MONEY 20/20 USA

OCTOBER 27-30
LAS VEGAS

ALL IN ON AI: FINANCIAL SERVICES ADOPTION INDEX 2024

An Acrew Capital and Money20/20 Report

Contents

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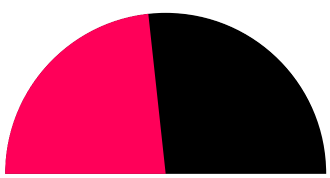
KEY HIGHLIGHTS

76%

of companies have announced an AI initiative.

For an industry that was supposed to be slow to adopt, it's not.



46%

of companies have announced Gen AI initiatives.

THE TOP 10%

account for 44% of all initiatives.

There is depth at the top and, still, breadth across the board.

THE TOP FIVE

Block, Intuit, JP Morgan, Chime, and Stripe

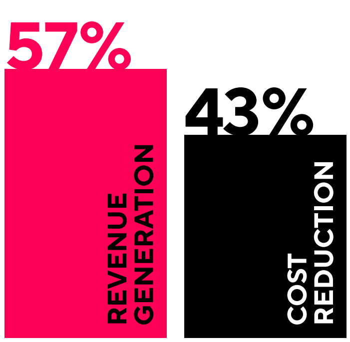
account for 15% of the total initiatives.

CFO software companies are the

MOST ACTIVE VERTICAL, WITH 2.7 INITIATIVES

per company.

ALL INITIATIVES

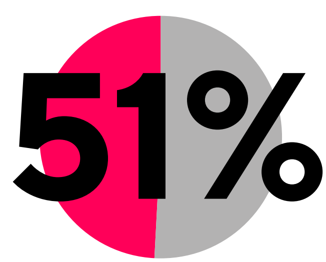


Public companies announced

40% MORE INITIATIVES

compared to private companies.

A WHOPPING



of companies have built AI into their core customer-facing product.

Foreword

Generative AI (Gen AI) has captured popular consciousness like no technology before. Since OpenAI launched ChatGPT in November 2022, more than half of Americans have used Gen AI tools. While the technology has quickly become a part of our day-to-day lives, interest in Gen AI is even more pronounced in the boardroom. Enterprises are on course to spend over $1 trillion in the coming years to support Gen AI infrastructure alone.

This rapid adoption highlights just how significant a technological gain Gen AI is compared to its predecessors. While past AI systems excelled at data analysis and pattern recognition, Gen AI leaps forward into actual creation. This isn't an incremental improvement – it's a step function innovation.

For financial services, this foundational change demands a fundamental rethink—redrawing how money is conceived, delivered, and experienced–reshaping the core of how financial institutions operate, compete, and create value.

Its seismic potential explains the unprecedented pace of Gen AI adoption in an industry typically cautious about new technology. Financial institutions are heavily regulated and often, multi-jurisdictionally governed. There's too much at stake not to be abundantly careful. A single misstep could cost billions of dollars and erode hard-earned trust. Gen AI's well-established reliability issues and lack of explainability would surely justify caution.

But inflection points are atypical. The usual rules don't apply – especially when the opportunity to innovate is so substantial and the cost of not doing so may be existential. McKinsey estimates up to $340 billion of new value for the banking industry but the true impact is likely to add up to trillions.

The Question to Answer: Who creates and sustains value in Financial Services?

/ A NOTE FROM THE AUTHORS

Why We Created the AI Adoption Index

Why did Money20/20 and Acrew Capital partner? Now more than ever, the industry needs clarification and a spotlight on what is actually happening in regards to AI and Gen AI within financial services.

Money20/20 occupies a unique vantage point. As the global independent platform where these conversations happen, we have seen a strong desire from the industry to highlight the latest movements in AI. Across our three shows in Asia, Europe, and the US, since November 2022 we have provided ample evidence of Gen AI's unprecedented influence on the industry. We've witnessed a recurring tension: immense excitement and investment in AI tempered by a lack of clarity on its practical applications, regulatory implications, and long-term business impact, revealing an urgent need for a comprehensive mapping of this rapidly evolving landscape.

At Acrew Capital, we've seen this market dynamic intensify over the past two years. Previous technological disruptions, like cloud computing and mobile, highly favored new entrants. Cloud-native companies quickly differentiated themselves with scalable infrastructure, while mobile-first firms capitalized on on-demand business models. With AI—and Gen AI in particular—the question of where value accrues is more complex as it relies heavily on vast proprietary datasets for model fine-tuning, giving incumbents a data advantage. But there is no question in our minds that it will reshape financial services. Other industries have seen significant efficiencies driven by technology, however, financial services has only scratched the surface. This is the moment and Gen AI the likely catalyst. Our position has led us to grapple with two critical questions:

1. **How will financial services evolve under the influence of Gen AI?**
2. **Where will value accrue as AI reshapes the competitive landscape?**

In this inaugural "Financial Services AI Adoption Index" we've aggregated data that will help begin to answer these questions. Our index maps how leading financial companies are publicly engaging with this transformative technology, highlighting both active initiatives and areas lacking activity. The findings provide a unique perspective on the global progress of Gen AI adoption in financial services. This is just the beginning. We invite the industry to contribute to this research to further the adoption of AI and Gen AI in financial services. We want to give a special thanks to **bunq, Chime, Gusto, Nvidia, OpenAI, Vanta, Xero** for their contribution to this report. We also want to give a dedicated thank you to the incredible **Nicole MacDougall** for everything she has done to make this report possible.

We hope you enjoy!

Lauren Kolodny
Co-Founder & Managing Partner at Acrew Capital

Micky Tesfaye
Head of Content Money20/20

Tom Porter
Vice President at Acrew Capital

Scarlett Sieber
Chief Strategy & Growth Officer Money20/20

/ OUR APPROACH

A Window into What Industry Leaders are Doing with AI

To understand the scale and depth of AI adoption in financial services, we first selected a representative group of 221 leading financial service companies. Companies were selected based on the following criteria:

- **Publicly Traded Companies:** All public "Fintech" companies[1] and a curated group of leading incumbent Financial Services companies[2]
- **Private Companies:** All private "Fintech" companies with valuations of $5B[3] or more, and a curated group of additional leading "Fintech" & incumbent Financial Services companies[4] [5]

We then pulled all publicly announced AI initiatives[6] since January 1, 2023[7] – shortly after the public launch of Chat GPT, when generative AI began to play a more prominent role in both company technology stacks and the broader public consciousness. We believe these public announcements provide great insight into what these companies prioritize. And we also acknowledge the limitations of using only publicly available data. As we have discovered through conversations with the companies we know best on the list, the initiatives that have been announced are an important - albeit incomplete - view.

