

Digital Transformation in AI Age

Banking 50

01.06.2026



The better the question. The better the answer. The better the world works.

| Agenda

- **Digitalisation in 2026: strategic backbone**
- Key blocks of digitalization
- Executing and sustaining change

Over the past 20 years the role of Digitalization Strategy evolved from an efficiency enabler to a strategic backbone

Strategic backbone

End of 2010s till now

Goal:

Create reliable foundation for company operations and competitive advantage.

Key topics:

- Platforms, cloud, modular architectures, security
- Data embedded into core processes
- Agile ways of working

With the pressure to implement AI digital maturity, and specifically

- data
- governance
- operating model
- talent

become the key success factors in implementing advanced technologies.

Business transformer

Early 2010s

Goal:

Enable growth and transform customer experience.

Key topics:

- Internet, mobile, and e-commerce reshaping customer interaction
- Digital channels and omnichannel as revenue drivers
- Data-driven decision-making through analytics

Efficiency enabler

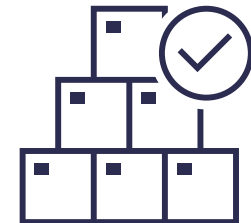
Early 2000s

Goal:

Increase productivity through automation and standartization.

Key topics:

- ERP, CRM, core systems implementation
- Web-based plaforms
- Cost reduction, reliability, consolidation and scale



Banks have three primary digital goals going into digitalization

Digital goals

Re-invent the E2E customer experience within core business

Enhance the core business

Use data analytics to enhance the core business

Digitize existing back-end processes

Automate / digitize existing processes

Innovate front-end experience

Create new customer experience

Innovate via new business model
Attack / disrupt a new space or segment

Create a reliable foundation for experimentation
Standardised platforms, clear governance, controlled risk



Barclays is heavily investing in AI as it aims to slash £2bn of costs across all core businesses. Announced partnership with SIX to leverage their real-time market data, regulatory reporting solutions, and cross asset data coverage.



Société Générale automated wholesale trade-finance operations through Easytrade platform, streamlining processes for letters of credit, standby letters of credit and international guarantees.



Standard Chartered reinvented transaction banking front-end experience through Straight2Bank, a unified digital platform for corporate and institutional clients to manage cash, trade and FX end-to-end through self-service digital journeys.

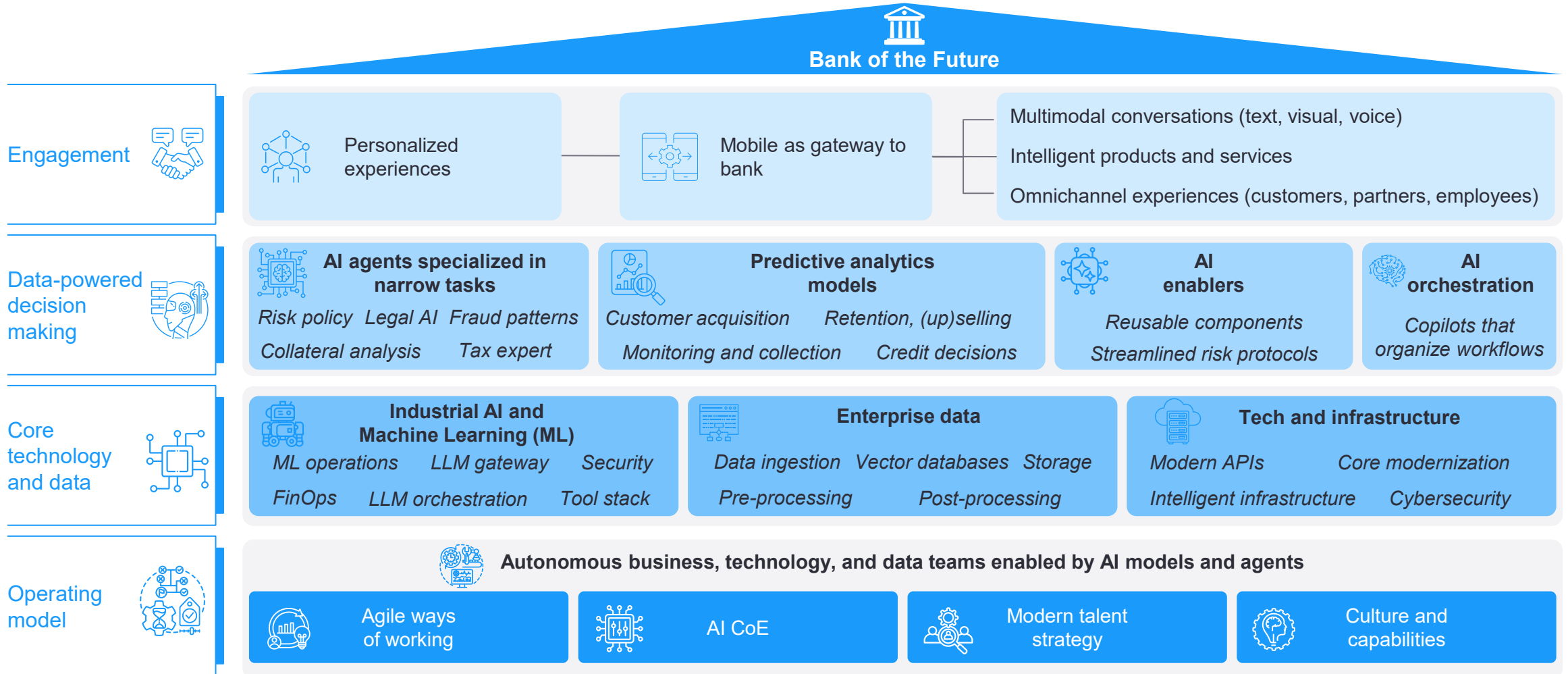


BNP Paribas uses fintech partnerships to co-create and scale new wholesale banking products and workflows, embedding external innovation into wholesale bank operations



Santander launched Gravity - cloud-native core banking platform, replacing local systems with a global backbone. It enables safer experimentation, faster time-to-market, and reuse of capabilities across countries without increasing risk.

