UiPath

State of automation in banking and financial services

The agentic operating model emerges

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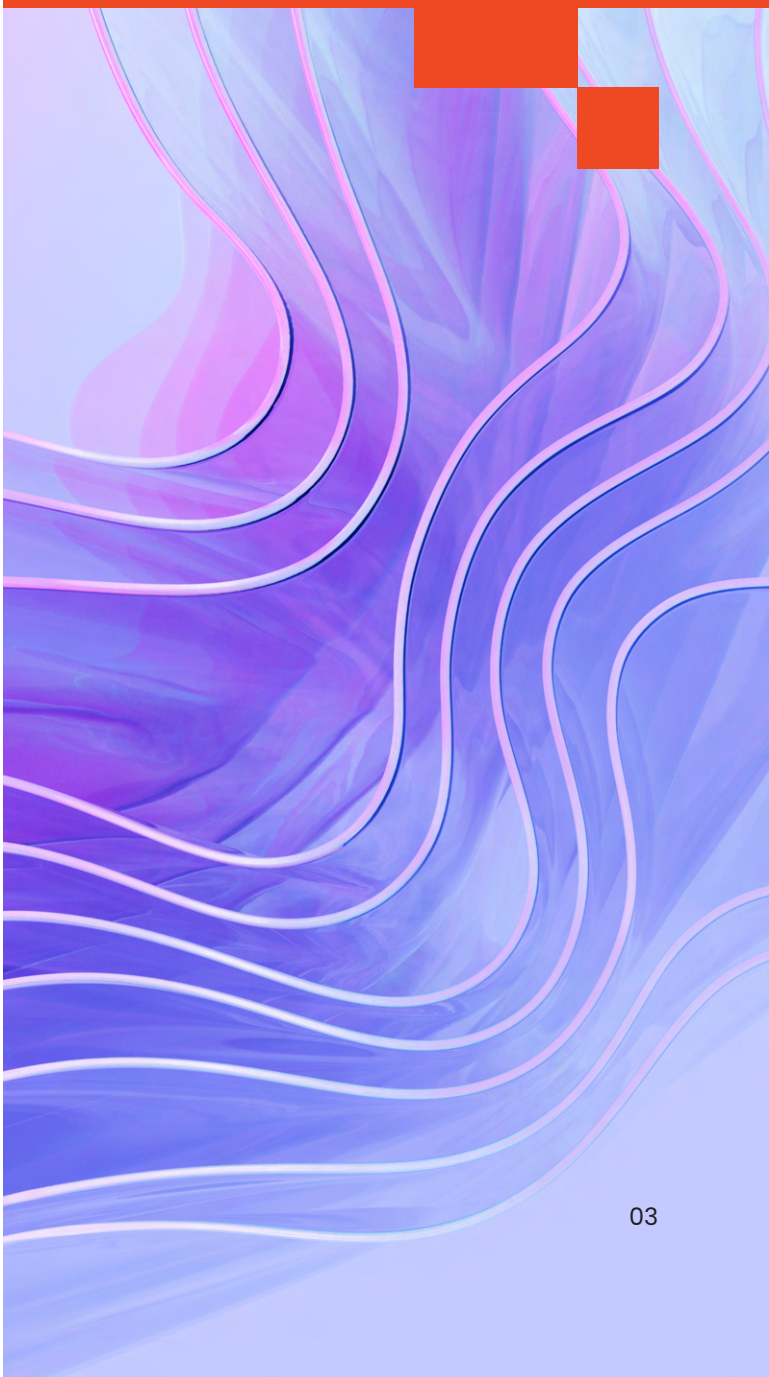
Industry deep-dive, trends, and potential paths forward

Across the global banking sector, years of margin compression, regulatory expansion, digital disruption, and fragmented technology investment have left many institutions operating with uncompetitive and unsustainable cost structures and operating models. Temporary tailwinds from interest rate cycles have masked, but not resolved, these challenges. As volatility, credit risk, and supervisory scrutiny intensify, banks must choose: take decisive action now to re-architect operating models around agentic automation and AI, or accept a steady erosion of competitiveness, profitability, and relevance.

Recent research underscores both the scale of the challenge and the nature of the response it requires. McKinsey estimates that approximately 60% of global banks continue to operate with cost structures that are not economically viable and must significantly boost their productivity to remain competitive. [1]McKinsey's analysis indicates that the primary mechanisms for achieving productivity gains will be the further automation of processes, accounting for roughly three-quarters of the total productivity potential and $200 to $340 billion in annual impact across the industry[2]

This white paper examines how banks are responding to this new imperative across macro trends, automation evolution, use-case domains, technology architecture, and operating-model design. It outlines the strategic and operational considerations shaping the year ahead, and the implications for cost structures, risk operations, and client engagement as AI and agent capabilities become central to how banks operate at scale.