[1] "Fintech" determined by "industry" in Pitchbook pull.
[2] Minimum market cap for all public companies $500M.
[3] All valuation & market cap data determined by PitchBook. See report for dates.
[4] "Other private company industry leaders" include: a) select group of private "Fintech" companies in $1-5B valuation range; b) select group of private legacy Financial Services companies
[5] Minimum valuation for all private companies $1B.
[6] Publicly announced initiatives include a) press releases b) company website announcements c) statements, speaking engagements, media interviews from company executives d) third party reporting e) announcements exclusively released to us for the purpose of this report
[7] The last announcements were pulled on October 15, 2024 for the purpose of the initial database and report

/ WHAT YOU'LL FIND

A Glimpse of Clarity Amidst Rapid Change

The competitive landscape will continue to evolve as AI reshapes financial services. For industry leaders, this report offers a detailed look at what the ecosystem around them is doing—helping readers benchmark their own AI efforts and refine their proactive strategies. But while the analysis covers the industry leaders, this data is intended to be just as pertinent for early-stage fintech entrepreneurs who are seeking to understand where the most significant opportunities lie for entry and disruption.

For the Data Nerds & AI Agents among you, we present:

THE DATA

We were shocked **when we launched ChatGPT Enterprise that our first first few customers were largely Financial Services.** I've had the privilege of witnessing the incredible pace of AI innovation across industries, and despite initial skepticism around adoption due to heavy regulation, the surge of interest from Financial Services is impressive. AI is already automating operations, enhancing risk management, offering deep data insights, augmenting compliance and cybersecurity, and personalizing customer experiences for financial institutions globally."

OpenAI

Aliisa Rosenthal,
Head of Sales at OpenAI (ChatGPT)

Financial services is one of the most exciting industries for the application of AI and Gen AI because the industry is not chasing one silver bullet use case. Banks, asset managers, payments firms, and insurers are already building hundreds of AI enabled applications and that number will scale into the thousands next year. **To capitalize on these opportunities, leading financial institutions are building AI Factories,** utilizing full stack, accelerated computing AI platforms, like the foundational infrastructure of NVIDIA GPUs.

A financial institution's most proprietary asset is their data and the services built on top of that data. **Those that fail to invest in AI Factories will deliver inferior products, poorer customer service, and more;** losing even greater market share to those that are already seeing ROI from their investments in the Generative AI revolution."

NVIDIA

Kevin Levitt,
Global Director, Financial Services

/ 01
OVERVIEW

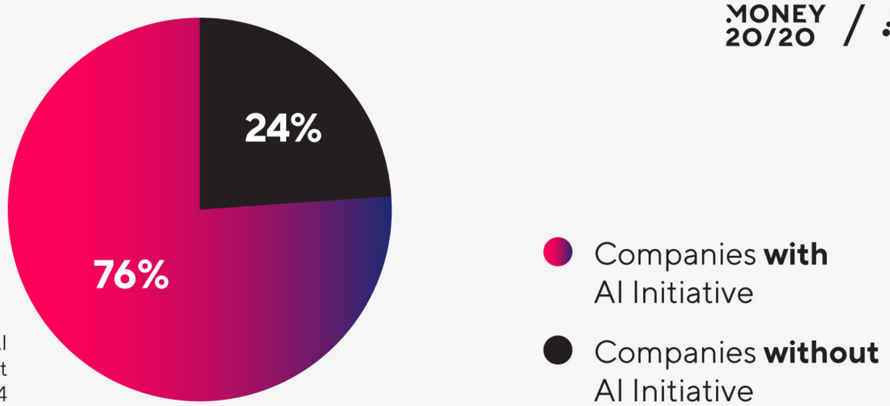
AI – An Imperative for Financial Services

The momentum captured by AI has been unparalleled. Our comprehensive analysis of publicly announced initiatives from 221 leading financial institutions paints a compelling picture. From Wall Street giants to scaled fintechs, AI isn't a niche or experimental technology. It has rapidly become a strategic imperative within the financial services industry.

/ 1.1 ON THE MONEY

Banking on AI

The AI Tipping Point: Unprecedented Adoption in Financial Services



N = 221. Companies with one or more AI announcements from Jan 2023 - 15th Oct 2024 = 167; Companies with no = 54

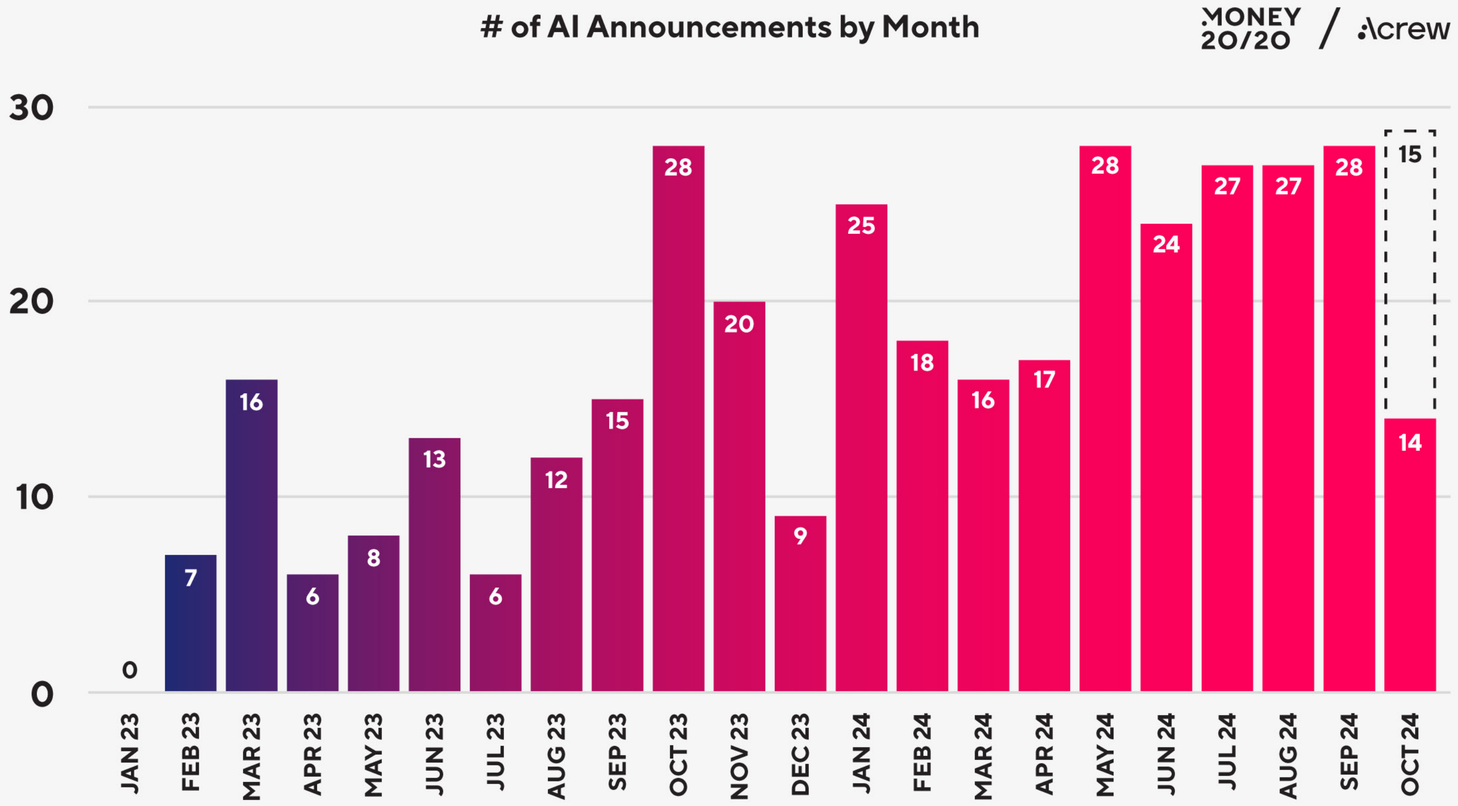
Unprecedented AI adoption in financial services: 76% have announced an AI initiative.