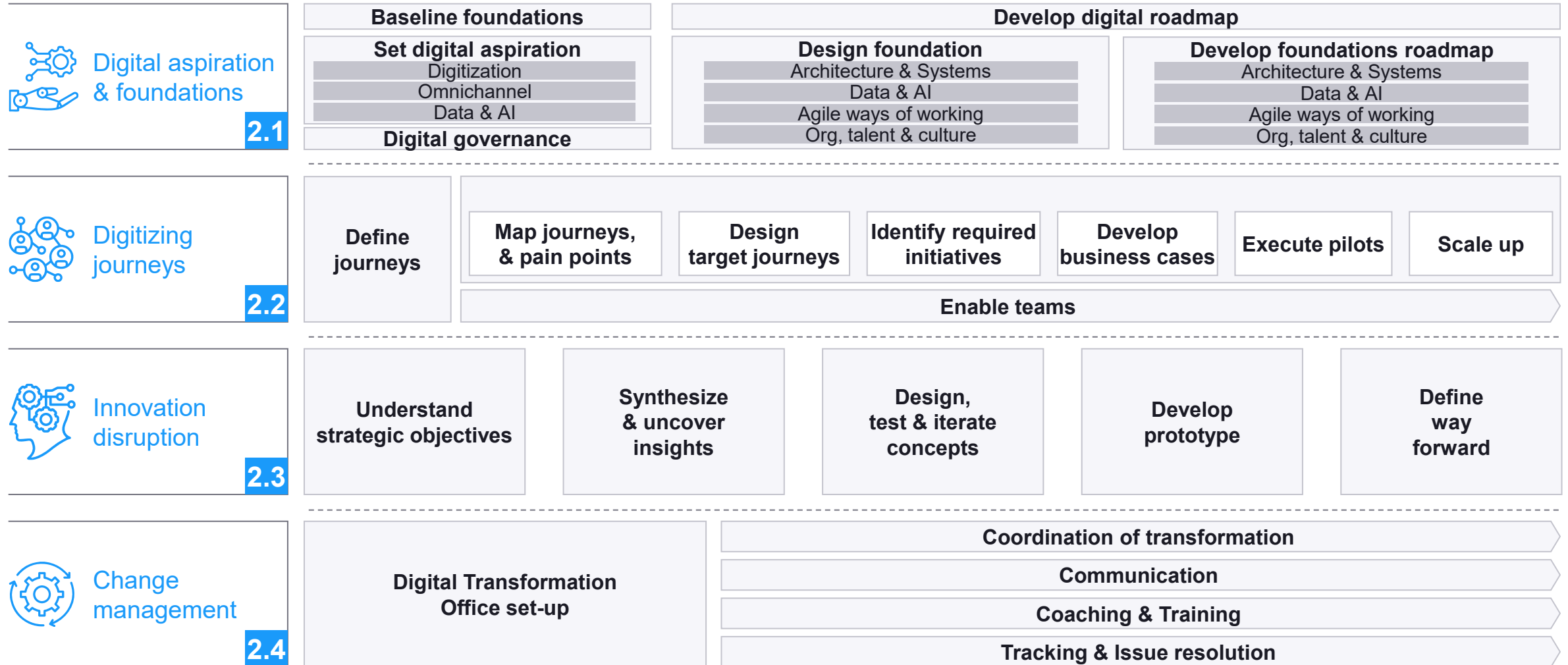
The target Bank of the Future has a reliable core & data layer, leverages that to enable operations & decision making, engages customers and constantly evolves



| Agenda

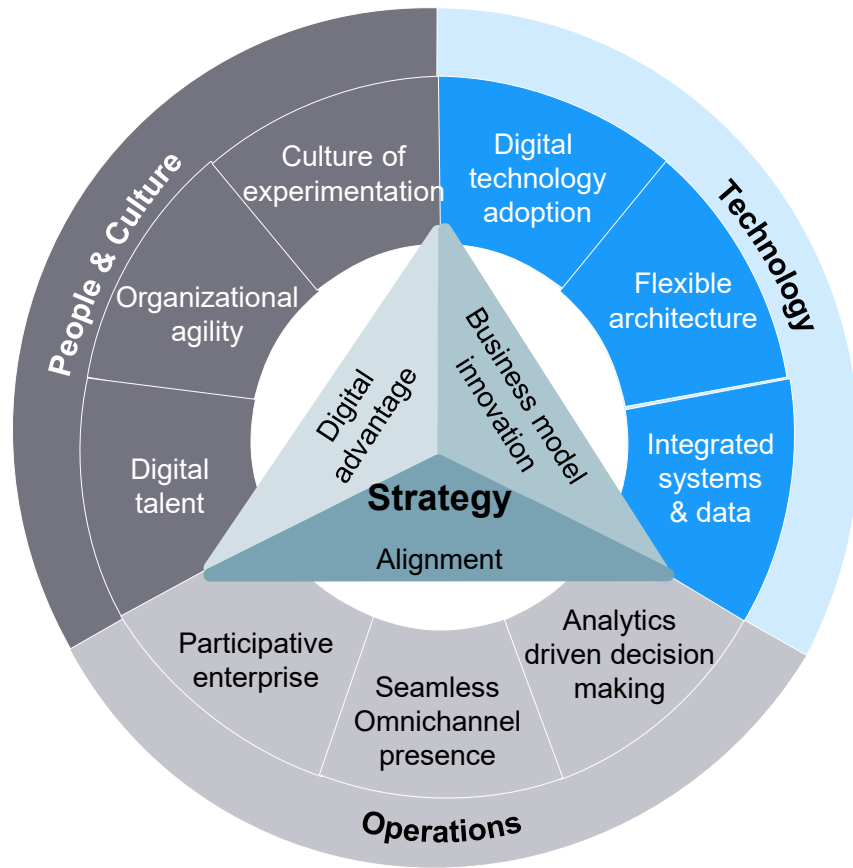
- Digitalisation in 2026: strategic backbone
- **Key blocks of digitalization**
- Executing and sustaining change

