational performance. Through our work with leading companies we see that some are already using an approach, next best experience, to impressive effect. With properly calibrated AI models accessing integrated data sets that span the entire customer life cycle, companies can craft experiences that deliver real value. The results are impressive: The AI-powered next best experience capability can enhance customer satisfaction by 15 to 20 percent, increase revenue by 5 to 8 percent, and reduce the cost to serve by 20 to 30 percent.[6]

Our research shows that satisfied customers are more likely to purchase additional products, transact more frequently, pay greater attention to communications, and even pay a premium for services. The net result is that satisfied customers deliver two to three times more value for banks than other customers. This only deepens the case for an AI-led transformation of banking operations.

The drivers of AI's potential impact on operations

Banking operations are ripe for reimagination, especially when approached through a combination of traditional approaches, such as automation and digitization, and today's cutting-edge developments in AI, gen AI, and agentic AI. Three drivers help illustrate the potential:

- **AI is expected to disrupt the operations function more than any other lever.** With end-to-end operations representing an estimated 60 to 70 percent of a bank's cost base, based on McKinsey's research and engagements, transforming operational processes could be an unprecedented value unlock in the financial services sector. In one example, a global bank has used AI and gen AI to streamline its Know Your Customer (KYC) processes by minimizing documentation requirements, enabling a faster, more seamless onboarding experience for customers.

- **Financial services companies are uniquely positioned to absorb the power of AI across customer-facing, inward-facing, and support processes.** Recognizing this potential, financial services companies spent $35 billion globally on AI in 2023, with investments projected to reach nearly $100 billion by 2027.[7]

- **Regulators are increasingly open to AI-driven innovation, creating tailwinds for adoption.** While regulators across Asia are keenly alert to the potential risks of AI adoption in the highly regulated financial services space, many national regulators are now encouraging banks to innovate with AI. In October 2024, Hong Kong's Financial Services and Treasury Bureau issued a policy statement on AI, outlining what it calls a dual-track approach for financial services in Hong Kong; one that promotes AI adoption, while addressing potential challenges such as cybersecurity and data privacy.[8]

By effectively acting as coworkers, today's multiagentic systems can boost the productivity and efficiency of operational teams and make possible previously unimaginable business process transformations. They also represent a step-up from both predictive AI models and single large language models (LLMs) in their ability to automate complex, multistep workflows, get better over time, and perform tasks within clear guardrails (Exhibit 1).

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[6] "Next best experience: How AI can power every customer interaction," McKinsey, October 9, 2025.
[7] *Artificial intelligence in financial services*, World Economic Forum, January 2025.
[8] "Policy statement on responsible application of artificial intelligence in the financial market," Hong Kong Financial Services and the Treasury Bureau (FSTB), October 28, 2024.

Exhibit 1

Multiagent systems are the next advancement in AI-led decisioning.

Agentic AI can execute tasks autonomously within clear guardrails

● Supported ● Not supported

	Predictive models	Single LLM[1]	Multiagent systems
Examples	• Tendency to default • Propensity to buy • Next best action • Microsegmentation	• Summarize a document/content • Ask a question (copilot support) • Generate draft email or simple content	• Automate complex multistep workflows • Effective two-way conversations • Execute tasks on your behalf by accessing tools
What they enable			
Process unstructured data	●	●	●
Interact in human-like language	●	●	●
Delivers reliable output	●	●	●
Execute multistep tasks	●	●	●
Orchestrate nonlinear tasks	●	●	●
Perform and trigger actions	●	●	●

What multiagent AI enables

1	**2**	**3**	**4**	**5**
From always-on tools to always-on conversations	Automate last-mile unstructured work	100x scale and quality of personalization	Auto-learn at high velocity (with human reinforcement)	Granularly embed checks and guardrails

[1]Large language model.

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While AI-enabled operations is on everyone's radar, the actual use of agentic AI is in its infancy, and many banks are still experimenting with gen AI proofs of concept (POCs). Common challenges to adoption include limited scale or business change management; barriers to initiating customer-facing use cases; dealing with legacy technology systems that limit performance and integration; and a lack of alignment within the organization on whether to build or buy solutions.

The opportunities now introduced by agentic AI invite banks in Asia to undertake a radical rethink of how operations are carried out. Successfully integrating AI and agentic technology across the entire value chain sets a new horizon for what is possible, moving banks out of tactical digitization into structural reinvention.

When equipped with an orchestration brain, agentic AI can reduce friction, streamline workflows, and enable a seamless end-to-end flow of operations where humans are involved only when their expertise is required. This paradigm shift not only enhances efficiency and agility but also positions banks to deliver superior value to customers in an increasingly competitive landscape (Exhibit 2).

Exhibit 2

AI-led process transformation can enable seamless, simplified, and intelligent operational processing.

Manual processes reimagined, with AI directing workflows

AI agents orchestrate end-to-end process flow

From

Multiple handoffs between business unit-specific operations teams, front-to-back iterations, and high turnaround time

Multiple customer touchpoints

Inbound requests are managed and allocated by designated agents

Payment operations	Consumer lending	Mortgage originations	Mortgage servicing	Fraud
Account onboarding	Account servicing	Credit card operations	AML[1]	Disputes

End output

To

A universal AI agent layer handing off to specialized teams, as needed, and orchestrating the case front to back

Mobile-led integrated channels

In any channel, inbound requests are guided by the orchestration brain

AI-first operations

AI agent independently helps, involving human teams as needed

Generalized quality assurance operations

Highly specialized teams

Fraud	Trade finance	Credit risk	Underwriting

End output

[1]Anti–money laundering.

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How first movers and fast followers are harnessing AI to leap ahead

For banks, the value of adopting AI is likely to come not from isolated use cases, but from scaling AI to holistically transform banking operations into a competitive differentiator. This requires a fundamental change in mindset and approach, given that banks today still tend to focus on incremental automation or the digitization of individual workflows.

Over the past few years, however, a number of banks have started converging around a common blueprint:

embedding AI into the operational core, across functions and customer journeys.

Specifically, first mover banks are leveraging hyperpersonalized targeting, reducing call times and improving efficiency in call centers, embedding fraud and collections analytics to identify critical scenarios, driving a productivity uplift across the organization, and deploying gen AI chatbots to assist both customers and support staff (see sidebar "Leading organizations have started embedding AI as part of their workflows").

Leading organizations have started embedding AI as part of their workflows

A number of Asian and global banks are achieving significant impact through AI:

- ING is using AI and gen AI to craft personalized customer communications, predict customer churn, and enable proactive, tailored outreach strategies to strengthen customer engagement.[1]

- DBS now has a library of 1,500 large language models (LLMs). Previously, developing and scaling a model could take up to 18 months; today, the process takes just two to three months.[2]

- Itaú Bank in Brazil is supporting its developers with tools to manage agents as it rolls out more customer-facing products. It has launched new digital capabilities and is deploying analytics, automation, and operational levers, including in-call center operations, improving efficiency by 25 percent.[3]

- JPMorgan Chase is investing heavily in rewiring its organization through gen AI and agentic AI. The bank has been an industry leader in terms of rolling out gen AI to its employees at scale and is now investing in agentic AI to support complex, multistep work.[4]

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[1] "Deploying AI at speed and scale: Talking with ING's Marnix van Stiphout," McKinsey, July 1, 2025.
[2] "An inside look at how McKinsey helped DBS become an AI-powered bank," McKinsey, February 10, 2025.
[3] "How to lead through AI disruption," McKinsey, September 15, 2025.
[4] "JPMorgan Chase's Derek Waldron on building an AI-first bank culture," McKinsey, October 29, 2025.

A small group of leading institutions (less than 10 percent globally, in our estimation) has now begun executing agentic AI at scale, embracing AI agents and multiagentic architectures as the next frontier of AI-enabled operations. These early movers are seeing 30 to 50 percent efficiency gains, two-to-threefold productivity uplifts, and significant customer experience improvements as a result.

They are achieving this kind of impact by embedding AI directly into workflows, redesigning operating models, and creating structural advantages that may be difficult for others to match 18 to 24 months from now. Companies that wait to invest could risk competing against institutions that can scale two to three times faster at half the cost, and with higher resilience and superior customer engagement already secured.

'Financial institutions around the world are exploring agentic AI and fundamentally rewiring their strategies.'

— Leading financial institution, Indonesia.

Needed now: An enterprise-wide transformation led from the top

Agentic AI is not only transforming how tasks get done and by whom (humans or agents), it is changing the very nature of work itself. End-to-end agentic workflows are now possible, designed to mimic and enhance human decision-making, while human-in-the-loop safeguards support compliance and accountability. The potential impact could see teams redeployed to higher-value work, acting as supervisors of agents and spending around 80 percent of their time on core strategic activities, instead of the 40 to 60 percent of time that is typically spent on noncore activities today (Exhibit 3).

Exhibit 3

Agentic AI workflows with human in the loop could define the banking operations of the future.

The potential impact of agentic AI on the nature of work, product, workflows, and teams

	1. Nature of work	2. Product	3. Workflow	4. Team
From	80% of time spent on coordination and rule-based execution	One-time static standard outputs prone to errors and subjectivity	Linear, siloed, service level agreement-bound workflows	People as timely process executors with 40–60% of time spent on noncore activities
For example	Collating information and writing credit memos	Checklists, approval notes, memos	Risk, credit to review note in sequence with multiple back and forth	Team of credit managers and operations for document verification
To	80% of time on customer interactions, decision-making, and innovation	AI-led dossiers with reasoning and self-updating insights	Agent-led orchestration that adapts to context and accelerates end-to-end flow	People as supervisors of agents and specialists with around 80% of time on core strategic activities
For example	Reviewing credit assessment questions flagged by an agent	AI-led intelligence that justifies every lending decision with context	Agents review and escalate exceptions to human teams	Team of credit AI specialists for strategic thinking

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To unlock this potential, banking institutions would need to embrace a transformation agenda anchored in multiagentic AI and a vision to elevate operations from a cost center to a strategic enabler of the bank of the future. The shift required calls on banks to embrace a new wave of technological revolution.

The reality, however, is that most banks are still a long way from capturing the full potential of agentic AI. Our experience in working with financial services institutions makes it clear that the principal barrier does not lie in technology itself, but rather in the transformation it demands of the organization. Many institutions are still approaching transformation through a narrow, technology-first lens, resulting in a collection of isolated tools rather than a connected, enterprise-wide system.

'We launched a voice bot with agentic capabilities, but it fell short because it digitized suboptimal processes instead of reimagining them end to end and it does not integrate well into the broader customer journey.'

— Leader from a Southeast Asian bank.

For agentic AI to fulfill its promise, a shift is required from tactical automation to enterprise intelligence, where atomic agents work in collaboration with humans to improve the levels of enterprise-wide intelligence. Achieving this future state requires banks to build a holistic AI capability stack with four key layers: engagement, decisioning, data and core technology, and operating model (Exhibit 4).[9]

The engagement layer reimagines the customer experience to offer a personalized, streamlined process across ecosystems. The AI-powered decision-making layer supports the kinds of data-based decisions that improve productivity and fulfill customer needs efficiently. Accomplishing this will require a new paradigm for AI architecture—the agentic mesh—capable of integrating both custom-built and off-the-shelf agents.[10] The core technology layer considers how the AI capability stack could be modernized to streamline architecture and ensure secure data exchange between different areas of the bank. And, finally, a platform operating model centralizes aspects such as talent requirements, culture, and organizational design.