Three-quarters (167) of the 221 companies we profiled have publicly announced at least one AI initiative. This is an astonishing figure, underscoring the sheer scale of momentum in the industry. Collectively, these 167 companies have launched 376 initiatives—or 2.3 per company. Our analysis tells us AI in financial services isn't simply a story of an industry caught in the midst of a hype cycle. Instead, it makes a powerful case that financial services is already reaping the benefits of AI writ large, as companies increasingly embed it across their workflows and value propositions.

Even the silent 54 are far from inactive.

Only a quarter (24%) of the companies we profiled haven't publicly announced an AI initiative. Yet, this doesn't tell the whole story. Many, if not all, of these companies are actively experimenting with and have already deployed AI initiatives. This is what conversations with several of the 54 companies tells us, revealing a scale of activity that belies their public silence. There are a number of reasons why the companies we spoke with, and those that haven't announced in general, choose not to publicize these initiatives. Consider an internal use case that optimizes employee workflows–it might remain confidential because a company doesn't see value in discussing it. There may also be competitive implications at play. This is the reality of AI's pervasive influence. Financial firms, whether they are announcing initiatives publicly or not, are deeply embedding the technology into their workflows and value propositions.

The Pace Of AI Announcements Is Accelerating Month-Over-Month.



Our Take | Acrew

AI-related announcements are clearly accelerating. In fact, over the past six full months (April - September 2024), we identified an average of 25 AI initiatives each month, compared to only 19 each month in the prior 6 month period (October 2023 - March 2024). While announcements are only part of the story – they are this story. Our recent discussions with investment bankers and Wall Street analysts suggest that the market's expectations for AI innovation within public companies are steadily rising. Several prominent analysts have noted that, to date, public market investors are taking signals from the announced initiatives. However, by as early as 2025, the expectation will shift toward seeing tangible, bottom-line impact – putting pressure on public companies and IPO hopefuls to make even more substantial innovations – and announcements.

/ 1.2 THE GEN AI EFFECT

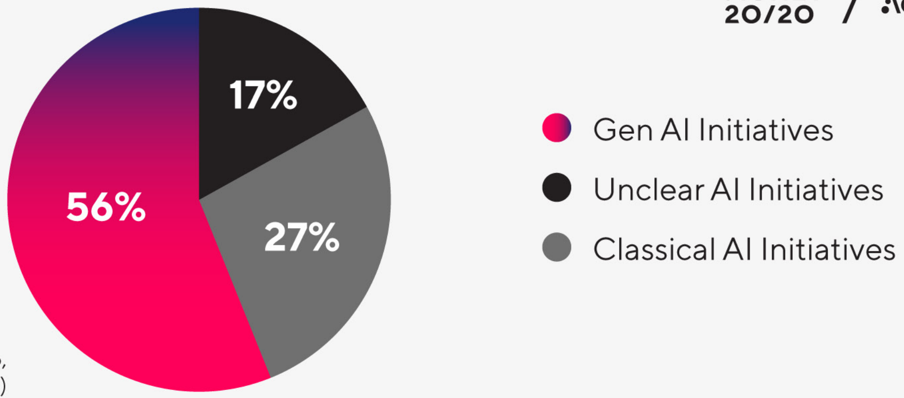
A Tidal Wave Of Adoption

Well before ChatGPT's release in November 2022, AI was already making inroads in financial services—but Generative AI transformed ripples of adoption into a tsunami almost overnight. Our analysis indicates that for financial services, Gen AI isn't just a passing trend; it's already playing a pivotal role in reshaping the industry. While there's still progress to be made, Gen AI may be the first technology with the potential to enable the (sorely needed) reimagining of our legacy financial services tech stack.

Nearly half – 46% – of companies profiled are leveraging Gen AI, demonstrating unprecedented new technological adoption in financial services.

Of the 167 companies that have announced at least one AI initiative, a staggering 101 of them have launched initiatives that could be clearly identified as Gen AI–a striking figure given our relatively short study period. The digitalization of financial services has long seen a steady integration of AI, accelerated with the growing influence of agile, tech-native upstarts. Gen AI has set fire to the technology adoption roadmap. Across the board, financial institutions are adopting Gen AI at a pace that surpasses any other technology in history.

Breakdown of Types of AI Announced



n = 376 (Total number of initiatives = 376, Gen AI = 210; Classical AI = 65; Unclear = 101)

Gen AI is driving the agenda – but it's not the only show in town.

Out of all initiatives announced, 56% were identifiable as Gen AI. Another 17% identifiable as Classical AI, for example Machine Learning or Natural Language Processing. The remaining 27% of announcements did not contain enough information to accurately classify them as either Classical or Gen AI. Perhaps most impressively, 6 of the 221 companies profiled have gone so far as to announce their own large language models (LLMs): Addepar, Ant Group, Bloomberg, FactSet, JD Digits, and Pine Labs. These companies are building sophisticated, proprietary, domain specific models from the ground up–drawing a definitive line in the sand by staking their claim as AI producers rather than simply consumers or users of AI.

Initiative Spotlight

Bloomberg

Description:

BloombergGPT is the company's 50-billion parameter large language model, purpose-built from scratch for finance. BloombergGPT is trained on financial data from a variety of sources, including the Bloomberg Terminal, financial news, company filings, and press released. It's designed to understand the complex terminology and unique language of the financial industry.

Industry	Wall Street Tech
Primary Initiative Stakeholder	Financial Services Customers
Type of AI	Generative AI
AI Use Case	Proprietary Foundation Model / LLM
P&L Impact	Revenue Generation

/ 02

COMPANIES

Depth at the Top, Breadth Across the Board

Adoption is widespread—but true innovation is concentrated. This is the stark divide our analysis reveals in the race for AI leadership within financial services. A select group of companies are driving an outsized share of activity. These pioneers aren't just adopting AI faster; they are hyper-productive with generative AI as well.

/ 2.1 THE LEADERBOARD

Top Decile Companies (Top 27)

Adoption is widespread – but a select group are leading the charge.

The top five companies with the most public AI announcements–Block, Intuit, JP Morgan, Chime, and Stripe–account for 56 AI initiatives combined, or 15% of the total initiatives, underscoring their significant investment and strategic focus on AI. In fact, there are 27 companies who account for 44% of all AI activity.