Digitalization requires change over four major topic blocks

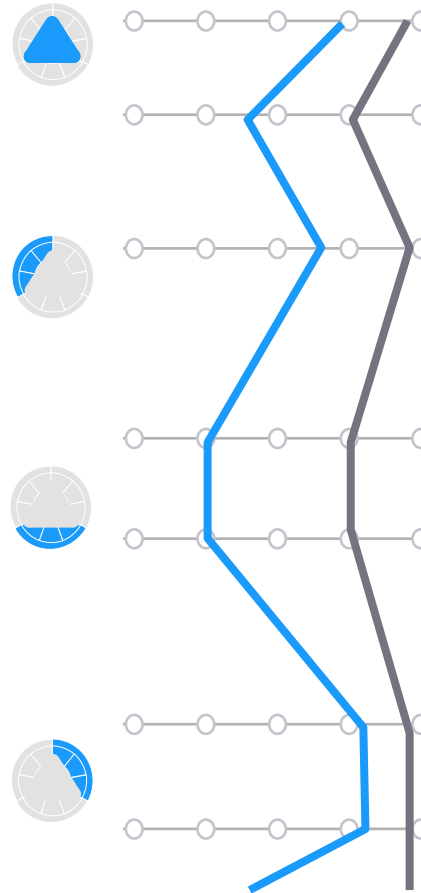


Defining digital foundations and inspiration requires understanding of current digital maturity and aspirations

Digital Maturity Check



Current → Aspiration



Illustrative

Aligning **digital strategy** with business objectives

- Clear business objectives dictate adoption & role of each digital asset
- Continuous adoption of new sources of value (customer base expansion, adjacent & white spaces)

Fostering **people** & a **culture** that embraces digital & encourages experimentation

- Internal development of digital capabilities
- Clear structure and decision lines for fast ideation & adoption
- Flexible to explore, test & learn







Adapting of existing company **operations** required

- Open to incorporation of external ideas
- Distributed expertise & responsibilities where possible
- Multichannel presence (offline and digital) for all processes
- Analytic-driven decisions about customers, offerings, & operations; near real time where logical

Building **IT infrastructure** & invest in tools only if they support digital objectives

- Continuous adoption of innovative digital products
- Flexible architecture adoption taking into consideration future digital initiatives
- Integrated systems for all digital initiatives, avoiding silos

The progress of operational digitalization can be tracked against target with dashboards, enabling transparency & quick decisions

| | | | | | | |
|--|--|---|---|---|--|---|
| Dashboard |  Business Value & Ambition | Business Benefit <ul style="list-style-type: none"> Business value from IT invest. (sales, revenue) Customer experience improvements Client self-service / automation IT initiatives vs. initial business case | Efficiency, Cost & Run <ul style="list-style-type: none"> Overall IT spend relative to revenue / OpEx Breakdown into cost types Predicted future cost development Run performance of IT platform (reliability, service level, defects, etc.) | People & Culture <ul style="list-style-type: none"> Internal and external staff, IT / non-IT Staff performance and attrition rate Existing / forward looking skill demand vs. supply (strategic workforce planning) | Innovation & Strategic Change <ul style="list-style-type: none"> Status of major innovation / digital projects and escalations PoC and MVPs developed, launched, commercialized | |
| | Steer IT for Performance |  Strategic IT Performance Levers | IT Innovation & Change Programs <ul style="list-style-type: none"> Investments into top 20 initiatives, status, escalations (cost, time, and risk indicators) Effectiveness of governance/priority setting | IT Simplification & Standards <ul style="list-style-type: none"> Application rationalization incl. decommissioning of legacy platform Simplification of infrastructure by cutting variety of tech stacks | IT Delivery & Organization <ul style="list-style-type: none"> Share of Agile teams at target maturity Degree of IT delivery standard setting and compliance Organizational efficiency (SoC, reporting lines) | IT Factory & Sourcing Impact <ul style="list-style-type: none"> Scale advantages through expertise pooling Vendor rationalization and portfolio management |
|  Technical Foundation | | Target IT Platform & Architecture Design and Implementation – Preparatory Measures status, progress, issues | | | | |
|  Technical Foundation | | <ul style="list-style-type: none"> Disentangling of backend Application and data consistency Modular and open architecture | <ul style="list-style-type: none"> Cloud adoption across applications Cyber security measures implemented DevOps status and tools employed | <ul style="list-style-type: none"> Analytics Capabilities Multi-channel processes APIs open to third-parties | | |
|  People & Culture | | Collaborative Culture <ul style="list-style-type: none"> Carve-out of experimental time Informal know-how exchange meetings and attendance Business collaborating with IT teams in Agile setup | Skills, People, Performance <ul style="list-style-type: none"> Workforce skill planning, matching demand vs. supply today, quarterly outlook, 3y Upskilling of staff in line with strategic priorities of IT service delivery Attrition of IT staff | | | |
| Efficient Run |  Run & Service Performance | Availability <ul style="list-style-type: none"> Platform performance Outages and impact on business Availability of platform (overall, by appl.) Incident management | Quality & Defects <ul style="list-style-type: none"> Number of defects in production Defect decrease rate Degree of automated testing and deployments | Operational Risk <ul style="list-style-type: none"> Platform-driven process/bus. risk Business continuity Cyber risks exposure and monitoring | Cost & Financial Perf. <ul style="list-style-type: none"> IT spend overall, KPI drill-down Development of Run vs. Change cost Realization of expected business value as stated in initial case | Supplier Performance <ul style="list-style-type: none"> Service level adherence of vendors Delays and quality delivered Change rate of IT staff at vendor |