We have seen the importance of investing in each of these layers to avoid underinvestment in one aspect potentially sabotaging the transformation process as a whole.

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[9]   "Extracting value from AI in banking," McKinsey, December 9, 2024.
[10] *Seizing the agentic AI advantage*, QuantumBlack, AI by McKinsey, June 13, 2025.

Exhibit 4

A holistic AI capability stack is needed to embed AI seamlessly across enterprise-wide operations.

Driving AI-powered decision-making

■ Next frontier of AI-enabled operations in banks   ⬚ AI-enabled elements

AI bank of the future

Engagement	Delighting customers through personalized experiences		Empowering employees to serve customers better

Mobile as the gateway to rest of the bank, including branches, contact center, relationship managers

Multimodal conversational experiences (text, visual, voice)	Intelligent products and services	Omnichannel experiences for customers, employees, and partners

Use of digital twins to simulate behavior of customers and employees

AI-powered decision-making

AI orchestration (including copilot-style support and autopilots that orchestrate workflows)

AI agents[1] (AI that specializes in narrow domains)

Risk policy expert · Instant recognition · Property collateral analyzer · Document summarizer · Fraud pattern detector · Fraud detector · Enterprise knowledge search · Skills coach · Ad banner · Legal · Spend · Task expert · Task coach generator · Email · Compliance · Transition · Code · Tax management · Voice/video chat

Predictive analytics models	Customer acquisition	Credit decision-making	Monitoring and collections	Retention, selling, upselling	Servicing and engagement

AI enablers	Reusable components and services	Information security standards and controls	Streamlined risk protocols

Core technology and data

Industrial AI and machine learning	Observability tool attack	Machine learning operations	FinOps[2]	LLM[3] orchestration	Security
				LLM gateway	

Enterprise data

Search and retrieval engine

Data ingestion	Data preprocessing	Vector databases	Data post-processing	Structured data stores

Technology and infrastructure

Tech-forward strategy

Modern API[4] architecture	Intelligent infrastructure	Cybersecurity and control tiers	Core modernization

Operating model

Platform operating model

Autonomous business, technology, and data teams enabled by AI models and agents

Agile way of working	AI control tower	Modern talent strategy	Culture and capabilities

Value capture office to monitor transformations

[1]AI agents shown are representative and nonexhaustive.
[2]Financial operations, a framework for managing the operational costs of cloud computing.
[3]Large language model.
[4]Application processing interface.

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Transformation of this kind can only achieve its full potential if driven from the top. Success with AI and agentic AI generally happens in organizations where they are a priority for both the CEO and the COO, who take joint ownership to address the enterprise reinvention challenge through strategic alignment, capital allocation, and operational execution.

The organizations that are ahead in AI deployment usually share a few characteristics: a bold and comprehensive AI vision, linked to a strategy and with clearly defined expectations. Instead of attempting to create impact by using gen AI alone, or by implementing narrow use cases or solutions within functional or business silos, these AI leaders

seamlessly blend gen AI and agentic AI with more traditional AI and digital tools to drive faster returns on investment through reusable AI enablers (Exhibit 5).

With the window for banks to use AI as their big differentiator getting narrower, banking leaders need to make the shift from labor to leverage—from doing more work with AI to creating more value from it. But success will not come from hurriedly applying AI and hoping for the best. A strategic approach is called for.

In the next chapter, we take a closer look at how this strategic approach comprising teams of reusable atomic agents could appear across ten key domains of banking operations.

Exhibit 5

AI leaders in financial services do things differently.

Vision, broad technology use, and enterprise-wide approach are key

Operations in most financial services institutions	Operations in AI-led financial services institutions
Drive AI initiatives within silos; unclear link to financial value	**Set a bold, organization-wide vision** with clear links to strategy and financial outcomes
Chase impact from gen AI alone, which has inherent limitations	**Take a full-stack lens,** seamlessly blending gen AI with traditional AI and digital tools
Build LLM[1] applications with limited scope, for example, to generate insight or make decisions	**Deploy AI agents[2] and agentic architecture** to reimagine complex workflows
Deploy narrow use cases, for example, chatbots	**Backed by the business** to support end-to-end domain transformation
Limited reuse of AI-enabling capabilities, leading to slower scale and poor returns	**Envision a holistic capability stack** to drive faster returns through reusable AI enablers

[1]Large language model.
[2]Virtual coworkers who can plan, reason, and act on behalf of humans.

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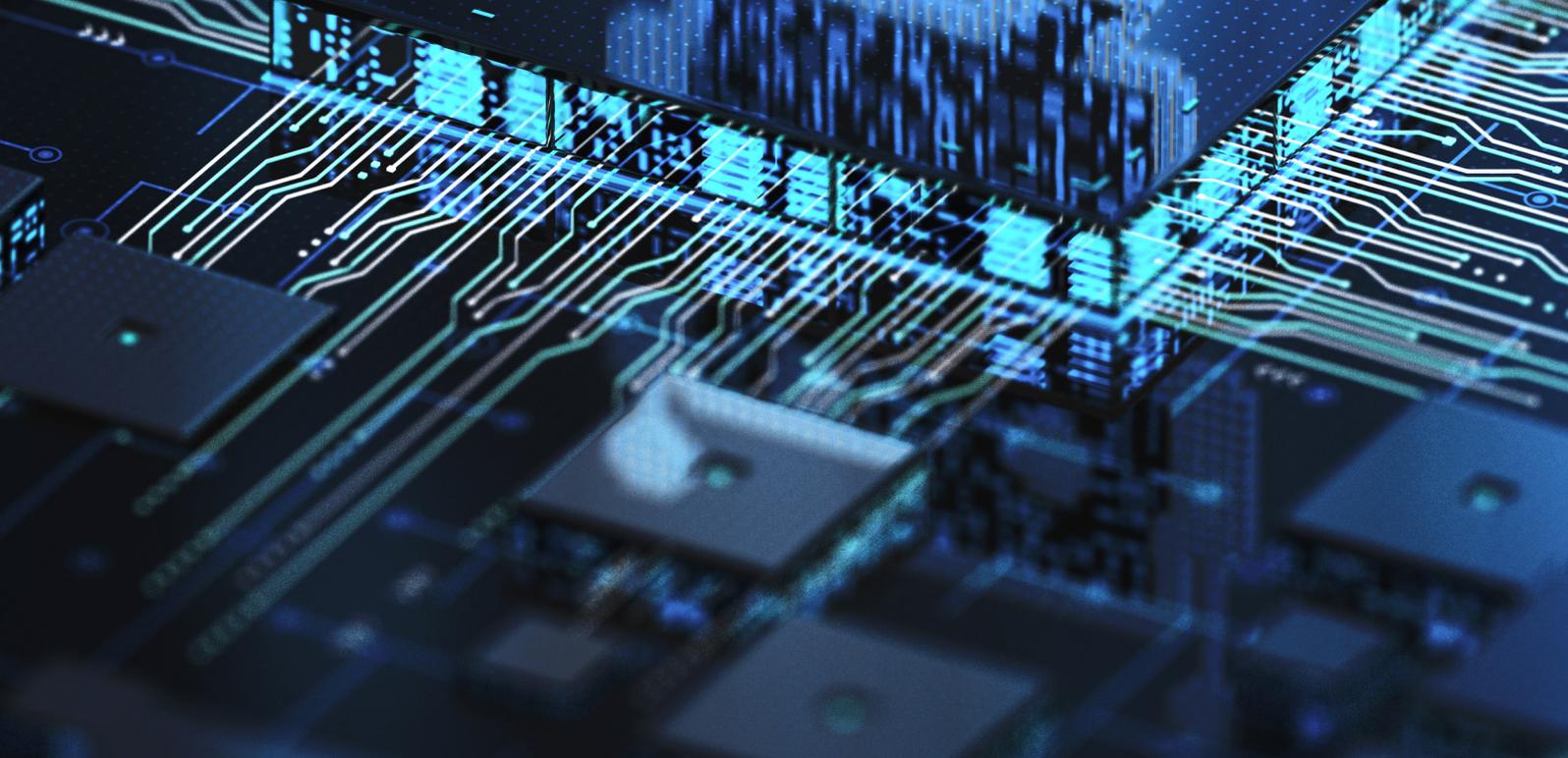
2 A ten-domain playbook powered by a fleet of agentic AI 'operations transformers'

Domain-focused transformation resonates deeply with many banking leaders. From our recent client engagements, key areas that leaders want to prioritize include customer service operations, pre-onboarding and onboarding operations, fraud mitigation and financial crime operations, sales support and distribution operations, credit operations, loan and mortgage processes, and KYC processes.

While AI tools and isolated agentic AI use cases can and do deliver productivity and efficiency improvements in these areas, the true potential of agentic AI lies within transformations that span the entire banking value chain.

Unlike typical efforts that focus specifically on customer-facing onboarding flows, this approach takes a broader lens, drawing on a deep understanding of the more than 600 customer-facing and noncustomer processes or workflows within a typical bank to unlock value (Exhibit 6).

This domain-focused approach counters many reasons why well-intentioned AI efforts so often fail to achieve impact. They typically duplicate spend on similar capabilities across business units, fail to reuse and scale successful solutions beyond their starting point, get stuck in pilot mode without meaningful impact on enterprise KPIs, and struggle with unclear ownership and accountability for outcomes.

Banks can now break this cycle by embedding intelligence and orchestration into the flow of work itself and not just by layering new technology onto old processes. Ten high-impact operational areas together account for 60 to 70 percent of the total

Exhibit 6

AI-enabled operations transformation encompasses the 600 processes within a typical financial services player.