Place	# of Initiatives	Company(s)
1st	13	Block
2nd	12	Intuit
3rd	11	JP Morgan
4th	10	Chime, Stripe
5th	7	Plaid, Ramp
6th	6	Klarna, Mastercard, Visa, Xero
7th	5	American Express, FactSet, Gusto, MercadoLibre, PayPal, Socure, Workday
8th	4	Adyen, Bloomberg, Brex, dLocal, Duck Creek Technologies, Kraken, Nubank, Qualia, Shopify

With 44% of overall coverage, these 27 companies have annouced a combined 165 initiatives, averaging 6.1 per company.

Why is this subset of players so active? These 'leaders' share many characteristics — they are tech first, data is typically a key pillar of their business, many are resource rich. The rest of the companies profiled are still active with the remaining 194 companies announcing 1.1 initiatives per company. Of that group, 29% of companies have made at least two announcements.

Our Take | Acrew

Block, the most active company in AI overall, has embedded AI across internal operations and external products. Notably, most of its product-related AI announcements focus on Square's suite of tools for sellers, rather than payments or other financial products. A key theme is content generation for Sellers' e-commerce sites and product catalogs. Still, there is no question Block is showing commitment to rapid customer facing AI innovation.

Challengers like Chime, Gusto, Klarna, Nubank, Ramp, and Xero punch way above their weight, especially relative to their scaled counterparts.

- As challenger banks, Chime, Ramp, and Nubank have announced approximately 36-91% of the AI initiatives of JP Morgan, impressive in light of the fact that as challenger companies, their valuations are 1-11% that of 150 year old industry giant JP Morgan's $600Bn+ market cap.
- As companies serving SMBs, Xero and Gusto have announced 50% and 42% as many initiatives as Intuit, despite valuations representing 6% and 9% that of 40 year-old Intuit's $170Bn+ market cap.
- As commerce oriented payments companies, Klarna has announced 60% of the initiatives of Stripe, despite a valuation representing 11% that of Stripe's $70Bn mark from its last private round.

Note: We acknowledge market caps - and private market valuations, even more so - are by no means a perfect signal for scale. Yet, they are data points we have consistent access to – and when comparing companies within the similar subsectors, they provide an interesting directional indicator.

/ 2.2 THE GEN AI EFFECT

Top Decile Companies (Top 25)

Place	# of Initiatives	Company(s)
1st	10	Intuit
2nd	9	JP Morgan
3rd	7	Block, Chime
4th	5	FactSet, Klarna, Ramp, Stripe, Workday, Xero
5th	4	Gusto, MercadoLibre, Nubank, Qualia
6th	3	Bloomberg, dLocal, Duck Creek Technologies, Mastercard, Mizuho Financial Group, Oscar, Qonto, Rakuten, Shopify, Tipalti, Vanta

With few exceptions, the companies strong in AI overall are equally strong in Generative AI.

Specifically, of the 27 most active companies in AI overall, 70% of those remain in top decile when filtering for Gen AI, specifically. It's not surprising that the most tech forward companies are the most active.

chime®

CASE STUDY:
Chime – Using AI to Elevate Member Experience

Chime is the #1 most active digital bank in AI initiatives.
They are the **#3 company in Gen AI Initiatives and the #4 company overall.**

The core theme across their AI advancements is enhancing the customer experience, in line with their self-proclaimed commitment to "member obsession." By utilizing AI, Chime has made significant strides in improving both customer satisfaction and operational efficiency. This focus on leveraging AI to elevate service delivery has resulted in tangible business impacts. For example:

- **AI-Powered Customer Support:** Chime's **AI chatbot now handles nearly 70% of all member support interactions**, performing the equivalent work of over 1,000 full-time agents allowing humans to focus on more complex member needs. Chime estimates that members saved 91.5 million minutes last year by avoiding long hold times, and from July 2023 to September 2024, the agent transfer rate has dropped by 53%.

- **AI Assistance for Agents:** AI supports Chime's human agents by automating non-customer-facing tasks, enabling agents to focus on members. In just the last six months, **4.2 million calls have been transcribed and processing time for physical mail has decreased by 26%. Repeat inquiries have dropped by 50% in the last 18 months.**

- **AI Dispute Resolution:** AI-powered dispute resolution technology tools have contributed to **decreased resolution times by 70%** over the past 18 months.

- **Understanding Voice of the Member:** Chime uses Gen AI to analyze and summarize member feedback from NPS survey responses and app reviews, enabling Chime's team to make real time changes to products and build new services that meet their members' needs. This year, they have seen a 13% increase in NPS.

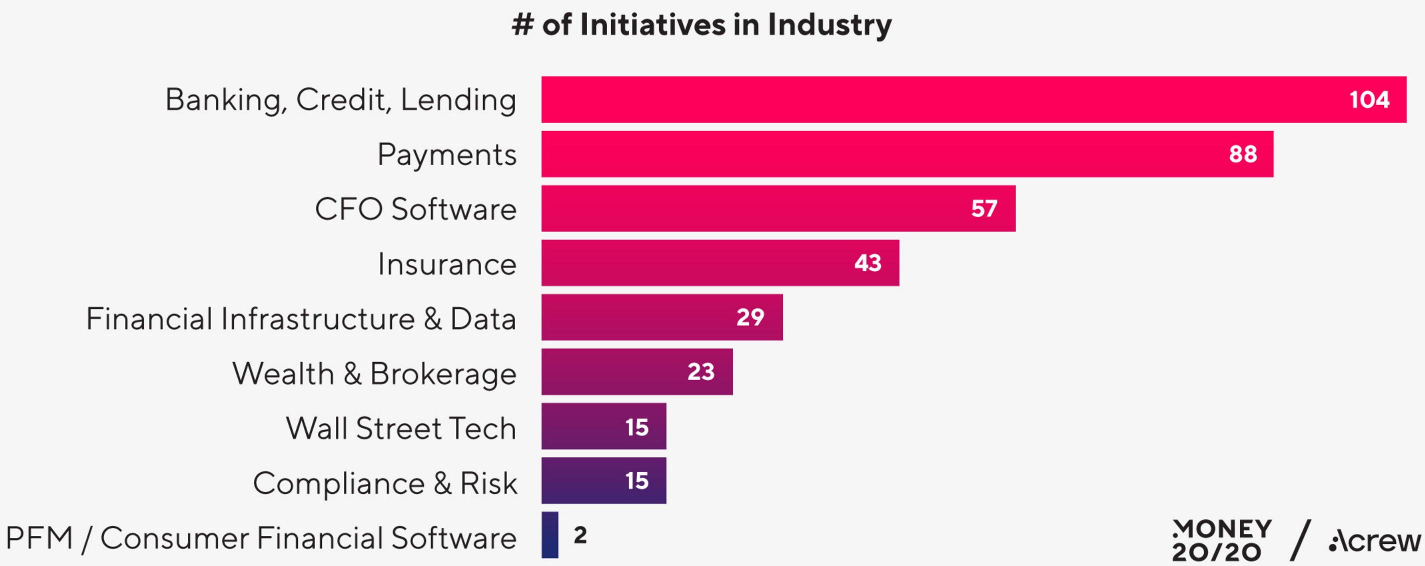
- **AI Fraud Detection:** Chime enhanced its human fraud detection teams with AI solutions. In Q3 2024, **Chime saw account takeovers reduced by 60% from the year prior.**

As a result of these and other enhancements, Chime has achieved a 40% increase in customer support satisfaction year-to-date.