When choosing journeys to improve focus on what is key for the business

Best practices

Start with what is key for the business

Pick a function or product where digitalization matters the most

Do not make all processes mandatory

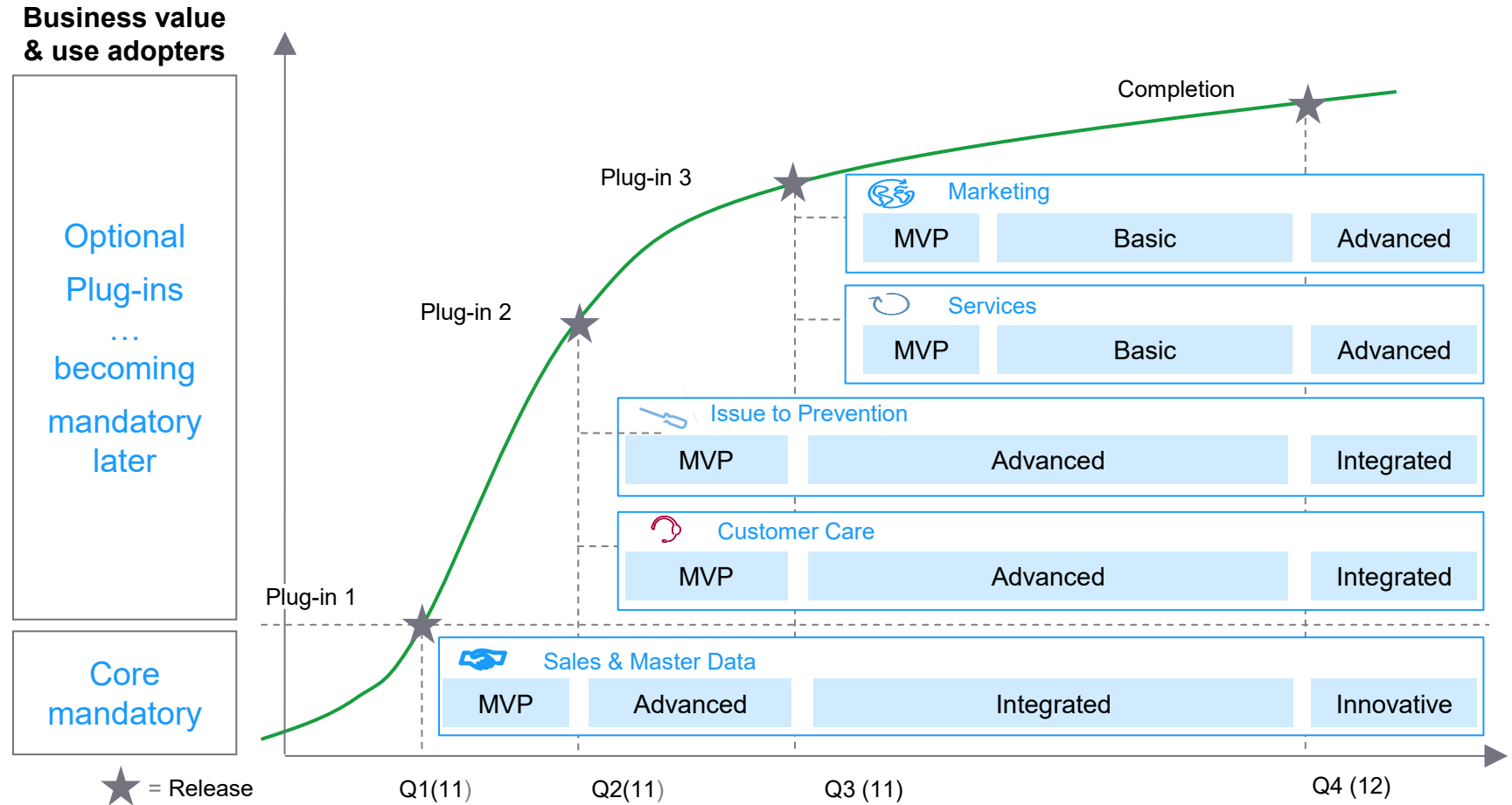
Extend and improve

- Quarterly releases for main functionalities
- Monthly releases for improvements

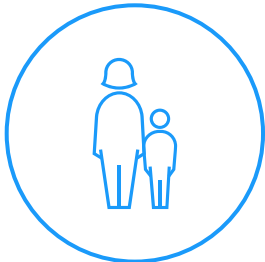
No complex system integration on critical path

- Temporarily manual workarounds
- Value of any connector assessed before implementation