Customer-facing and noncustomer processes, nonexhaustive

Legend: ■ Business ■ Controls and assurance ■ Corporate and support functions

Key bank processes (domains and subdomains)

Value chain of activities (for business generating processes)

Key functions	Key subfunctions	Acquisition/ onboarding	Processing/ sanctioning	Servicing	Risk management			
Liabilities	Current account	CA[5]—individual		CA—SME[6]	CA—corporate			
Liabilities	Savings account	SA[7]	Joint account	SA—minor	SA—salary			
Liabilities	Term deposits	Fixed deposit	Recurring deposit	Sweep fixed deposit				
Transaction	Trade finance	Import LC[8]	Export LC	Inland LC	Inland BG[9]	API[10] banking		
Transaction	Current account and payments	Bank transfer	Mobile transfer	Toll payments	Bill payments			
Lending	Unsecured loans (personal loans, education loans)	ED[11]—student	ED—scholar	PL[12]—self-employed	PL—salaried			
Lending	Mortgages (home loan, LAP)[1]	HL[13]—self-employed	HL—salaried	Preapproved property HL	Home loan top up			
Lending	Gold loan	Gold loan (bullet)	Gold loan (EMI)	Gold loan top up	MSME[14] gold loan			
Lending	Auto loan	Preapproved auto loan	Auto loan	Used auto loan	Commercial auto loan			
Lending	SME loans	WC[15] loans		Supply chain	Term loans			
Lending	Agriculture loan	Agriculture term loan	Tractor loan	Dairy loan				
Lending	Corporate and FI[2] lending (including syndicated loans)	WC loans	Term loans	Structured loans	Fund financing	Unsecure business loan		
Wealth and advisory	Wealth management	Advisory	Investment management	Forex	Financial planning	Tax services		
Wealth and advisory	Asset distribution and cross-sell	LI[16]	MF[17]	PMS[18]	ETF[19]			
Capital markets	Financial markets	Equity	Debt capital market	FICC[20]	M&A			
Capital markets	Securities services (local and global custody)	Custody	Settlement	Fund administration	Securities lending	Post-trade		
Risk management	Nonfinancial risk/ regulatory reporting	Nonfinancial risk	Reporting					
Compliance and financial crime	Fraud/AML/[3]KYC[4]	KYC, document verification	KYC refresh	Transaction monitoring FICC	EDD[21]	Compliance reporting		
Audit	Audit	Audit coverage	Audit observations	Reporting and governance				
Finance operations	Finance operations	Clearing	ATM[22] operations	Cash reconciliation	Locker	Fee collection		
Managerial support processes	HR, legal, and admin	MIS[23] reports	Payment of branch bills	Stationery indent and recon.	Branch register main	HR risk and governance	Internal bank transfer	Voucher verification	Preventive vigilance
Managerial support processes	Supply chain finance	Contracting	Fulfillment	Invoice verification	Monitoring	Payments		

1. Loan Against Property. 2. Financial institution. 3. Anti–money laundering. 4. Know Your Customer. 5. Current account. 6. Small and medium-size enterprises. 7. Savings account. 8. Letter of credit. 9. Bank guarantee. 10. Application program interface. 11. Education. 12. Personal loan. 13. Home loan. 14. Micro-, small, and medium-size enterprise. 15. Working capital. 16. Life insurance. 17. Mutual fund. 18. Portfolio management services. 19. Exchange traced funds. 20. Fixed income clearing corporation. 21. Enhanced due diligence. 22. Automated Teller Machine. 23. Management information system.

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value pool in banking operations, and are uniquely suited for agentic AI transformation (Exhibit 7):

1. Customer journey transformation

2. Sales, branch, and distribution operations

3. Customer care and service centers

4. Lending and credit operations

5. Deposits, transactions banking, and payments operations

6. Collection operations

7. Financial crime operations

8. Next-gen corporate functions

9. Operations carve-out—centralization and shared services

10. Zero-based design

While these ten domains present different challenges, they share a common opportunity: the ability to replace linear, human-dependent processes with intelligent, orchestrated workflows marshalled by teams of atomic agents that learn, adapt, and scale. Together, these domains provide a blueprint for an operating model that sits at the intersection of the CEO's strategic vision and the COO's executional muscle.

Importantly, the traditional set of levers that banks use for end-to-end operations transformations—demand elimination, digitization and self-service, process redesign and automation, location and sourcing decisions, productivity improvement, and operating model redesign—remain the same. The power of agentic AI is such that it helps force-multiply the impact from each of these traditional levers.

Exhibit 7

Ten domains account for 70 percent of the total opportunity base for AI-enabled operations.

Top ten domains to transform bankwide operations

¹Anti–money laundering.

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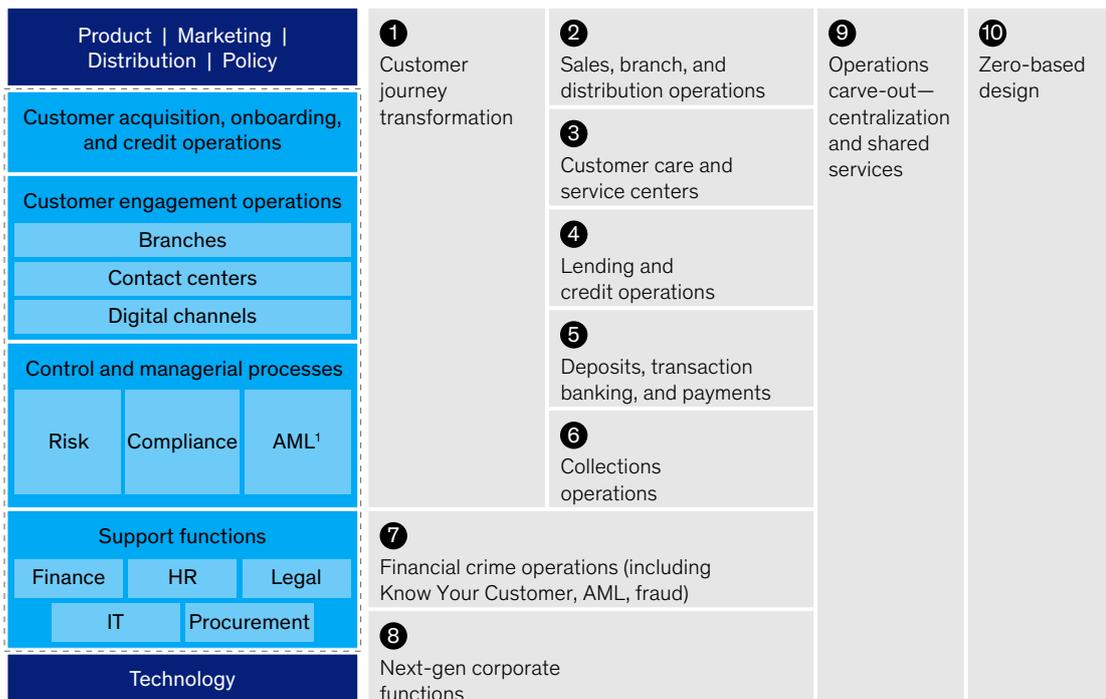
McKinsey has developed an atomic agentic framework, comprising 27 high-performing atomic agents that have the potential to automate 90 percent of enterprise processes. Further, our research in Asia has identified the potential of a fleet of nine crosscutting AI agents with human-in-the-loop orchestration to ensure compliance, transparency, and resilience across the ten operational domains in banking (Exhibit 8). These agents are designed to take action, make decisions, coordinate workflows, and engage in conversations, while learning and growing over time. Modular frameworks that guide the development of these reusable AI agents are important to ensure agents can be easily modified and assembled for use in different agentic workflows.[11]

Exhibit 8

Nine crosscutting agents can take action, collaborate, and improve over time to drive efficiency and impact.

An AI agent library with reusable and combinable agents, illustrative

Verify agent
Parses, reconciles, and validates documents to flag inconsistencies

Create agent
Creates context-specific documents by analyzing internal and external information to aid decision-making

Coordinate agent
Coordinates, assigns, prioritizes, and escalates cases or application for optimized turnaround times

Prioritize agent
Prioritizes tasks for other agents or people based on criticality

Follow-up agent
Follows up with customers or employees at the right time and channel in a personalized manner

Monitor agent
Monitors actions to flag breaches and resolve queries based on expertise in a specific area

Execute agent
Provides real-time execution support to boost productivity and speed, for example, sending calendar invites and emails

Call agent
Voice or chat agents that can chat with or call people, where needed

Coach agent
Provides personalized feedback and nudges to enhance performance, decision-making, and skills development

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[11] "Enterprise technology's next chapter: Four gen AI shifts that will reshape business technology," McKinsey, December 2, 2024.

In other words, unlike conventional automation, this approach moves operations transformations from 'rule-following bots' toward self-directed agents that collaborate with humans, unlocking a fundamentally higher level of efficiency and impact. And by operating across domains (for example, customer journey, sales and distribution operations, customer service centers, and lending and credit operations), these enhanced atomic agents deliver scalable, reusable intelligence as they do so.

This means that institutions can replace linear, manual processes with adaptive, intelligent flows; collapse handoffs and approvals into automated, rule-driven actions; continuously learn from every decision, transaction, and exception; and scale institutional expertise quickly, without scaling head count.

When implemented correctly within an end-to-end and front-to-back transformation of a universal bank, these nine agents have the potential to unlock 30 to 40 percent improvements in operational efficiency. And beyond productivity improvements, the ten domains, approached in this manner, offer potential for a broad range of impact, including significant jumps in customer satisfaction scores and enhanced risk controls (Exhibit 9).

For each domain, a set of comprehensive, impact-linked success metrics needs to be relentlessly tracked from day one to drive results. This disciplined measurement approach ensures clarity, enables course correction, and makes success repeatable across every implementation.

1. Customer journey transformation

Customers continue to demand the highest quality, digital-first services with preferences shaped by other industries and fintech players. Many bank customers, however, remain dissatisfied with their customer service today.

That is partly because most digitization efforts focus on customer journey touchpoints rather than the many hundreds of underlying journeys and processes within the bank, leaving journeys feeling fragmented and slow.

In this domain, banks can focus on redesigning customer journey flows to remove friction, embed personalization, and provide real-time transparency. For example, first mover banks have reduced the opening of a current account for a small or medium-size enterprise (SME) from between five and eight days to 24 to 48 hours. This reimagined account opening journey can reduce reworks by 60 to 70 percent and double employee productivity by using agents to handhold customers in form-filling processes and perform real-time verifications, and by suggesting corrective actions and orchestrating backend operational processes (Exhibit 10).

This approach moves operations transformations from 'rule-following bots' toward self-directed agents that collaborate with humans, unlocking a fundamentally higher level of efficiency and impact.

Exhibit 9

AI-led operations can drive productivity, enhance customer experience, and improve risk controls.