/ 03
VERTICALS

CFO Software Takes the Cake

Some technologies, like cloud computing, move the goalposts — AI is changing the game entirely. The wave of technological advancement it has unleashed is widespread. In this new normal, how are different verticals responding? In this race to compete, who is sprinting ahead and who is making more calculated strides? Our analysis shows that while companies across every vertical are adopting AI, they are doing so with varying intensity and focus.



Before speaking to the verticals with greatest AI adoption by company it is important to call out that there are two overall sectors that dominate in terms of sheer volume of initiatives: #1 Banking, Credit & Lending, #2 Payments.

The 52 companies profiled in Banking, Credit, and Lending have rolled out 104 initiatives collectively, while Payments companies boast 88 initiatives across 47 companies. These two industries account for more than 50% of all announced initiatives. As the backbone of both financial services and the broader economy, the level of activity in these sectors is particularly significant. These sectors form the core "rails" of the financial system, making them some of the most critical areas for innovation and transformation in the financial services industry.

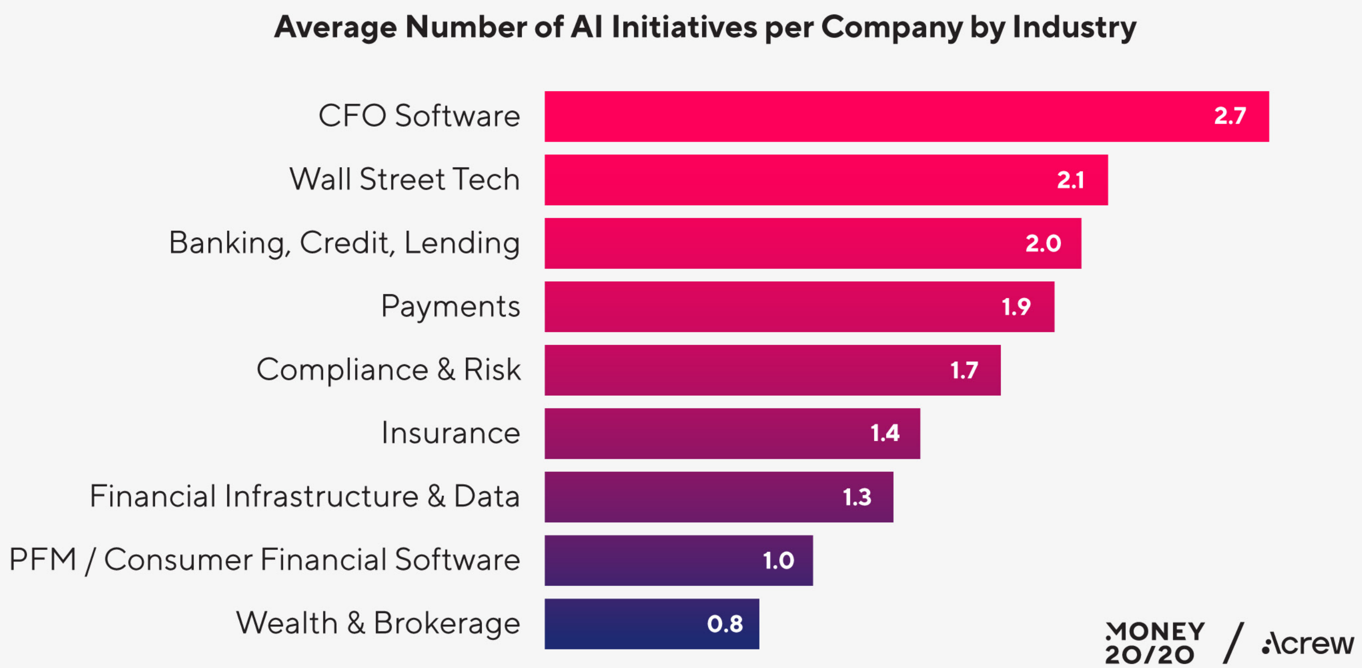
"Technology is part of bunq's DNA. We pioneered a transaction monitoring system that uses AI way before the emergence of ChatGPT. **In 2023, bunq launched Finn, a personal AI assistant** built on top of the most powerful LLMs. But for us, it's not just about the tech. It's about empowering our users with complete control over their finances, with zero hassle.

At bunq, **Finn now handles more than 70% of user support queries**, and we're using it across the board, from coding assistance to document processing. We're pushing AI further, making banking smarter and more intuitive at every level, from personalization to localization. **When bunq entered the market, the innovation landscape in fintech was stagnant. Now, traditional banks are scrambling to offer better experiences.** We won't stop leading the way and will continue using the latest technology for the benefit of our users."

Ali el Hassouni,
Head of Data & AI at bunq

/ 3.1 THE LEADERBOARD

Vertical Trends



CFO software companies have emerged as the undisputed leaders in overall AI adoption.

While many companies have taken the opportunity to announce to the market the strides they are making in AI, others have been tight lipped. While we imagine that some of the silence is tactical in nature, there is no doubt that some companies have been caught flat-footed. Wealth & Brokerage companies have been among the least active, as they account for 13 of the 54 companies with no announced AI initiatives of any kind are in this sector.

xero

CASE STUDY:
Meet JAX, Xero's Customer Facing Gen AI Companion

According to our data, **Xero ranks #2 in terms of total AI initiatives among CFO Software companies** – the most active sector – and is **tied as the #8 company overall.**

The Challenge: While 61% of businesses are mobile-first, accounting has lagged behind due to cumbersome data entry and accuracy challenges. With the rise of Gen AI, Xero saw an opportunity to transform accounting.

The Solution: In August 2024, Xero launched Just Ask Xero (JAX), a Gen AI-powered assistant that helps businesses complete tasks like invoicing and editing quotes either in Xero or other commonly used apps and devices such as mobile, WhatsApp, and email. It will also anticipate financial tasks, allowing businesses to stay on top of cash flow and make informed decisions with the support of their advisors. JAX Assure, JAX's proprietary technology, ensures greater accuracy and security by limiting data to only relevant tasks and authorized customer information.

The Future: Early beta results show improved productivity and a trusted, precise user experience that empowers customers to do work anywhere. Xero's vision is to become the most trusted small business platform, and they see AI playing a crucial role on their journey.

Our Take | Acrew

Not surprisingly, CFO Software companies have been among the quickest to roll out AI initiatives as compared to other sectors – likely for the simple fact that this is largely a software sector vs a financial product sector. The data-heavy, process-driven environment in which they operate lends itself nicely to automation. The desire for cleaner data ingestion, data reconciliation and predictive insights also makes it particularly well suited for AI. And while accuracy is crucial in financial functions, it's not subject to the same strict regulatory oversight as sectors like banking, allowing for faster AI adoption.

"Gen AI has incredible potential to help small business owners with the thorny, complex parts of operating a business — like running payroll and following compliance requirements. Unlike enterprise organizations, they don't have entire HR, legal, and compliance departments — so Gen AI can help level the playing field.