Illustration of build release roadmap



Agree on guiding principles for digitizing customer journeys



Reactive to proactive fulfilment



Single face across channels



Simplify front end/
mask complexity

Customer focus



Clear end-to-end accountability



No second touch

Clear responsibilities



Standardization by default



National centralization & consolidation



Outsource non-core process

Optimization



Automation/
STP by default

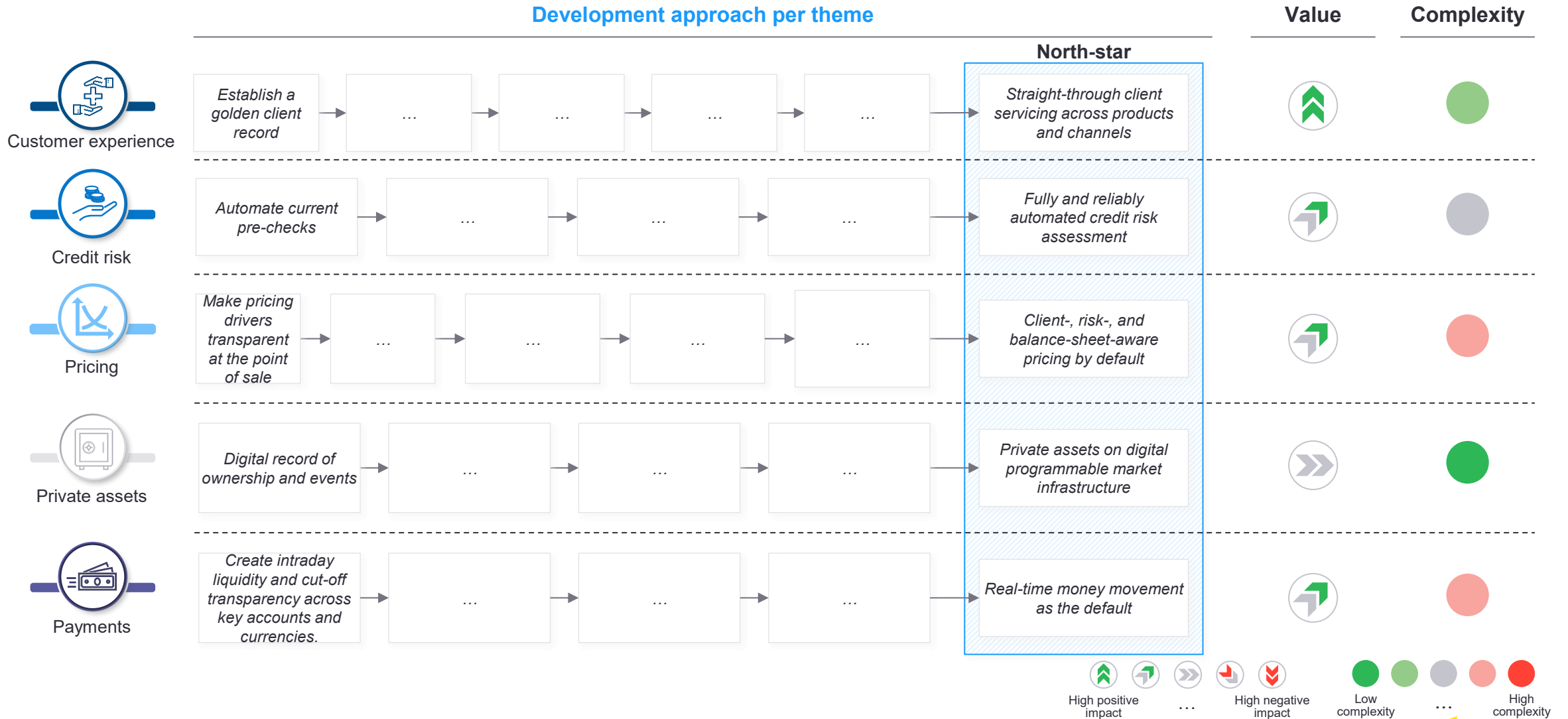


System driven checks

Automation

Building deployment roadmap starts with a North Star and is then traced back to an MVP that can be launched short-term

Illustrative

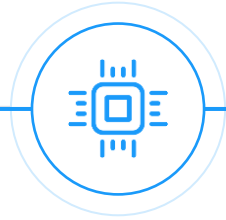


In the beginning pick use cases that ensure quick wins to put the organization on track; focus on high feasibility with maximum available impact



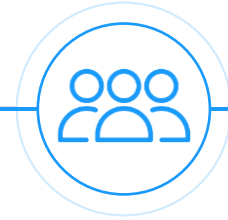
Low compliance efforts

Pick use cases that require minimal efforts to ensure compliance, e.g., those that leverage business or non-sensitive data.



Low technological efforts

Pick use cases that need minimal technological developments, e.g., those that can be deployed by integrating existing solutions or by leveraging current data.



Minimal staffing requirements

Pick use cases requiring minimal resources, leverage third-party serviced or hire data scientists, machine learning engineers where necessary



Low risk

Pick use cases that provide a nearly risk-free operational and product usage test

