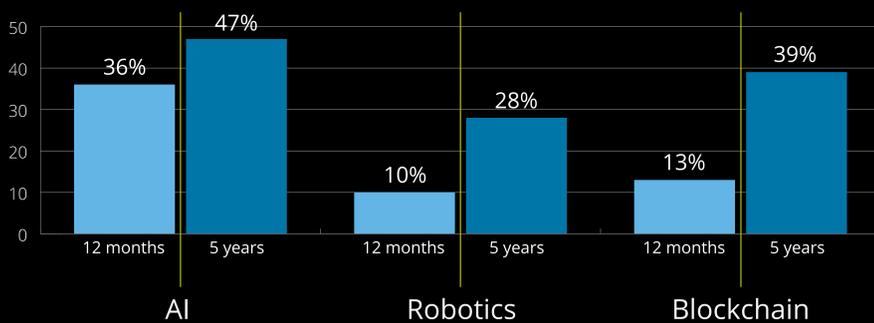


Emerging technology in financial services

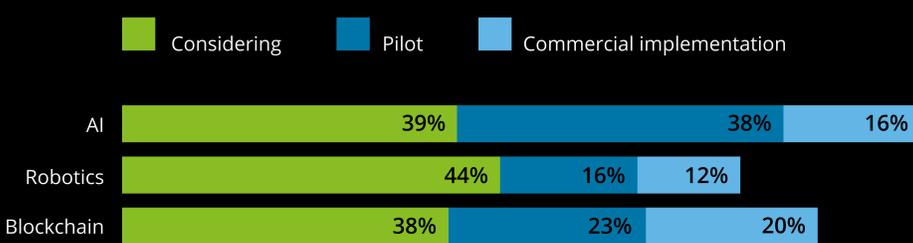
Survey on the potential use and risk of artificial intelligence, robotics, and blockchain



Disruptive technologies are proliferating quickly



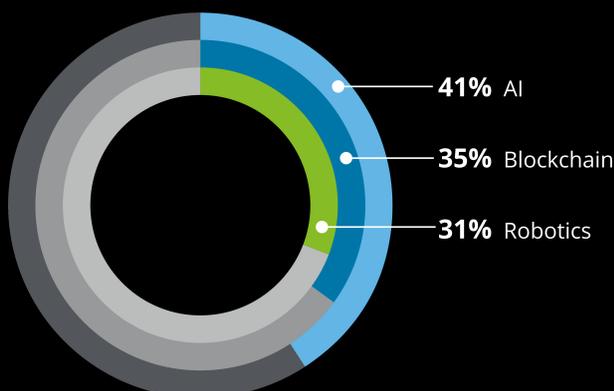
The number of financial services executives who say implementation will be extremely important or critical jumps over a five-year horizon.¹



Vast majority say their institutions are considering, piloting or commercially implementing AI, robotics, and blockchain.²

Understanding how technology is changing the industry is a huge challenge

Less than 42% of financial services executives say they are extremely or very knowledgeable about emerging technologies.³



Firms must evaluate an array of risks:

- Operational.** How does the new technology fit into existing systems?
- Strategic.** Do the potential advantages of the new technology justify its cost? Adopt early or wait for the technology to mature?
- Security.** What are the technology's vulnerabilities and weaknesses?
- Regulatory.** Can new automation generate unwanted regulatory concerns or issues?

The transformative potential of emerging technology is powerful

AI mimics human capabilities like visual perception, speech recognition, and decision making. Firms are using the technology in customer service interactions and to automate underwriting. One surveyed executive reported that AI used to help detect fraud produced savings of \$100 million.

Robotic process automation (RPA) involves rules-based systems that automate parts of repeatable processes. An executive reported that using RPA to gather and compare data reduced the cost of processing insurance claims by \$30 million to \$40 million.

Blockchain's distributed database technology could replace pieces of core infrastructure, and it must work seamlessly with legacy systems. It has the potential to simplify and speed up flows of information and exchanges of value and to improve security.

Disruptive technologies are rapidly gaining traction in the financial services industry.

For expert help understanding how to efficiently and effectively leverage them and navigate the risks they pose, let Deloitte assist you.

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^{1,2,3} Deloitte, SourceMedia Research/American Banker

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