Footnotes

[1] McKinsey & Company, Global Banking Annual Review, 2025.

[2] McKinsey & Company, Banking's Agentic AI Opportunity, 2025.

01

Macro trends shaping banking

A set of reinforcing macro forces is reshaping the economic foundations of banking. Margin pressure, regulatory intensity, and competitive dynamics are increasing the cost and complexity of operating a bank while raising expectations for productivity, control, and resilience. Together, these forces are exposing the limits of traditional operating models and incremental improvement approaches.

1. Margin compression deepens as structural headwinds persist—pressuring banks to radically reduce costs

Despite episodic, rate-driven boosts, global bank returns continue to face downward pressure as structural headwinds persist. Interest rate volatility, net interest margin compression, deteriorating commercial real estate exposure, rising capital requirements, and heightened supervisory scrutiny are collectively increasing costs and constraining profitability.

As a result, many institutions are pursuing multi-year cost-reduction targets in the mid-teens or higher. Incremental efficiency initiatives alone are insufficient to meet these objectives, highlighting the limitations of existing operating structures.

2. Early adopters are reshaping productivity and competitive benchmarks

Productivity has become a primary axis of competition across banking. Institutions that have moved earlier to modernize operations and execution models are resetting benchmarks for speed, cost-to-serve, and scalability. This is widening performance gaps between banks that continue to rely on functionally siloed, labor-intensive processes and those operating with more integrated, technology-enabled approaches.

Competitive pressure is no longer coming solely from fintechs or non-banks, but increasingly from peers that are able to operate at materially different cost and productivity levels.

3. Regulatory expectations shift toward continuous control

Supervisory expectations are evolving toward continuous monitoring, real-time transparency, and consistent documentation rather than periodic review and sampling. Compliance obligations across AML, KYC, sanctions, fraud, credit surveillance, and regulatory reporting continue to expand in scope and complexity. Manual, people-led review models struggle to scale under these conditions, while staffing constraints and turnover further limit capacity.

As a result, regulatory resilience is becoming increasingly dependent on operating models capable of sustaining consistent control at scale.

4. Data fragmentation remains a persistent barrier to value

Fragmented data architectures continue to constrain banks' ability to improve productivity, responsiveness, and insight across operations. Critical information remains distributed across structured, semi-structured, and unstructured sources, often spanning multiple legacy systems.

These limitations slow execution, increase operational risk, and inhibit the ability to apply advanced analytics consistently across processes. Institutions that address data accessibility and reuse at a structural level tend to outperform peers on both operational efficiency and customer experience.

Together, these forces are pushing banks beyond incremental change toward more fundamental questions about how work is organized and executed across the enterprise. In response, leading institutions are reassessing operating models, process ownership, and execution frameworks in an effort to restore productivity, control, and scalability under sustained pressure. The following section examines the concrete ways banks are beginning to respond, highlighting patterns that are emerging across customer journeys, operational roles, control functions, and day-to-day execution.

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How banks are responding to these pressures

In response to mounting economic, competitive, and regulatory pressure, banks are shifting from isolated efficiency initiatives toward enterprise-wide changes in how work is organized and executed. Leading institutions are applying agentic AI and automation in pragmatic but transformative ways, redesigning journeys, augmenting roles, strengthening control functions, and accelerating decision-making.

1. End-to-end customer journey redesign

Banks are moving beyond incremental improvements to reengineer complete customer journeys, including onboarding, loan origination, servicing, disputes, AML, and collections through LEAN and front-to-back design teams before automating. Agentic automation now integrates underwriting logic, document intelligence, exception handling, and cross-system updates across CRM, core banking, risk engines, and compliance platforms—compressing cycle times and improving consistency.

2. Scaling role-based AI companions

While chat-based assistants often have served as an entry point to AI adoption, leading banks have rapidly shifted from generic copilots to role-specific AI assistants. Relationship managers, underwriters, testers, analysts, and operations teams increasingly rely on purpose-built AI companions that align to their workflows and decision contexts—synthesizing information, generating documentation, and initiating workflows.

3. AI-driven control layers across risk and compliance

Banks are deploying autonomous agents across AML, sanctions, fraud, and credit risk to interpret signals, triage cases, and generate regulatory narratives at scale.
These capabilities are accelerating compliance maturity while reducing operational risk and manual effort, and are key to driving the risk posture of banks.

4. Machine-speed operations and decisioning

Operations hubs and contact centers are increasingly automated across inquiry classification, exception processing, reconciliation, and workflow routing. Communications mining and agentic orchestration enable faster resolution while ensuring that the right tools (RPA, intelligent document extraction and processing (IDP/IXP), workflow automation, and AI) are applied where they deliver the greatest value.

03

The automation evolution in financial services

The rise of agentic automation and orchestration reflects a broader evolution in enterprise automation capabilities. Over time automation has progressed through four distinct phases, each expanding the scope and value of automation while redefining the human-machine relationship.