Digital transformation office is the lynchpin of the Change Delta

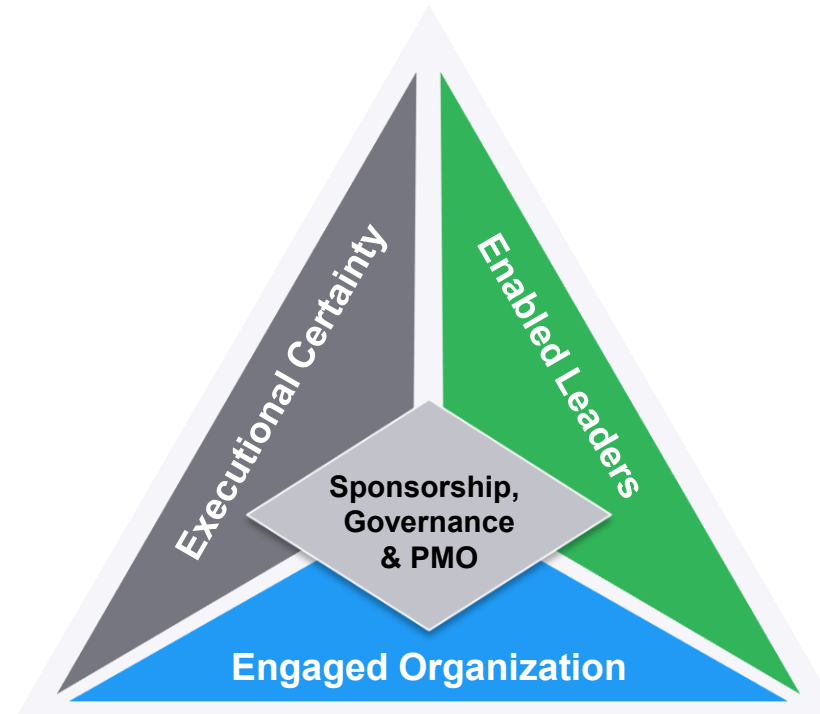
The Change Delta

Executorial Certainty

- Transparency on initiatives and portfolio
- Forward looking course correction for intent, behaviors and economics
- Impact underpinned by formal rigor and proven management tools

Sponsorship, Governance & PMO

- Clear governance structure with explicit roles, processes and decision rights
- Value added PMO provides essential support structure for the three facets of the Delta



Enabled Leaders

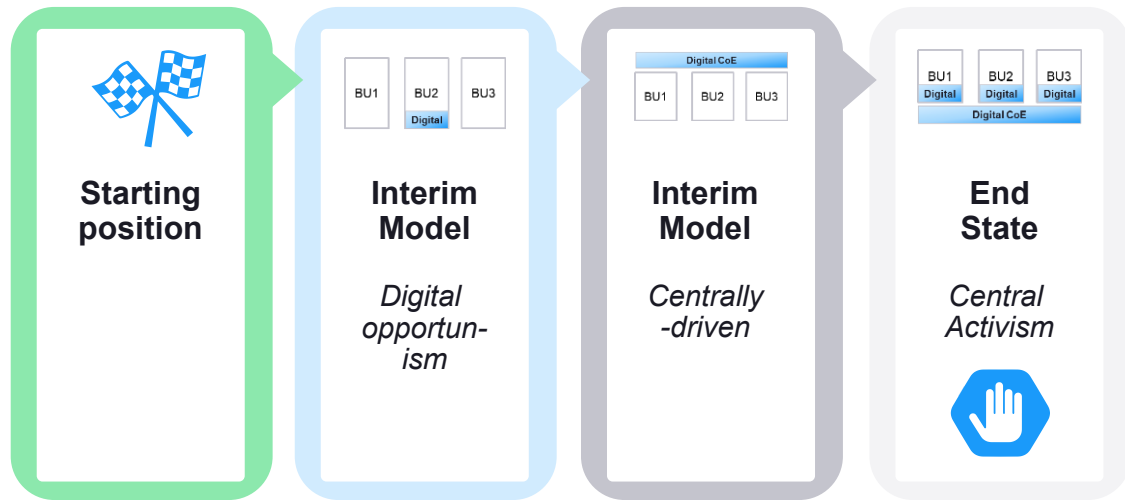
- Leaders deeply accountable for success
- Leaders able to effectively manage the change
- Alignment of leaders is palpable, visible and maintained – "One Voice"

Engaged Organization

- Employees at every level understand and are equipped and able to manage the change
- Critical stakeholders are deeply engaged
- Essential behaviors are reinforced and hardwired into systems and structures

Two common archetypes of organizational journeys observed

Step-by-step Transformation Journey

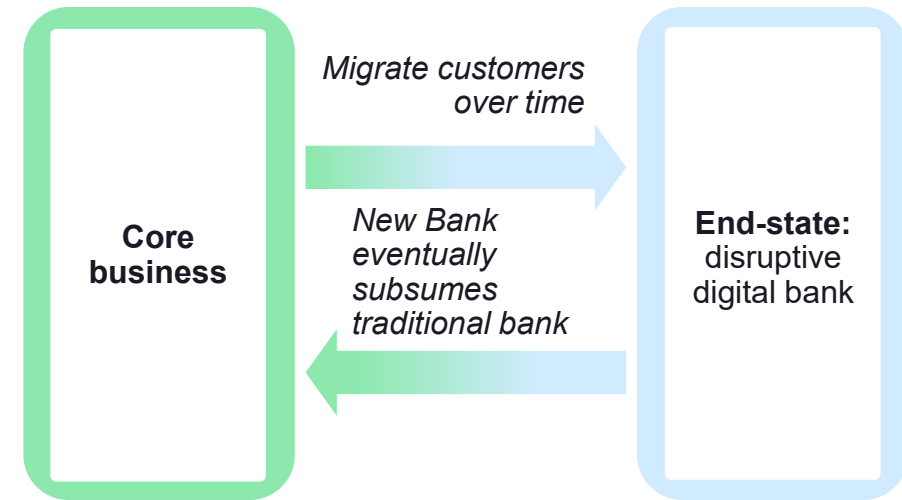


Step-by-step transformation of core/traditional banking organization to end-state

- Likely multi-year journey to reach end-state with several interim models:
 - Digital opportunism
 - Centrally driven
 - Central activism

Examples: BBVA and CBA each ~10 year digital transformation journey through various org models and stages

Reverse Take-over



Transform via business model innovation

- Build out end-state disruptive digital model
- Actively support digital banking unit in cannibalization
- Migrate customers over time to new banking platforms

Examples: Mbank spin-off of Commerzbank; Scotiabank purchases Tangerine; Capital One purchase ING Direct in US

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Achieving the target state is a multi-year effort: prepare for a long journey

Short-term:



Fund the journey

Short-term levers to close performance gaps & fund new growth engines

- Attrition reduction/cross-sell/up-sell
- Price realization programs
- Share-of- wallet
- IT portfolio value alignments
- Sourcing & demand mgmt

Mid-term:



Build Advantage

Build competitive advantage leading to revenue & earnings growth medium term

- Digital customer journeys
- Enhanced sales
- Leveraged AI, data & analytics
- Product innovation
- Fintech partnerships

Always (will require long-term)



Embed digital mindset

Align the organization to sustain the digital transformation

- Simplified governance
- Optimized business / technology engagement
- Technology savvy bank leaders
- Culture to acquire, retain and nurture great digital talent

Digitalization goes way beyond IT and requires wholistic approach to change that starts with vision and strategy

Vision/strategy

- What is the overall vision for the business?