Target-state metrics demonstrate the potential of AI-led operations, illustrative

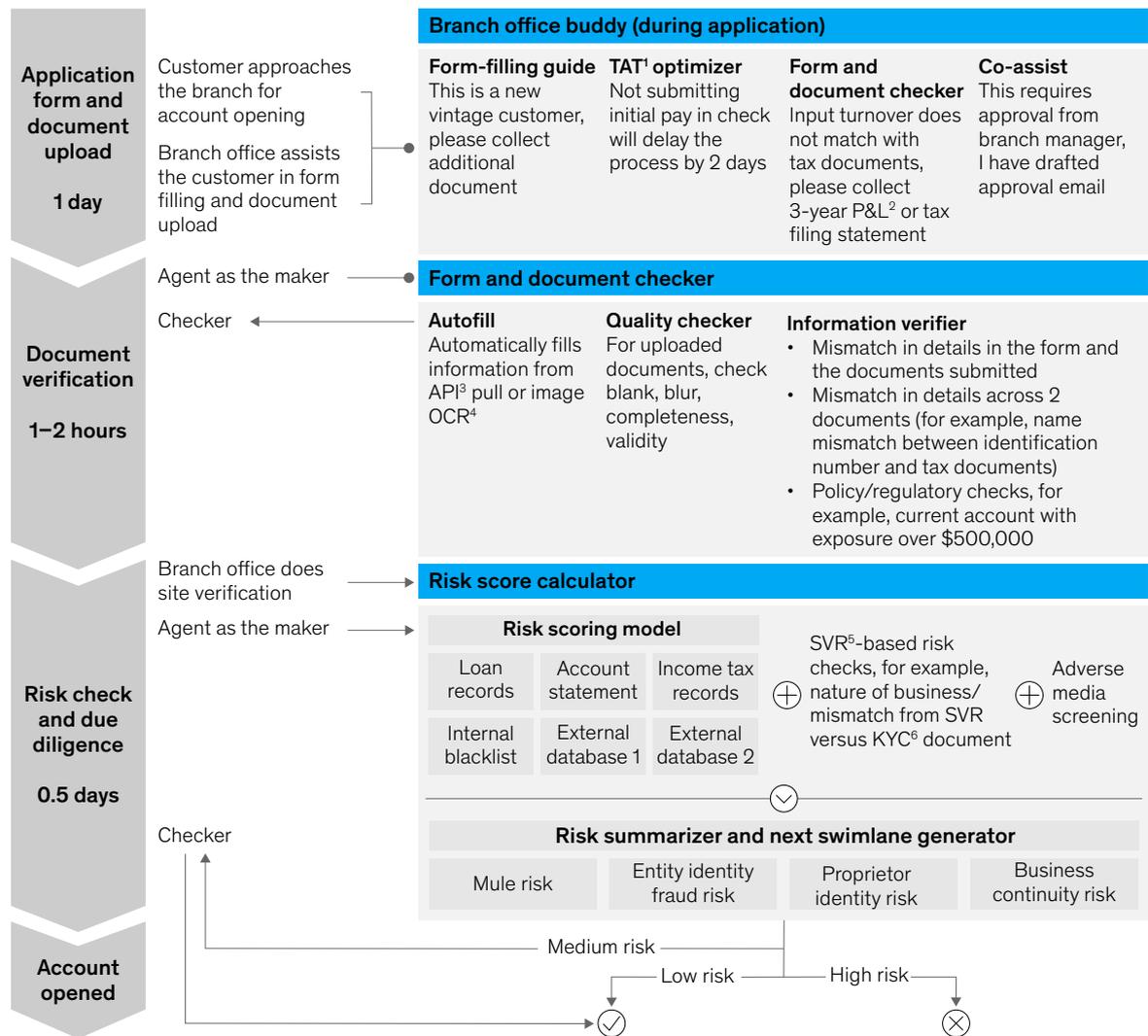| Top ten domains	Select metrics (nonexhaustive)	
1. Customer journey transformation	**90%**[1] straight-through processing rates	**95%+** processes digitized
2. Sales, branch, and distribution operations	**2–3×** productivity uplift	**~60%** time spent on revenue-generating tasks
3. Customer care and service centers	**4×** number of tickets handled by agent	**95%+** Net Promotor Score and customer satisfaction score
4. Lending and credit operations	**<60 minutes** credit appraisal average handling time	**<5%** reworks and additional requests for information
5. Deposits, transactions banking, and payments	**90%+** straight-through processing transactions (domestic)	**<2 hours** exception clearing average handling time
6. Collections operations	**0.5×** collections operating expenditure	**1.5–2×** agent productivity
7. Financial crime operations	**3–4×** fraud detection rate	**<30%** false positives
8. Next-gen corporate functions	**2–3×** turnaround time improvement	**1.5–2×** productivity
9. Operations carve-out—centralization and shared services	**0.7–0.8×** operating cost	**0.5–0.8×** operational losses
10. Zero-based design	**0.7–0.8×** operational expenses	**1.5×** revenue per employee

Note: Improvement ranges are illustrative, nonexhaustive, and based on McKinsey client engagements.
[1] Target metric for eligible journeys.

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Exhibit 10

An AI-enabled current account opening journey can be reimagined with agents and humans as checkers.

Opening a small and medium-size enterprise account in 24 to 48 hours

■ Agent activity

		Branch office buddy (during application)			
Application form and document upload **1 day**	Customer approaches the branch for account opening Branch office assists the customer in form filling and document upload	**Form-filling guide** This is a new vintage customer, please collect additional document	**TAT[1] optimizer** Not submitting initial pay in check will delay the process by 2 days	**Form and document checker** Input turnover does not match with tax documents, please collect 3-year P&L[2] or tax filing statement	**Co-assist** This requires approval from branch manager, I have drafted approval email

		Form and document checker		
Document verification **1–2 hours**	Agent as the maker Checker	**Autofill** Automatically fills information from API[3] pull or image OCR[4]	**Quality checker** For uploaded documents, check blank, blur, completeness, validity	**Information verifier** • Mismatch in details in the form and the documents submitted • Mismatch in details across 2 documents (for example, name mismatch between identification number and tax documents) • Policy/regulatory checks, for example, current account with exposure over $500,000

Risk check and due diligence

0.5 days

Branch office does site verification

Agent as the maker

Risk score calculator

Risk scoring model

Loan records	Account statement	Income tax records
Internal blacklist	External database 1	External database 2

⊕ SVR[5]-based risk checks, for example, nature of business/ mismatch from SVR versus KYC[6] document

⊕ Adverse media screening

⌄

Risk summarizer and next swimlane generator

Mule risk	Entity identity fraud risk	Proprietor identity risk	Business continuity risk

Checker

Medium risk ——— Low risk ——— High risk

Account opened

Overall workflow

Master orchestrator	**Customer communication and outreach**	**Performance coach**
• Reminders to key stakeholders based on prioritization (for example, premium customer) • Preparation and sharing of relevant summary for expedited approvals • Manage escalations	• Progress update: automated emails or SMS on application stage • Automated reminders on documents required from the customer	• Performance insight generator • Summary of performance and key next steps • Insights on types of accounts with high turnaround times and potential next steps

[1]Turnaround time.
[2]Profit and loss.
[3]Application processing interface.
[4]Optical character recognition.
[5]Site visit report.
[6]Know Your Customer.

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2. Sales, branch, and distribution operations

McKinsey analysis shows that frontline productivity varies by 30 to 50 percent between the top and median performers in the banking sector, with slow performance feedback loops hampering employee performance.

In this domain, banks can drive frontline performance through real-time guidance, post-sales automation, and dynamic resource allocation. AI-led sales excellence, for example, can complement existing tools and enablers to transform key moments in the day of a salesperson, driving sales force effectiveness by 50 to 100 percent (Exhibit 11).

Exhibit 11

Agentic AI can transform key moments in the day of a salesperson.

Agents perform or support key tasks, nonexhaustive

Key moment	Key question	Agents
Sales morning huddle	*What should I focus on today? Which files should I move? Where do I need my manager to pitch in?*	• Daily huddle planner • Next-best-action assist
Connector/frontline sales agent meeting	*Which are the critical cases to discuss? Which offers will help me increase my business with the connector/frontline sales agent?*	• High-value channel partner agent • Lead management agent
Customer meeting	*What is the best offer for the customer, and how can I work with them to enhance it? What should my pitch be?*	• Customer program agent • Customer pitch coach
Coaching conversations	*How can I improve my performance? What do I need to do to get better?*	• Branch choreography • Deviations manager
In-branch collaboration	*What do I need from the rest of the members in the branch—credit, legal, technical, operations—to move the files faster?*	• Performance coach • Incentives manager

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3. Customer care and service centers

In most banks, customer service remains reactive, with high call volumes and limited proactive customer engagement. AI can transform customer care centers into predictive, personalized experience hubs.

AI is already starting to transform traditional contact centers, and many expect this change to accelerate, given the efficiencies and customer experience benefits that can be achieved. For example, Gadi Shamia, CEO of Replicant, a conversational AI solution provider, says: "Implementing AI agents into our customers' contact centers has driven a 50 percent reduction in cost per call, while simultaneously increasing customer satisfaction scores. Our vision of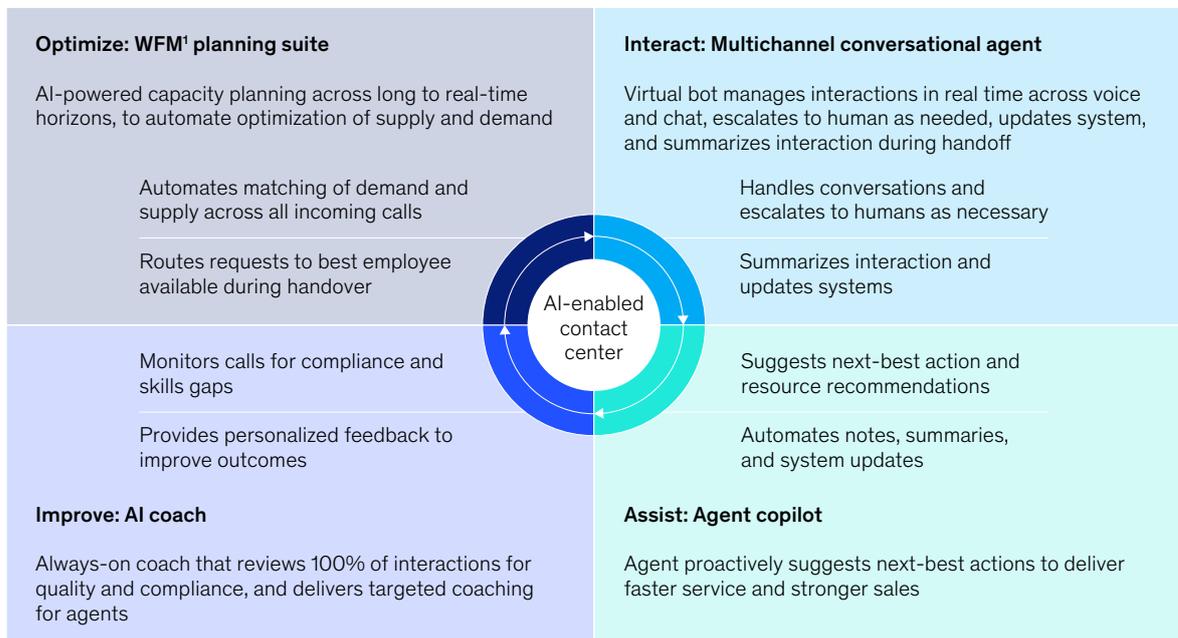 an AI-first contact center, where AI agents handle the majority of conversations and fewer, better trained, and better paid human agents support only the most complex, is quickly becoming a reality."[12]

Banks are exploring the potential of agentic AI-enabled "contact center in a box" solutions that encompass a team of agents that support workforce management planning, directly handle customer interactions, act as copilots to human agents, and provide always-on coaching (Exhibit 12). An AI-powered next best experience capability, which helps companies deliver customer interactions at the right moment and in the right channel, can enhance customer satisfaction by 15 to 20 percent, for example.[13]

Exhibit 12

An AI-enabled contact center supports workforce planning, multichannel engagement, human agent support, and continuous improvement.