We recently launched Gus, an AI assistant designed to help small business owners get fast answers to common questions about operating a business, including navigating compliance. It also provides quick access to personalized insights about their business. We built Gus to give them the power to focus on what really matters — growing their businesses."

gusto

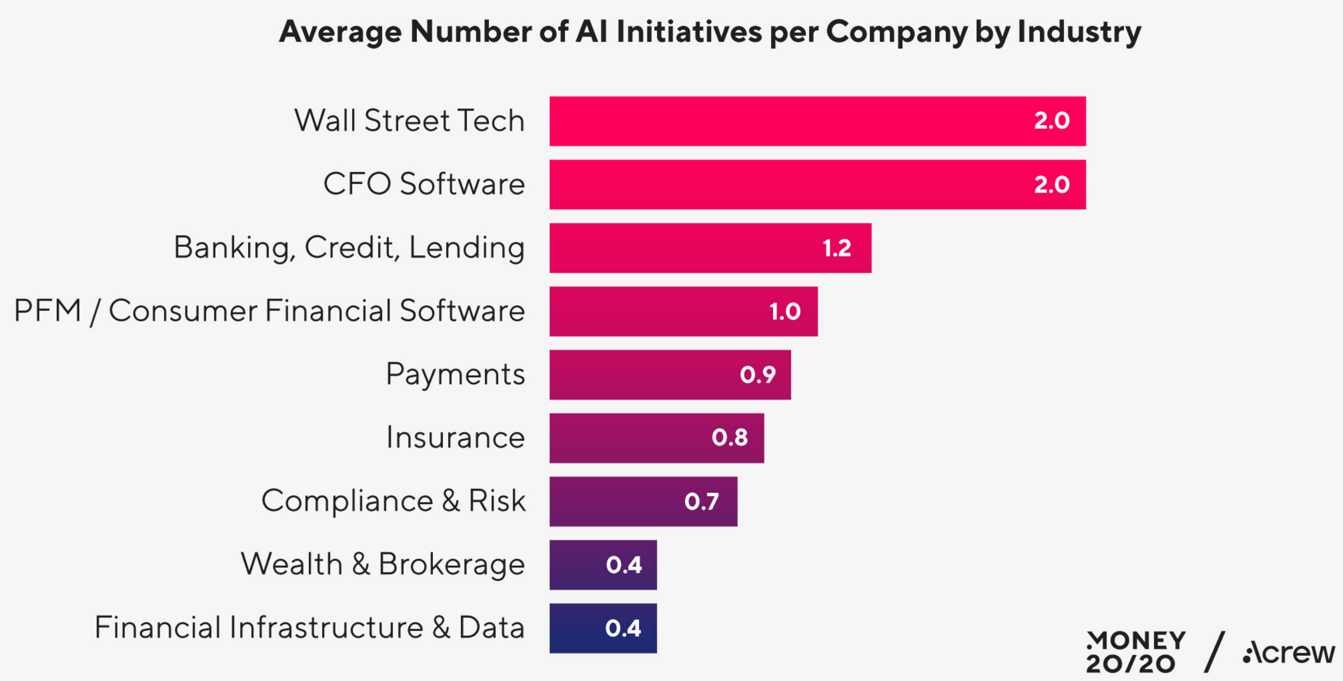
Eddie Kim,
Co-Founder + CTO at Gusto

/ 3.2 THE GEN AI EFFECT

Vertical Trends

Contrasts in adoption across financial sectors suggest a Gen AI divide brewing.

Within each industry, at least 26% of companies profiled have announced at least one Gen AI initiative. In fact, Gen AI accounted for many (if not most) of the initiatives launched by companies across verticals. However, some segments have been particularly active.



Wall street jumps to #1 in the rankings when filtered for Gen AI.

Six of the seven Wall Street Tech (WST) companies have announced at least one AI initiative. And of all 15 initiatives announced, 14 (93%) are Gen AI. Perhaps most notably, two of these companies (FactSet and Bloomberg) are building their own foundational models geared towards serving the financial services industry.

Our Take | Acrew

Wall Street Tech firms thrive on data – and Gen AI excels at creating, summarizing, and interpreting vast amounts of structured and unstructured data. For that reason, it's not surprising that these companies are the most active. The depth of their Gen AI initiatives is substantial. In fact, two of the seven (29%) companies in this industry have announced their own proprietary LLM. No other sector comes close to that ratio. Investing in this area makes sense given that much of the complex financial data and market signal data needed to train a model effectively in this category is proprietary and lives outside the public domain. Given the value of assets supported by these technology providers, the potential ROI could be particularly outsized in Wall Street Tech.

Compliance & Risk companies may be reticent to disclose AI initiatives.

Compared to vertical leaders like WST and CFO Software, Compliance & Risk has been notably reticent to announce AI initiatives. This is particularly surprising given the vertical's established and widespread use of the technology. There are several reasons for this apparent paradox:

1. **Existing AI Maturity:** This vertical is well-versed in AI, and most companies likely have complex AI capabilities in place. This means that many of the obvious, high-impact AI applications—the 'low-hanging fruit'—have already been implemented, leaving fewer initiatives to announce.
2. **Unique Operational Sensitivity:** The sensitive nature of their work means these companies are more likely to be cautious about public announcements. They may fear unintended signaling to competitors or alerting nefarious actors of their emerging tools.
3. **Regulatory Considerations:** Compliance & Risk companies are at the sharpest end of regulatory oversight, constraining initiative disclosure by requiring significant vetting.

CASE STUDY:
Vanta – Leading the Pack in Gen AI for Compliance

According to our data, **Vanta ranks #1 in Compliance & Risk** with the most Gen AI initiatives.

With the launch of Vanta AI, Vanta is expanding the use of AI within the platform to help customers further automate once-manual and tedious security and compliance workflows. Thanks to an internal AI team, Vanta AI:

- Provides smart suggestions to map existing tests and policies to relevant controls, making it easy to demonstrate compliance with new frameworks.
- Automatically extracts findings from SOC 2 reports, custom security questionnaires, and other documents, helping complete vendor security reviews in record time.
- Generates answers for uploaded security questionnaires using insights from Vanta data and past questionnaire responses. Businesses can easily accept or reject suggestions and respond to their customers quickly.

With a focus on integrating AI to drive continuous improvement, Vanta is moving beyond traditional compliance and aims to transform trust management into a strategic advantage for its customers.