1. RPA: Task-level automation

Early automation efforts focused on structured, rules-based tasks such as data entry, reconciliation, and reporting. While these initiatives delivered clear ROI, their impact plateaued as process fragmentation and brittle logic limited scalability.

2. AI/ML integration: intelligence-enabled workflows

The integration of analytics and machine learning enabled automation to handle unstructured data and support decisioning. However, heavy data-engineering requirements and ongoing human intervention constrained operational autonomy.

3. Agentic automation: end-to-end execution

The current phase integrates natural language processing, decision intelligence, workflow orchestration, multi-step reasoning, and human-in-the-loop governance. AI agents now operate across workflows rather than isolated tasks, enabling end-to-end automation of judgment-intensive processes such as underwriting, AML investigations, and onboarding.

4. Autonomous operations: the emerging frontier

Leading institutions are beginning to adopt self-improving workflows capable of dynamic policy alignment, real-time risk scoring, adaptive decision-making, and autonomous exception routing. Delivering this vision requires orchestration across UI-based automation, APIs, AI models, and human oversight within a single environment.

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How agentic automation redefines banking operations

Scaling agentic automation requires more than deploying individual tools. It demands a coherent set of enterprise capabilities that enable AI and automation to operate across systems, data, and teams, orchestrated across your toolsets.

1. Breaking the data barrier

Intelligent document processing and communications mining extract actionable insights from contracts, financial statements, emails, chats, and voice transcripts—transforming unstructured data into fuel for agentic workflows.

2. Accelerating time to value with prebuilt AI agents

Domain-specialized, prebuilt agents enable banks to activate proven automation capabilities without starting from scratch. In consumer lending, these agents streamline document checks and accelerate loan issuance. In commercial banking, they automate QA/QC and policy compliance. In AML and financial crime, they reduce investigation time while improving auditability. Some examples:

Prebuilt agents have already proven their worth in areas such as **consumer lending**. There, out-of-the-box agents not only can accelerate onboarding of products such as HELOCs by streamlining document checks, but they can also shorten processing times across the entire loan lifecycle. The result: faster loan issuance and higher client satisfaction.

In **commercial lending**, agents can automate QA/QC checks, document reviews, and policy compliance—driving more rapid and accurate underwriting and reducing manual bottlenecks.

And in areas such as AML and **financial crimes compliance**, prebuilt solutions can automate customer due diligence, KYC, sanctions screening, and adverse media reviews, reducing manual investigation time while strengthening auditability and consistency.

Prebuilt agents can be deployed on a standalone basis but are increasingly being incorporated into preconfigured agentic solutions. These solutions speed and simplify deployment by bundling agents with the workflow, governance, and oversight required for effective operation at scale. The UiPath Solution for financial crime compliance is one such offering.

You can learn more about prebuilt UiPath Solutions here.

3. Enterprise-wide agentic orchestration

Coordinated agents analyze data, apply policy rules, validate against external sources, escalate exceptions, update systems, and generate regulatory documentation, compressing multi-day processes into minutes with full traceability. Analysts predict that orchestration will become the center of all autonomous operations functions in the coming year.

4. Human-in-the-loop governance

Human judgment remains essential. Transparent decision logs, audit-ready lineage, exception routing, and override controls ensure regulatory compliance while minimizing execution risk across silos and business units.

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Success stories

Early adopters are already realizing measurable results:

fiserv.

98%
automation for MCC code classification

12,000+
hours saved annually

STATE STREET

67%
reduction in test execution time

wex

70,000
hours saved annually

$2.7M+
in cumulative savings

UWM
UNITED WHOLESALE MORTGAGE

90%
automation of mortgage loan invoice processing

Suncoast Credit Union

$800,000
saved from fraudulent check prevention

Discover more customer examples here

06

The path forward and our recommendations

To succeed, banks should prioritize five actions:

1. Redesign end-to-end journeys across lending, onboarding, AML, treasury, and servicing

2. Deploy pre-built AI agents to accelerate impact and reduce risk

3. Establish enterprise AI governance for transparency, control, and auditability

4. Re-architect the operating model around hybrid human-AI execution

5. Consolidate on scalable automation platforms that unify AI, RPA, IDP, and include orchestration to manage your multitude of tools from the center.

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Conclusion

Persistent margin pressure, regulatory complexity, and rising expectations for responsiveness are forcing banks to rethink how work is executed at scale. The emergence of the agentic operating model reflects this shift. Institutions that successfully embed AI and automation into end-to-end operating flows are already demonstrating superior productivity, control, and adaptability.

Agentic automation is not a future concept. It is rather the most practical and scalable path to resilient, intelligent banking operations transformation today, yielding material benefits. Banks that move decisively will define the next era of financial services.

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