A full suite of agents for building a contact center in a box

Optimize: WFM[1] planning suite

AI-powered capacity planning across long to real-time horizons, to automate optimization of supply and demand

- Automates matching of demand and supply across all incoming calls
- Routes requests to best employee available during handover

- Monitors calls for compliance and skills gaps
- Provides personalized feedback to improve outcomes

Improve: AI coach

Always-on coach that reviews 100% of interactions for quality and compliance, and delivers targeted coaching for agents

Interact: Multichannel conversational agent

Virtual bot manages interactions in real time across voice and chat, escalates to human as needed, updates system, and summarizes interaction during handoff

- Handles conversations and escalates to humans as necessary
- Summarizes interaction and updates systems

- Suggests next-best action and resource recommendations
- Automates notes, summaries, and system updates

Assist: Agent copilot

Agent proactively suggests next-best actions to deliver faster service and stronger sales

AI-enabled contact center

[1] Workforce management.

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[12] "The contact center crossroads: Finding the right mix of humans and AI," McKinsey, March 19, 2025.
[13] "Next best experience: How AI can power every interaction," McKinsey, October 9, 2025.

Reviewing calls for quality and compliance is a key part of this future state. Today, less than 1 percent of calls are reviewed for quality, and even simple queries rely on human agents. At a financial services organization in India that provides instant and other types of loans, a gen AI model is improving agent performance by tracking and interpreting call information to generate actionable insights. Unlike traditional manual call screening, which can only cover a fraction of calls handled, AI supports up to 100 percent call tracking with context interpretation, pattern identification, and thorough sentiment analysis. Agents at the organization receive timely and specific personalized performance improvement feedback through a dashboard that combines operational KPIs and call reviews. The post-call insights use case has been scaled to more than 500 call center agents across India, catering to over 200,000 customers and has supported an 8 to 10 percent improvement in call center performance.

4. Lending and credit operations

Traditional banking credit processes are memo-driven, inconsistent, and slow. AI-driven underwriting can accelerate decisions, improve compliance, and standardize outputs. This shifts credit underwriting from a reliance on manual reviews to AI-led dossiers, where only exceptions are routed for human judgement.

Already, leaders have recognized the transformative potential of gen AI for credit-related use cases. In a McKinsey study, conducted with the International Association of Credit Portfolio Managers (IACPM), 52 percent of respondents said gen AI adoption was a priority, supported by investment and hiring.[14] The arrival of agentic AI now strengthens the case for accelerated adoption.

Combining digital tools and AI to reimagine end-to-end lending processes can shrink decision cycles from between three to five days to less than a day, while also improving transparency, consistency, and compliance. We have observed that embedding gen AI, data analytics, and automation can also free up frontline employees to spend around three times the amount of time they currently spend on client engagement (Exhibit 13).
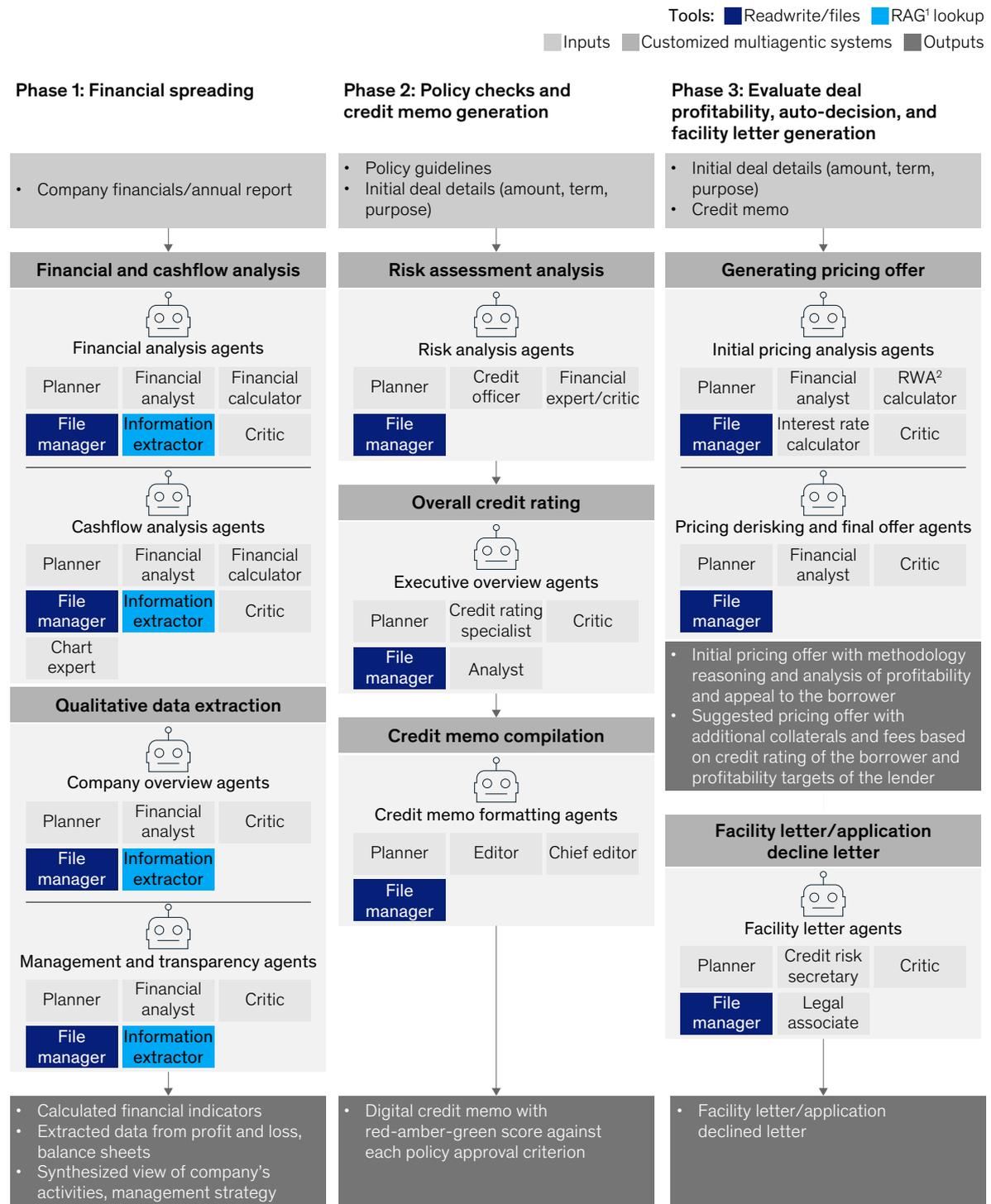
AI is already starting to transform traditional contact centers, and many expect this change to accelerate, given the efficiencies and customer experience benefits that can be achieved.

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[14] "Banking on gen AI in the credit business: The route to value creation," McKinsey, July 8, 2025.

Exhibit 13

Customized teams of AI agents can guide the credit-lending process and free up time for client engagement.

AI agents work together to complete tasks

Tools: ■ Readwrite/files ■ RAG[1] lookup

■ Inputs ■ Customized multiagentic systems ■ Outputs

Phase 1: Financial spreading	Phase 2: Policy checks and credit memo generation	Phase 3: Evaluate deal profitability, auto-decision, and facility letter generation
• Company financials/annual report	• Policy guidelines • Initial deal details (amount, term, purpose)	• Initial deal details (amount, term, purpose) • Credit memo

Phase 1: Financial spreading

Financial and cashflow analysis

Financial analysis agents

Planner	Financial analyst	Financial calculator
File manager	Information extractor	Critic

Cashflow analysis agents

Planner	Financial analyst	Financial calculator
File manager	Information extractor	Critic
Chart expert		

Qualitative data extraction

Company overview agents

Planner	Financial analyst	Critic
File manager	Information extractor	

Management and transparency agents

Planner	Financial analyst	Critic
File manager	Information extractor	

• Calculated financial indicators
• Extracted data from profit and loss, balance sheets
• Synthesized view of company's activities, management strategy

Phase 2: Policy checks and credit memo generation

Risk assessment analysis

Risk analysis agents

Planner	Credit officer	Financial expert/critic
File manager		

Overall credit rating

Executive overview agents

Planner	Credit rating specialist	Critic
File manager	Analyst	

Credit memo compilation

Credit memo formatting agents

Planner	Editor	Chief editor
File manager		

• Digital credit memo with red-amber-green score against each policy approval criterion

Phase 3: Evaluate deal profitability, auto-decision, and facility letter generation

Generating pricing offer

Initial pricing analysis agents

Planner	Financial analyst	RWA[2] calculator
File manager	Interest rate calculator	Critic

Pricing derisking and final offer agents

Planner	Financial analyst	Critic
File manager		

• Initial pricing offer with methodology reasoning and analysis of profitability and appeal to the borrower
• Suggested pricing offer with additional collaterals and fees based on credit rating of the borrower and profitability targets of the lender

Facility letter/application decline letter

Facility letter agents

Planner	Credit risk secretary	Critic
File manager	Legal associate	

• Facility letter/application declined letter

[1]Retrieval Augmented Generation, an AI retrieval system that augments a large language model with data before a response is generated.
[2]Risk-weighted assets.

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## 5. Deposits, transaction banking, and payments

In traditional banking operations, high transaction volumes and manual exception handling can slow processing and increase liquidity risk.

In this domain, banks can harness AI to accelerate processing, auto-resolve exceptions, and cut handling times by up to 70 percent. Leading banks are already enhancing straight-through processing and intelligent reconciliation with AI, allowing for a more personalized, efficient, and scalable transaction experience overall (Exhibit 14).

Exhibit 14

Exception handling is automated and directly linked to corporate self-service at leading banks.

Enterprise resource planning/file payments submission, illustrative
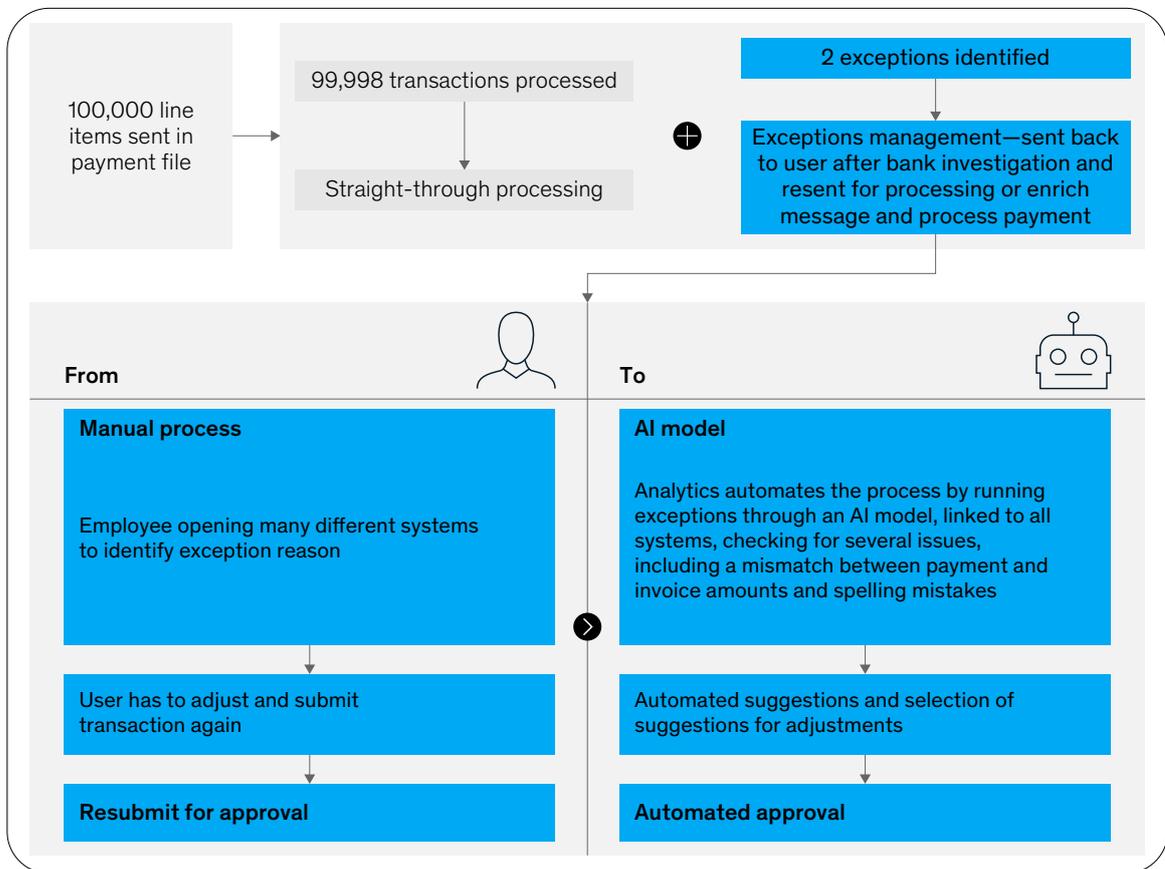
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6. Collections operations