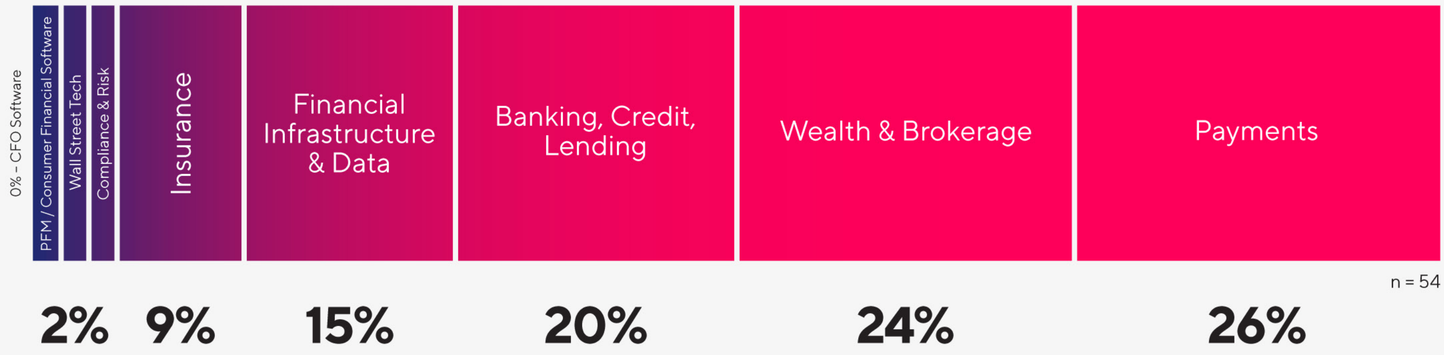
Our Take | Acrew

Compliance & Risk companies are widely known as meaningful adopters of Classic AI. AI's ability to analyze vast amounts of transactional data, detect patterns, and identify anomalies in real-time has greatly improved accuracy in areas like fraud detection, anti-money laundering (AML), and regulatory reporting. While Compliance & Risk may have gotten comfortable with classical AI tools, the speed of innovation with Gen AI has left them behind in adoption. And perhaps for good reason: the stakes of play are high. At the same time, the need has, perhaps, never been more pronounced – particularly in areas like fraud detection and identity verification where malicious actors are already getting sophisticated with the use of Gen AI. How this gap will be filled is a critical question for the industry.

/ 3.3 THE SILENT ONES

Slow and Steady May Win the Race or Get Left Behind

Which Verticals are Least Active



About 25% of companies without initiatives are in Wealth & Brokerage.

Within each industry, at least 26% of companies profiled have announced at least one Gen AI initiative. In fact, Gen AI accounted for many (if not most) of the initiatives launched by companies across verticals. However, some segments have been particularly active.

Our Take | Acrew

Wealth & Brokerage companies, especially legacy firms, have likely been slower to adopt AI due to several constraints. Established models and human expertise make them cautious about disrupting proven processes, particularly in sensitive areas like investment recommendations and trading. Client trust, for RIAs, and strict regulatory scrutiny, for brokers, may make these companies wary of relying too much on AI. These technologies could pose data security and privacy concerns for customers if confidential data is inadvertently revealed or mishandled. Legacy systems in this space may limit the ability to reinvent and fully integrate AI, further slowing adoption. Lastly, there may be hesitancy to roll out these models given the general opaqueness with regard to how decisions and recommendations are made to clients.

/ 04

BENEFICIARIES

An Overwhelming Amount of AI is Serving the End Customer – In the Product

Adoption is widespread—but true innovation is concentrated. This is the stark divide our analysis reveals in the race for AI leadership within financial services. A select group of companies are driving an outsized share of activity. These pioneers aren't just adopting AI faster; they are hyper-productive with generative AI as well.

/ 4.1 STAKEHOLDERS

Internally vs. Externally Facing AI

A whopping 51% of companies have built AI into their core customer facing product.

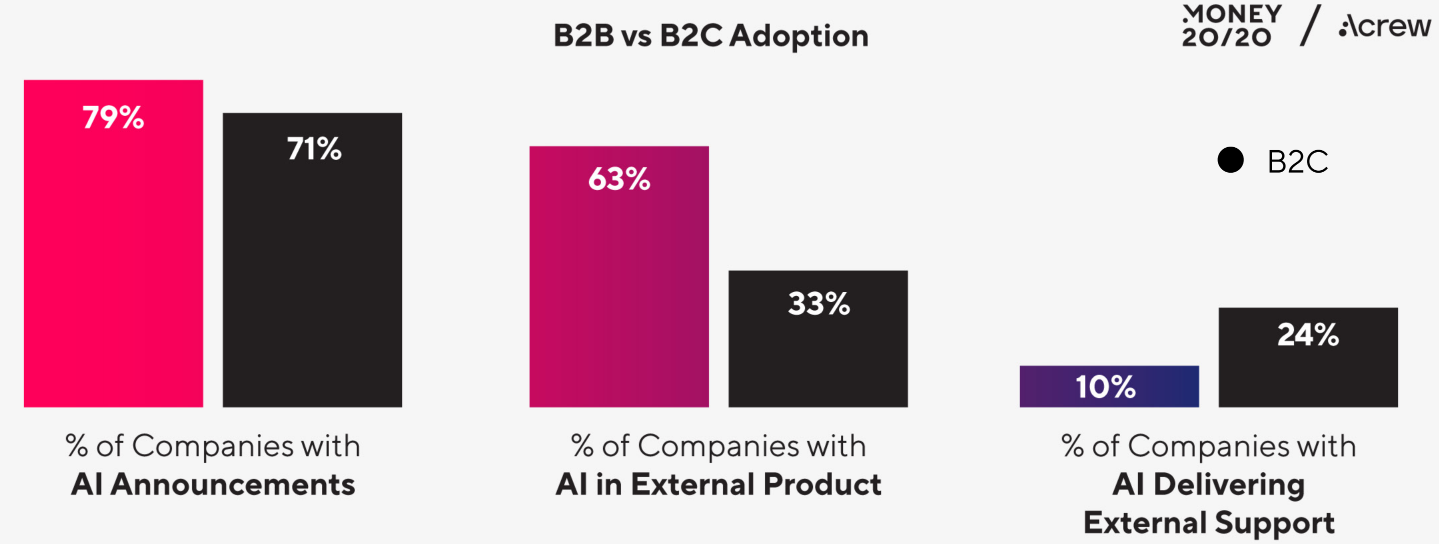
To underscore the magnitude of this figure, it's worth reiterating that these initiatives are unrelated to customer support, and are instead customer facing, core product offerings. For an industry that was predicted to be reticent in their adoption of AI, this data tells a very different story.

Only 72 companies have announced an internal AI initiative.

While much lower than external initiative announcements, the difference isn't entirely unexpected — internal applications are focused on optimizing operations and processes, and companies would likely focus on announcing external initiatives that either benefit existing customers or could lead to new customer acquisition.

/ 4.2 CUSTOMER TYPES

B2B VS B2C



Companies that serve businesses are slightly more likely than those that serve consumers to have an AI initiative of any kind.

Specifically, 79% of B2B companies have announced an AI initiative vs. 71% of consumer companies. Both groups are active but the differences between them become more apparent when you consider how they serve those customers.

63% of companies that serve business have embedded AI into their core customer facing product – whole only 33% of consumer companies have done the same.

Clearly, B2B companies are more willing to deliver core parts of their product or service using AI than their consumer counterparts. And because these are externally facing initiatives, this data is less clouded by unannounced initiatives – so this can be taken at face value.