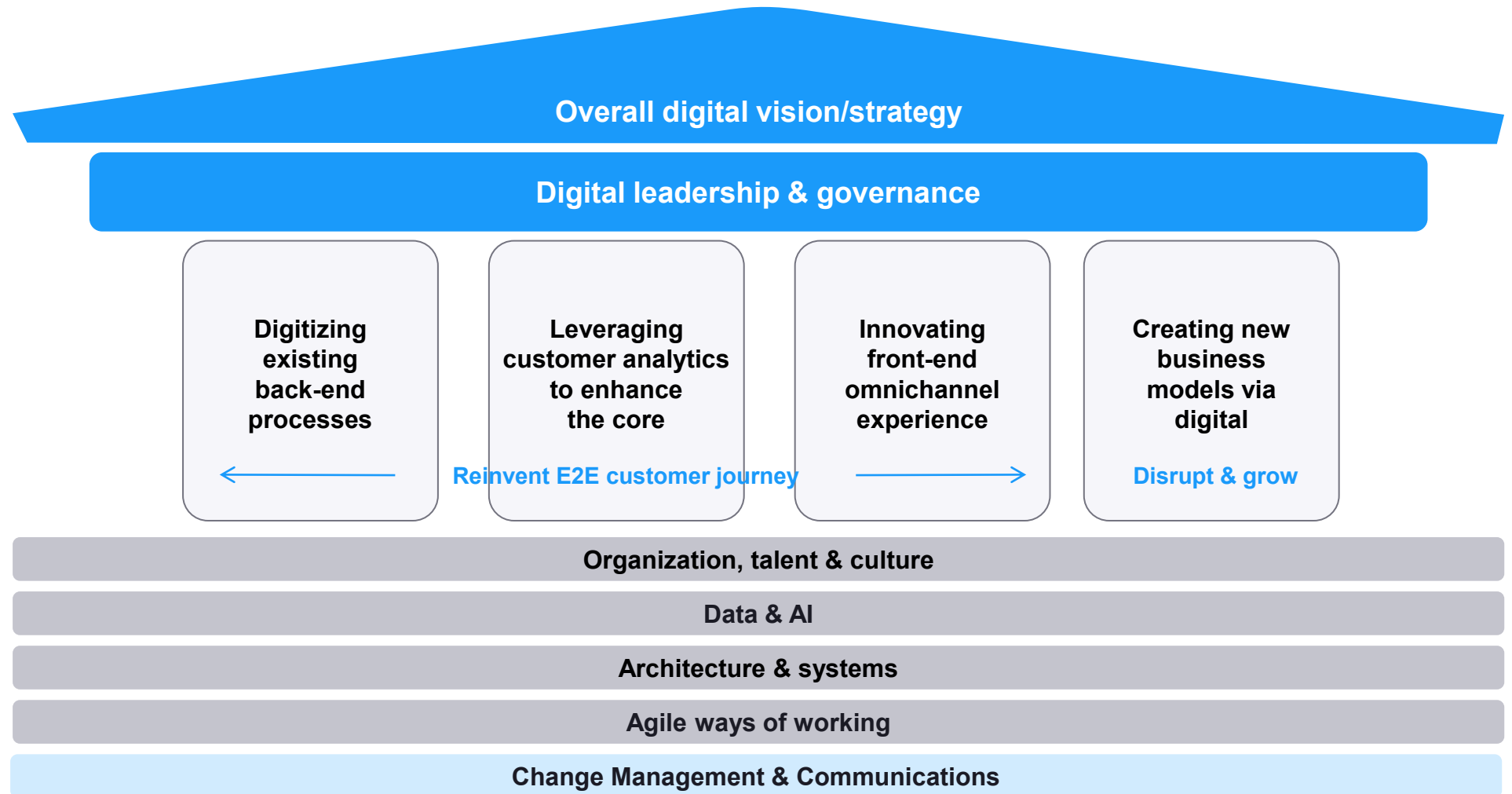
Digital goals

- How can digital help achieve end-state goals?