The typical approach to collections operations, involving static scripts and generic outreach, can limit recovery rates and even damage customer relationships. AI-powered capabilities optimize collections by personalizing outreach by customer profile and behavior, optimizing offer, tone, and channel dynamically. This approach improves recovery rates, while keeping customers happy and supports channel optimization and prioritization to drive efficiency (Exhibit 15).

Exhibit 15

AI-enabled collections process enhancements can increase self-cure and resolution rates in early stages.

One set of data sources supports multichannel engagement

■ AI-led intervention

Data sources	Initial allocations	Contact mode	Final channel
Internal data (for example, payment pattern, delinquency history, tenure)	Self-cure	AI bot/workflow / Multichannel personalized digital outreach	Self-cure
Demographic info, for example, income, age, employment		Using voice to text, sentiment analysis, and tonality assessment for customized responses	
Off-us data, for example, bureau score, credit enquiries, telco, fintech		Real-time human to machine transfer instead of select date referrals	
Call center data, for example, dispositions, call connects	Call center	Customer phones call center to speak to an agent	Call center
Customer calls, for example, disposition, voice or sentiment analysis		Live prompts and personalized nudges using real-time voice-to-text and historical calls	
App engagement info, image data of assets, and so on	Field	Agent assistance / Optimized route	Field

Analytics based microsegmentation and recommendation engine for self-cure, PDM,[1] VaR,[2] allocation, repo/settlement, NPV[3] calculation

Cutting edge digital tools for frontline to support

Delinquent customers

[1] Pre-delinquency management.
[2] Value at Risk.
[3] Net present value.

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7. Financial crime operations

Risk and fraud concerns have been increasing exponentially, and, in the last five years, banks and nonbanking financial companies (NBFCs) globally and in Asia have faced large-scale disruptions because of gaps in their operational resilience. The Bank of Thailand (BOT), for example, estimates that the Thai public loses a total of nearly 98 billion baht (about $2.9 billion) annually due to digital scams, prompting the BOT to implement a Central Fraud Registry to trace money trails faster and a new Cyber Crime Emergency Decree to give authorities more power.[15]

Within this challenging context, the current predominant approach of manual investigations causes high false positives and slow resolution. It is also a major drain on resources.[16]

AI, on the other hand, boosts detection rates and reduces manual workloads through adaptive risk scoring and automated investigation, lowering the incidence of false positives and shortening investigation times by over 50 percent.

In fact, AI can reduce risk at every stage of the customer journey. During onboarding, enhanced, AI-led due diligence reduces manual KYC processes by around 75 percent. Post-onboarding, it supports continuous and sharper monitoring, with around 40 to 50 percent reductions in false positives.

When anomalies do occur, AI-powered investigation workflows can reduce investigation turnaround times by around 30 to 40 percent, while customized actioning and reporting can reduce fraud-related losses by around 20 to 30 percent (Exhibit 16).

8. Next-gen corporate functions

In banking operations, finance, HR, IT, legal, and procurement processes tend to be document heavy and constrained by cycle times. AI can streamline workflows while improving compliance and governance—though the bigger opportunity for banks is to reimagine their corporate functions completely via agentic AI.

Finance and HR, in particular, are entering a new era. Historically regarded as control or support functions, they are now emerging as strategic value creators. Employees in finance functions, for example, have traditionally spent much of their time on manual reporting, data reconciliation, and compliance activities. Agentic AI enables a fundamental shift: from backward-looking reporting to forward-looking value management.

In the finance function of the future, transactional and compliance work—representing around 60 percent of finance function effort—will become increasingly automated, with finance teams redirecting capacity to strategic planning, forecasting, and enterprise performance management.

New roles are also emerging—such as financial planning and analysis (FP&A) outcome designers, AI agent developers, and AI compliance architects. These roles are focused on building, tuning, and governing the agentic finance ecosystem. Analysts, meanwhile, could evolve into strategists who interpret AI-generated insights and shape business decisions.

Agentic AI can reduce coordination time in FP&A activities by up 30 to 40 percent, shorten reporting cycles from weeks to days, and improve forecast accuracy by 10 to 25 percent. A reimagined and AI-led annual budget process, for example, sees AI agents taking over time-consuming manual processes involving multiple document types, with humans providing oversight (Exhibit 17).
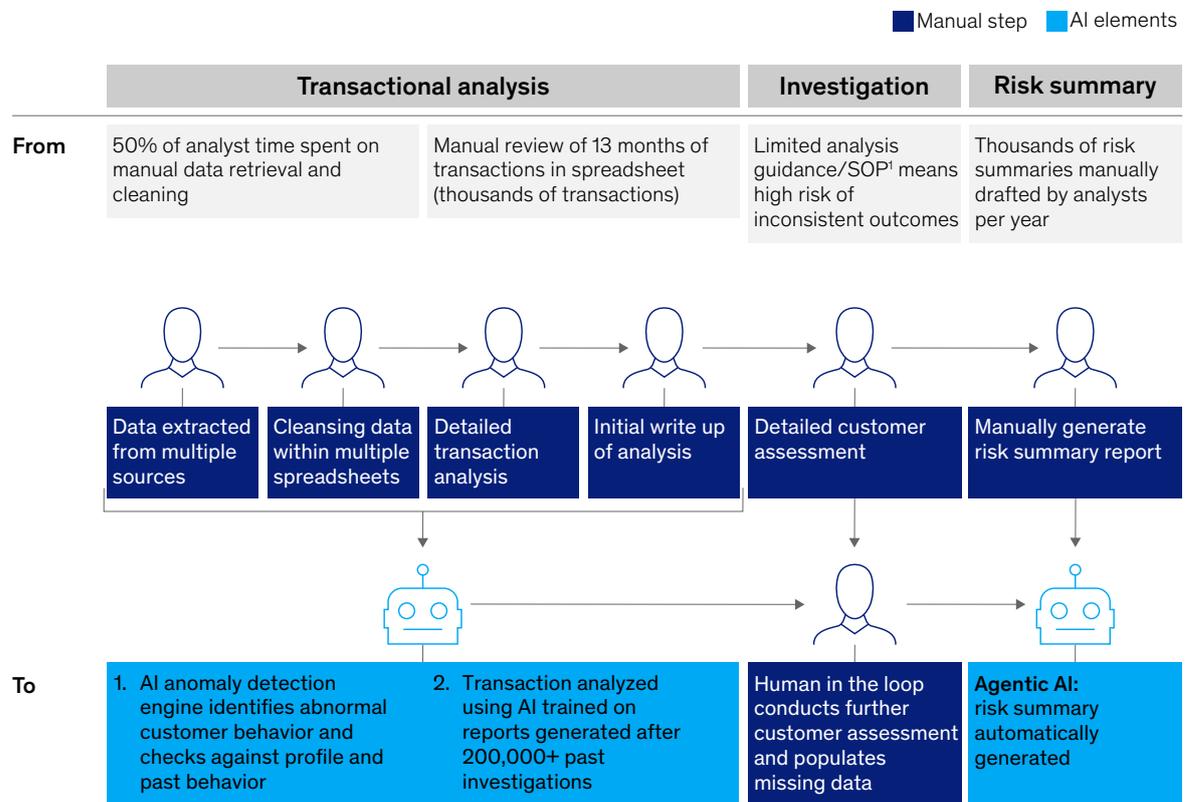
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[15] "Thai central bank fights back against digital scams after public losses of THB 98 billion," *Nation*, September 19, 2025.
[16] "How agentic AI can change the way banks fight financial crime," McKinsey, August 7, 2025.

Exhibit 16

AI agents can be deployed to transform highly manual financial crime analysis processes.

Agents retrieve, validate, analyze, and generate

■ Manual step ■ AI elements

	Transactional analysis			Investigation	Risk summary
From	50% of analyst time spent on manual data retrieval and cleaning	Manual review of 13 months of transactions in spreadsheet (thousands of transactions)		Limited analysis guidance/SOP[1] means high risk of inconsistent outcomes	Thousands of risk summaries manually drafted by analysts per year

	Data extracted from multiple sources	Cleansing data within multiple spreadsheets	Detailed transaction analysis	Initial write up of analysis	Detailed customer assessment	Manually generate risk summary report

To	1. AI anomaly detection engine identifies abnormal customer behavior and checks against profile and past behavior	2. Transaction analyzed using AI trained on reports generated after 200,000+ past investigations	Human in the loop conducts further customer assessment and populates missing data	**Agentic AI:** risk summary automatically generated

[1]Standard operating procedure.

AI can streamline workflows while improving compliance and governance— though the bigger opportunity for banks is to reimagine their corporate functions completely via agentic AI.

Exhibit 17

Agentic AI can reduce coordination time, leaving more time for strategic decisioning in finance functions.

From business-led to AI-led annual budget creation

● Spreadsheets ● Text documents ● Presentations   ▢ Analyst ▢ AI agent
● Emails ● Automation ● Analytics   ● High human intervention ● Low human intervention

From 👤

To 🤖

Task		Team			Team
Provide guidance for budget planning	Review previous year's budget and performance ●	Analyst	Review previous year's budget and performance with recommended strategies for next year	Budget review agent ●	Agent provides data for analyst reviews
	Review macroeconomic factors that impact performance ●		Review market report that flags macroeconomic factors and suggested strategies	Market scan agent ●	
	Define strategic goals and priorities ●		Define strategic goals and priorities; incorporate insights from AI copilot	Budget insight agent ●	
Gather expected sales and cost data	Collect business unit-level cost data ●	Analyst provides data and recommendations for division CFO and LT	Pull cross-department cost data and assumed expenses for the year across all business units	Data collection agent ●	CFO[1] and LT[2] reviews
	Estimate changes in capital expenses ●		Generate suggested budget based on month-by-month cost data and data from sales, pricing, and others	Budget generator agent ●	
	Gather cost data from pricing and procurement ●				
	Gather input from sales on expected forecasts ●		Create multiple "what-if" scenarios/sensitivity analyses and test new scenarios	Scenario agent ●	
	Work with pricing and procurement to collect cost data ●				
Prepare monthly expense report for division leadership	Incorporate cross-functional cost data into expense analyses ●	Analyst	Review insight reports and recommendations; finalize report and send to leadership	Budget insight agent ●	Agent reviews
	Create several "what-if" scenarios/sensitivity analyses to help leadership in budgeting decisions ●				
	Finalize report and send to division leadership ●				
Align on budget across leadership	Review proposed budget and "what-if" scenarios; align on final budget across business units ●	Division CFO and LT	Review proposed budget and recommendations; align on final budget across business units	Budget insight agent ●	CFO and LT approval

[1] Chief financial officer.
[2] Leadership team.