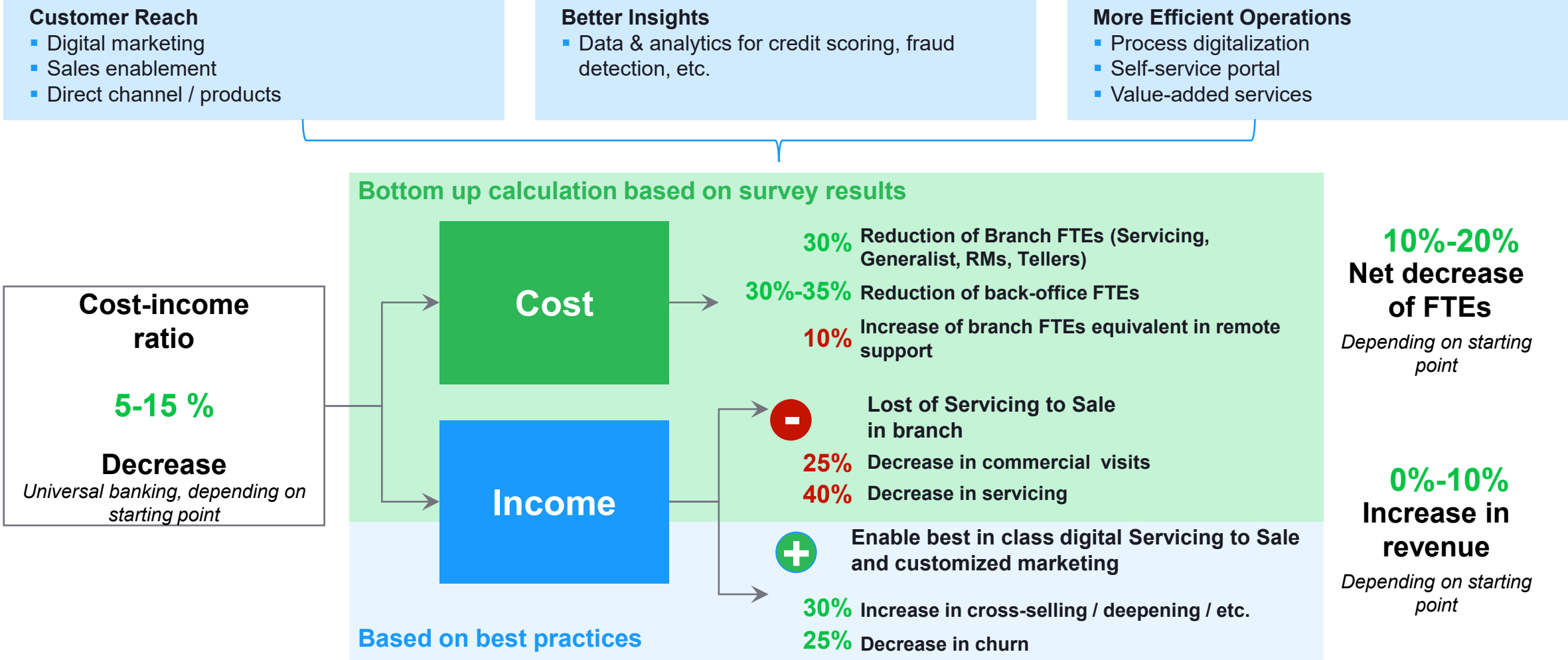
Digital enablers

- How to accelerate progress?

Change enablers



Digitalization can largely fund itself with quick wins, especially when closely aligned with business goals



Source: EY-P project experiences, EY-P analysis

Digitalization in the Age of AI: foundations remain, data and governance matter more, the way people work changes

Stay relevant

What must still be strong, so we don't fail?



Platforms, cloud & modular architectures

Sets up foundation for speed, scalability and resilience for both digital and AI transformation



Product-centric operating model & continuous change

Value is delivered through persistent products and continuously evolving workflows, not one-off projects



Cybersecurity, compliance and resilience

As digitalization deepens, resilience and security stay non-negotiable



Client centricity

Technology creates value only if it is tied to real client needs

Become more important

What becomes a bottleneck?



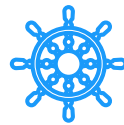
Data quality, lineage & governance

Poor data becomes a blocker to scaling AI, especially for agentic and autonomous use cases



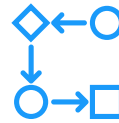
Clear operating model

Scaling new technology requires clearly defined ownership across business, tech, risk and data roles



Risk & AI governance

Explainability, escalation and auditability move to the core of operations

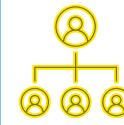


Redesigning workflows

Transforming end-to-end workflows, not just front-end experiences

Change

What is fundamentally different?



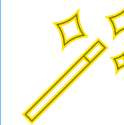
CEO / board-level agenda

AI transformation requires top-level ownership due to its impact on performance, risk and strategy



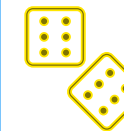
Enterprise-wide AI literacy & talent

AI value creation depends more on people and process change than on tools



Autonomous execution

From automation to agent-based workflow execution – in technological, organizational and compliance sense



Probabilistic, learning systems

Policies, controls and operating models must adapt to systems that learn and evolve over time

Shifting from traditional "risk averse" bank culture to "fail fast" digital culture requires explicit interventions

Digital culture means...

| | |
|------------------------------|--|
| Experimentation | test-and-learn, fail-fast culture |
| Customer-centric | innovation based on customer-first thinking, not technology |
| Collaboration | no silos, horizontal collaboration and openness |
| Agility | no bureaucracy, quick implementation of ideas and innovation |
| Continuous innovation | atmosphere of innovation to keep pace with evolving technology development |

... and clashes dramatically with the traditional bank culture

| | |
|-----------------------------|---|
| Risk-averse | severe consequences for failure |
| Channel-centric | develop product based on tech, not customer |
| Siloed | individual KPIs |
| Rigid | limited delegation of authority; many layers in decision making |
| Running the business | business as usual |

Digital cultural interventions to drive behavior change

Role modelling

Involve leadership to model desired behaviour: share ideas, experiment and collaborate cross-function/BU. Celebrate wins and failures. Use change agents.

Fostering understanding

Explain why behind the change. Let the customer speak. Implement mandatory call-center visits to encourage customer centricity.

Formal mechanisms

Expand performance metrics beyond ROI, make tech awareness, customer focus and ability to experiment requirements for promotion.

Developing talent and skills

Upskill & train people. Encourage peer-to-peer learning. Hold regular "hack-day" competitions to build a culture of continuous innovations.