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In parallel, HR functions are being reshaped from transactional service providers into architects of the hybrid human and agent workforce, designing new roles—such as people technologists or agent coaches—and driving enterprise-wide reskilling so humans can work seamlessly alongside agents.

McKinsey estimates that some 70 percent of HR processes could be partially or fully automated by 2030. Gen AI-powered agents are now managing candidate scheduling, onboarding, and policy queries,
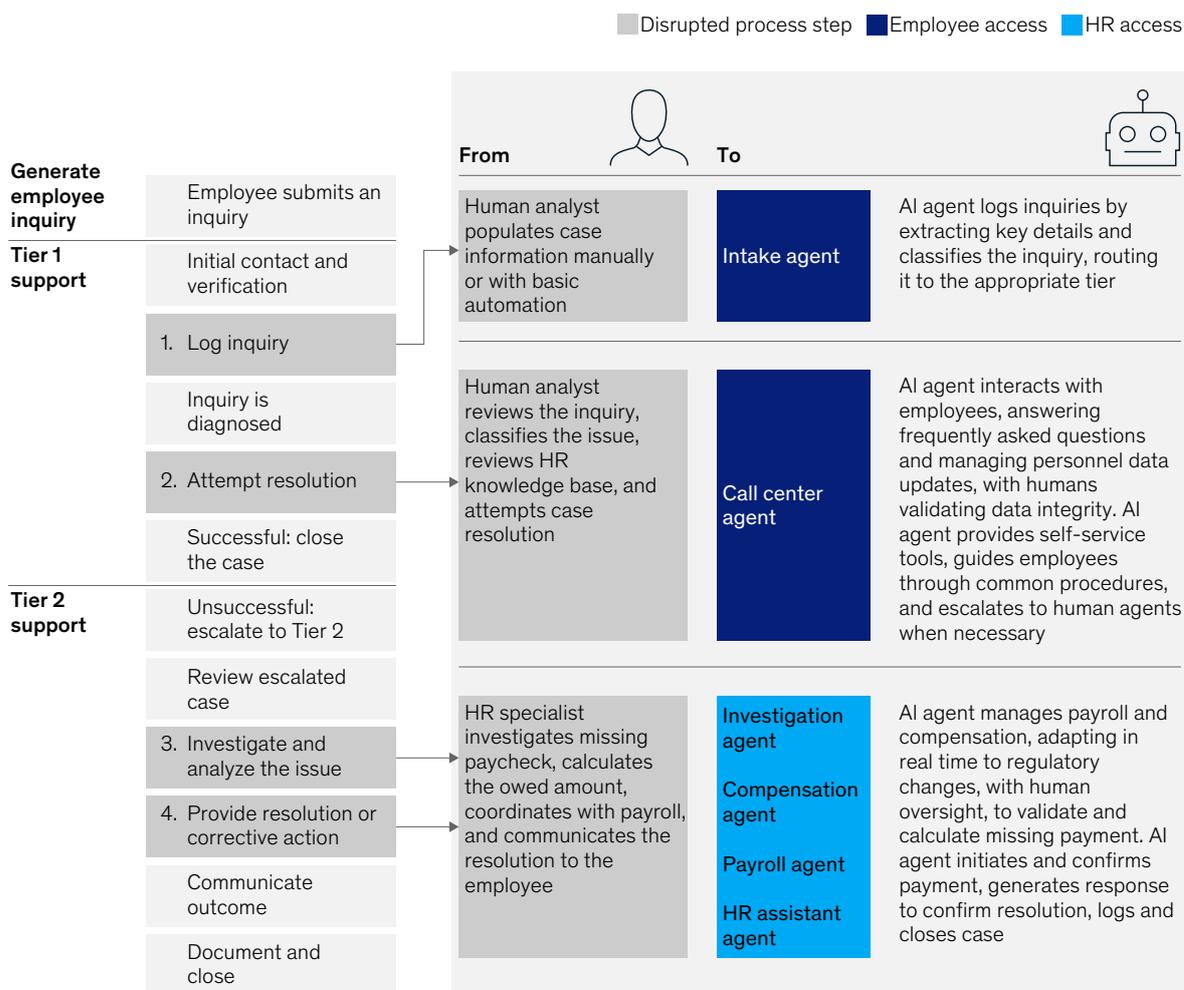
while AI coaches can provide personalized learning, feedback, and growth guidance, enhancing both productivity and employee engagement.

HR teams are also becoming more agile and focused on managing employee journeys end to end, with embedded AI capabilities and outcome-based metrics. Early results from AI-led HR transformations reflect potential for significant cost reductions, faster resolution times, enhanced efficiency, and better employee experience (Exhibit 18).

Exhibit 18

AI-led HR transformations can improve efficiency, speed, and quality of resolutions.

Managing HR payroll inquiries with AI

Legend: ⬜ Disrupted process step ⬛ Employee access 🟦 HR access

		From (Human analyst)	To (AI agent)
Generate employee inquiry	Employee submits an inquiry		
Tier 1 support	Initial contact and verification	Human analyst populates case information manually or with basic automation	**Intake agent** — AI agent logs inquiries by extracting key details and classifies the inquiry, routing it to the appropriate tier
	1. Log inquiry		
	Inquiry is diagnosed	Human analyst reviews the inquiry, classifies the issue, reviews HR knowledge base, and attempts case resolution	**Call center agent** — AI agent interacts with employees, answering frequently asked questions and managing personnel data updates, with humans validating data integrity. AI agent provides self-service tools, guides employees through common procedures, and escalates to human agents when necessary
	2. Attempt resolution		
	Successful: close the case		
Tier 2 support	Unsuccessful: escalate to Tier 2		
	Review escalated case	HR specialist investigates missing paycheck, calculates the owed amount, coordinates with payroll, and communicates the resolution to the employee	**Investigation agent / Compensation agent / Payroll agent / HR assistant agent** — AI agent manages payroll and compensation, adapting in real time to regulatory changes, with human oversight, to validate and calculate missing payment. AI agent initiates and confirms payment, generates response to confirm resolution, logs and closes case
	3. Investigate and analyze the issue		
	4. Provide resolution or corrective action		
	Communicate outcome		
	Document and close		

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9. Operations carve-out—centralization and shared services

Finance, HR, IT, legal, and procurement services, and other shared functions within banks are usually ticket-heavy and fragmented, making them prime targets for AI-led transformation. Instead of the current siloed approach, banks can leverage centralization, automation, and AI to create a scalable and cross-functional operational backbone for the enterprise.

Integrating business unit-specific teams with horizontally structured Centers of Excellence (CoEs) can also support standardization, which drives efficiency and unlocks value across all operational areas.

Four CoEs sit at the heart of a typical AI-led transformation:

1. **Technology CoE:** centralizes cloud solutions, data centers, and digital platforms

2. **Data, analytics, and reporting CoE:** supports unified data management, predictive analytics, and regulatory reporting to drive better decision-making

3. **Corporate functions CoE:** consolidates support functions such as finance, HR, marketing, risk, legal, and administration into shared platforms

4. **Agentic AI CoE:** embeds intelligent automation across functions and drives AI-based use cases through reusable components and standardized AI models

This shared services approach could deliver significant improvements in a number of critical banking processes—from customer onboarding to collections. Centralized credit assessments and document checks can streamline workflows and lower processing costs by 20 to 30 percent, for example. Process automation in reporting, reconciliation, and compliance could also reduce costs by 20 to 25 percent and operating expenditure by 30 to 40 percent.

The approach also enhances strategic and operational agility. Centralization promotes transparency, standardization, and scalability, while AI and analytics improve decision-making, regulatory compliance, and customer personalization. Common platforms and digital workflows, meanwhile, ensure consistent service quality, freeing up team capacity for innovation and growth-oriented activities.

10. Zero-based design

Legacy structures within banks often create inefficiency and duplication. AI answers this perennial problem by enabling leaner, more scalable organizations, with multiagentic systems redefining how, where, and by whom work is performed. In the near future, for example, a collaborative model could emerge, with one human employee supervising roughly 20 to 30 AI agents that work autonomously to handle complex end-to-end workflows. This has important implications for organizational design.

A zero-based design (ZBD) approach—paired with zero-based organization (ZBO) principles—moves beyond optimization, calling for a redesign of the operating model, starting from a clean slate.

ZBD applies design-thinking principles to organizational architecture: Every process, capability, and role must be justified by measurable value creation. When integrated with ZBO, it enables both efficiency (supporting scale without additional head count and reducing cost to serve) while enhancing agility and decision quality. ZBO comprises eight key levers:

1. **Demand rationalization:** eliminating non-value-added work

2. **Consolidation and centralization:** standardizing processes and reducing redundancy

3. **Offshoring or nearshoring:** capturing scale and cost efficiencies

4. **Lean process redesign:** removing bottlenecks and waste

5. **Digital and technology:** automating and integrating workflows

6. **Analytics and insights:** driving data-based decision-making

7. **Governance optimization:** streamlining roles, spans, and layers

8. **Capability development:** building digital and analytical skills

Banks applying ZBD are redesigning the ten domains around digital self-service, process automation, and offshore or nearshore integration to create modular, scalable operating layers. Together, ZBD, ZBO, and agentic AI create an adaptive enterprise model that continuously learns and self-optimizes, eliminating friction, duplication, and driving accountability.
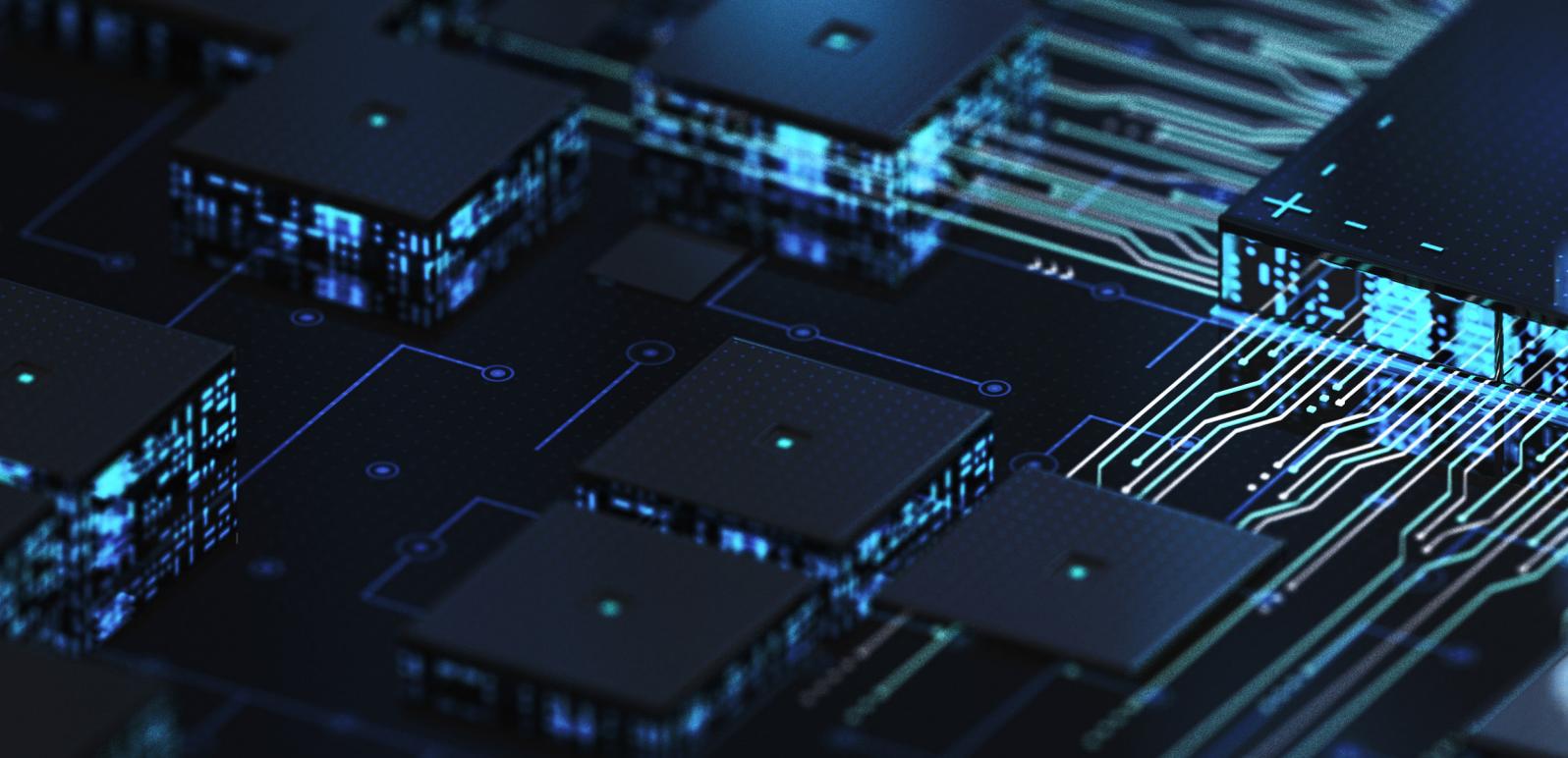
3 Scalable results: A five-part transformation framework

AI has the potential to transform operations and unlock value, though many banking leaders will be well aware that achieving success from a technology transformation is not straightforward.

When attempting AI-led operations transformations, banks face three common challenges. The first happens when hyperscalers drive solutions from a technology-first perspective. This can lead to shiny pilots that result in unclear value creation. To mitigate this risk, banks can take a wider enterprise perspective, starting with a use case-led road map, determining efficiency priorities, sizing the value levers up front, and tracking outcomes through dashboards to ensure tangible business impact.

A second pitfall commonly observed is where banks fall into the trap of a one-size-fits-all approach. Technology vendors often try to fit an organization's context into premade products or platforms, which can lead to poor alignment with the unique processes, systems, and customer needs of the bank. This risk can be mitigated by designing and integrating a custom, fit-for-purpose agentic solution in partnership with an organization's functional teams.

The third frequent challenge is where banks underestimate the change management and capability-building aspects of a transformation. Underinvestment in adoption and skills development can lead to resistance and underutilization of solutions. Our experience has shown that it is important to embed these aspects into a structured framework, with clear deliverables in each phase, and to have continuous learning across the use case life cycle.

The five essential capabilities for success

In our work with banks, five enterprise capabilities have proved critical for a successful operations transformation with consistent and scalable results. These are: 1) developing a business-driven road map and vision, 2) ensuring the right talent, 3) designing the optimum operating model to drive design and execution, and 4) building the correct technology stack and data setup to support innovation at pace. The fifth area encompasses change management processes to drive adoption and scale new ways of working (Exhibit 19).

To accelerate impact, banks can leverage existing firm assets and databases, create and collate live demos, and build a repository of reusable material. Immersive AI sessions with leadership teams can also help to build conviction and enable faster adoption. This combination of intellectual rigor, proprietary assets, and experiential delivery can unlock efficiency gains, while establishing operations as a sustainable source of competitive advantage.

Banks that are approaching their AI-led operations transformation in this way are seeing impact faster—on average, a 30 to 40 percent productivity uplift within 24 to 36 months. A full-service commercial bank in India, for example, has captured value quickly by taking this approach, starting with an end-to-end transformation road map spanning strategy development through to capability building. After building a business case and prioritizing use cases, the bank focused on the technology and database design, followed by a six-month period to cocreate and implement a minimal viable product, before scaling use cases and implementing full rollout. A rewired framework with clear deliverables was designed to track progress and ensure a smooth delivery of the transformation. Dedicated "pods" were established to oversee deployment, adoption, value capture, and governance.

Unlocking these five enterprise capabilities can turn aspiration into transformation, and transformation into competitive advantage—at scale, with greater certainty, and with impact that endures.

Exhibit 19

Five enterprise capabilities are critical for a successful AI-enabled operations transformation.

Strategy	**1. Business-driven road map**
	• Set a bold, bankwide AI operations vision linked to strategy, with clear financial outcomes to create competitive distance
	• Prioritize high-value domains for end-to-end transformation
	• Develop a detailed delivery road map with clearly defined owners and key milestones

Planning and delivery	**2. Talent**	**3. Operating model and governance**	**4. Technology and data**
	• Ensure right roles and reporting structure, and skills to drive innovation and execution	• Set up "cross-functional garages" to drive design and execution of the organization-wide operations transformation • Enable close collaboration across business, operations, risk, and other stakeholders	• Establish right technology stack, with advanced tools that support innovation at pace • Build "agent library" with reusable atomic agents for rapid deployment and monitoring

Scaling and maintenance	**5. Adoption and scaling**
	• Set up structured change agenda with new ways of working to ensure adoption and scale
	• Drive targeted capability building to ensure right skills and capabilities for execution
	• Drive governance-first practices to manage transformation progress and risks

McKinsey & Company

Business-driven road map

Every transformation starts with a bold AI operations vision—one that is grounded in value. An organization-wide AI operations vision should aim to do several things: be linked to strategy, with clear financial outcomes to create competitive distance; prioritize high-value domains for end-to-end transformation; and develop a detailed delivery road map with clearly defined owners and milestones.

A European retail bank that was facing challenges due to undifferentiated offerings and high customer service costs has implemented a transformation spanning process redesign and organizational restructuring, revamping ways of working in the Transformation Office, and building capacity by embedding smart workflows. Prior to the transformation, teams in branches were spending 80 to 90 percent of their time on services, alongside over-the-counter cash transactions, and the bank had no central plans or road map to deliver AI and gen AI opportunities.

An AI-led operations transformation unlocked significant cost savings and moved the bank from number eight to number three in the market in terms of its overall Net Promoter Score (NPS) and to number one for contact center NPS. The bank also jumped from number eight to number three in the market for fraud reduction. Other benefits included a more than 50 percent reduction in mail and print.

Talent

As always, success depends on having the right people in the right roles. When embarking on an AI-led operations transformation, banks need to align talent, skills, and responsibilities across technology, operations, and the business, ensuring innovation and execution are not siloed but mutually reinforcing.

Operating model and governance

For the best chance of success, execution of the strategy should be orchestrated through cross-functional AI "garages"—agile teams composed of domain experts, data scientists, and transformation leaders.

These teams are empowered to rapidly test, iterate, and scale solutions across the enterprise, enabling close collaboration across business, operations, risk, and other stakeholders.

Technology and data

An AI-led operations transformation does not require banks to start from scratch when it comes to technology; they can leverage their existing technology stack. Thoughtfully introducing modular, reusable components such as agents, orchestration layers, and data pipelines can enable rapid deployment and integration without overhauling legacy infrastructure.

Incorporating advanced tools and building an agent library engine or platform with reusable blocks can also support faster deployment and ongoing monitoring. Such an approach, which would see one human employee for every 15 to 20 agents, has the potential to drive a 20-fold improvement in productivity.

Adoption and scaling

Adoption doesn't happen by default, no matter how powerful a technology solution might be. Establishing a robust change agenda, including capability building, performance management, and model governance, is essential for driving frontline adoption, mitigating risk, and locking in value capture.

A three-part change management approach can help banks transition to the operations of the future: setting up a structured change agenda, developing targeted capability building, and driving governance-first practices.

Conclusion: How to get started

Banks today have an immediate opportunity to harness agentic AI to fundamentally transform their operations. The prize that beckons: breakthrough gains in efficiency and customer experience, and enduring competitive advantage.

To get started, leaders need to embrace a mindset shift, from a technology-first approach to a business-first outlook. A bold, business-led vision anchored in tangible outcomes, such as improved customer experience, risk reduction, or cost efficiency, is critical. This vision serves as the North Star that guides choices across the top ten operations domains in banking.

Quantifying the potential value in each of these domains, and assessing their strategic relevance, enables banks to prioritize those that will deliver the greatest impact and where agentic AI can truly help shift performance.

Once domains are prioritized, banks can then turn to the specific operational processes within each domain that currently cause the most friction or value leakage—processes such as manual verifications in onboarding, exceptions handling in payments, or reconciliations in finance, for example. These processes can be redesigned with AI, with the goal being to embed intelligent automation, prediction, and decision support into workflows.

Banks often find that patterns begin to emerge when doing this work. Many processes share a common set of agentic workflows; tasks such as document understanding, case routing, or inquiry resolution. Building a common set of transformer agents, such as the nine crosscutting agents highlighted in this report, reduces redundancy and supports scaling and faster transformation. And, once these agents are established, banks can shift their attention to the more domain-specific or niche agents that are needed for more specialized processes.

Sequencing an AI-led operations transformation in this way helps to maximize the return on investment but also, importantly, allows for governance and data discipline to be developed along the journey. This, in turn, builds organizational confidence and buy-in for the transformation vision and approach.

Ultimately, any undertaking to reimagine banking operations through AI is not simply a technology program; it is a strategic reinvention of workflows and a rewiring of how work gets done. A clear vision, disciplined prioritization, and a road map that balances ambition with scalability can help to keep organizations on track.

'It is truly fascinating to see the range of potential use cases and the future of operations.'

— Leader from a top three bank in Singapore.

With endless AI-related opportunities to consider, such an approach could help banks remain focused on value and position themselves to capture the full promise of AI-driven operational excellence.