Our Take

Perhaps the disparity can be explained by the tight regulatory environment surrounding consumer financial products. Stakes are higher, making consumer-facing companies more reticent to build AI into their customer-facing products. Alternatively, the disparity may be explained by the fact that B2B fintech is generally built with a more robust software layer - even when wrapping financial products - making AI deployment more straightforward.

24% of B2C companies are leveraging AI for externally facing customer support, while only 10% of B2B companies are doing the same.

"At Chime, being member-obsessed drives everything we do, and delivering exceptional service for our members is at the heart of that mission. Our recent AI advancements are enhancing our ability to do just that by complementing our human-powered support with intelligent, scalable solutions. As a result of these and other enhancements, we've achieved a 40% increase in customer support satisfaction year-to-date, while simultaneously boosting operational efficiency. These innovations are enabling us to provide more effective, efficient, and personalized support to every member, every day."

Madhu Muthukumar,
Chief Product Officer, Chime

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MOTIVES

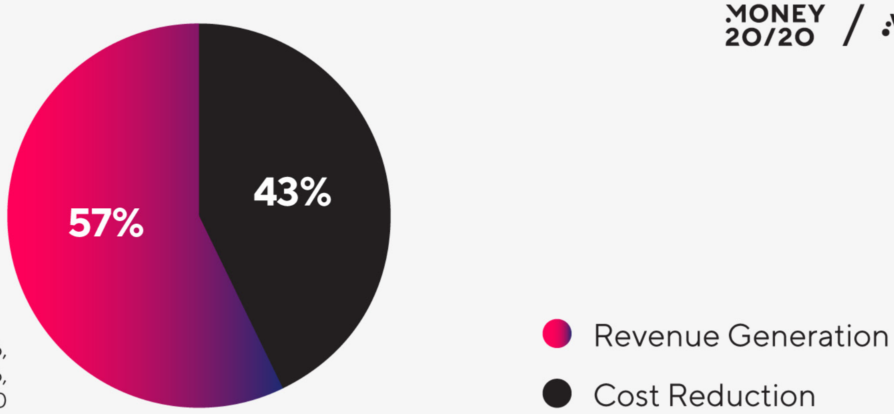
A Surprising Blend of Growth and Efficiency

What is driving AI adoption? What compels these companies to announce their initiatives? Growth and productivity are shaping the agenda. But across verticals, from company types to end-customers, the underlying reasons differ, painting a complex picture of an industry balancing immediate gains with long-term impact. The question isn't just why they're adopting AI, but how their unique needs and market positions influence their approach.

/ 5.1 P&L

Revenue Generation vs. Cost Reduction

What is Driving AI Use-Cases?



n = 376,
Revenue generation = 216,
Cost reduction = 160

AI adoption in financial services is a tale of two strategies: 57% revenue generation vs 43% cost reduction.

Our analysis reveals a compelling dichotomy in the motivations driving AI initiatives among financial services companies. How companies choose to harness AI, whether by prioritizing growth opportunities or optimizing existing processes, will be a key strategic decision in maximizing its benefits and driving long-term success.

Our Take | Acrew

Nearly half of the companies we profiled are leveraging AI to generate revenue and unlock growth opportunities – that is a testament to the technology's transformative potential and the industry's (previously underestimated) willingness to be bold. Companies are harnessing AI to innovate new products and services, personalize customer experiences, and enter new markets, thereby directly contributing to top-line growth. It is important to note that the underlying data is naturally a bit skewed as initiatives that enable cost reduction also tend to be internally focused – which, as we have discussed above, appear less likely to be announced.

Klarna.

PERSPECTIVE:
Klarna's Bold Bottom Line Announcements

Klarna, the Swedish "buy now, pay later" lending company, made early headlines about its utilization of AI to significantly reduce costs and improve efficiency across its operations – and, unlike most other announcements in our data, theirs includes implicit and explicit data about workforce reduction as well as elimination of core software. For example:

1. Customer Support: An AI customer support agent now reportedly handles 66% of customer service chats, and does the work of 700 full-time agents.
2. Workforce Reduction: Klarna plans to reduce its workforce through natural attrition from 3,800 to 2,000 as AI takes over tasks.
3. Internal Operations: The company is developing AI tools to replace traditional enterprise software, potentially eliminating the need for services like Salesforce and Workday.

Klarna's AI initiative announcements have been seen as early signals for the fintech and customer service sectors. They demonstrate the potential of AI to transform operations and enhance customer experiences. However, they also raise important questions about the future of customer service jobs and the broader implications of AI in the workforce.

Heavily regulated industries are more likely to announce cost cutting initiatives vs revenue generating ones.

When looking at which industries announced cost cutting vs revenue generating initiatives, one clear trend emerged: companies in more heavily regulated industries like Banking, Credit & Lending and Insurance were more likely to announce cost cutting initiatives vs revenue generating ones. In fact, other than PFM Tools, which has very limited activity in our database, Banking, Credit & Lending and Insurance were the only two industries to have announced more cost cutting vs revenue generating ones– 58% and 63%, respectively.

Our Take | Acrew

The fact that the more heavily regulated industries, particularly those that are oriented around underwriting, are more focused on expense reduction is intuitive to us. Cost reducing initiatives are generally internally facing or customer support oriented. These components of the business are generally less scrutinized by regulators than areas related to customer acquisition and customer risk decisioning.

/ 5.2 MARKET POSITIONING

Driven by Optics or Impact

Financial services firms are eager to be seen as “AI-first”.

The flip side of the fact that only 72 companies have announced internal initiatives is that it’s actually quite notable that so many companies announced these initiatives in the first place.

Our Take | Acrew

Why announce an internal initiative at all? We can only surmise that internal announcements indicate companies see some benefit in making the effort to publicly announce. Whether its enhancing reputation among tech-savvy consumers or signaling positive momentum to investors, AI announcements serve multiple strategic purposes. In an industry that has increasingly focused on the value of technology, companies are also keenly aware of the negative connotations that come with being labeled a laggard.

Company Stage	Avg Overall AI Initiatives / Co	Avg Gen AI Initiatives / Co
Public	2.0	1.1
Private	1.4	0.8

Public companies lead in AI annoucements – especially when it comes to Gen AI.

Public companies are 40% more likely to announce AI initiatives than private ones—a divide that widens to 51% for generative AI.

Our Take | Acrew

The data raises an important question: are public companies actually more active in adopting AI than their private market peers?

On the one hand, it would be reasonable to assume that the often-privately-held-challengers would be the more front-footed and agile when it comes to innovation. If you believe that, the data is simply a matter of who is making announcements.

On the other hand, the data may actually underscore a strategic imperative:
technology leadership is a key value driver, and public firms are the first to face its impacts. Our conversations with Wall Street analysts validate increasing pressure from public markets on public companies to announce these initiatives. But it goes deeper than that – analysts are suggesting that they expect to see real bottom line business impact driven by AI in 2025 – not optics, but real innovation that starts to change the shape of these businesses.

Given the pace of innovation and the expectations around it, 2025 will shed some real light on which of these groups leads the charge.

/06
A LOOK AHEAD

Where Will Value Accrue In Financial Services In The Age Of AI?

Real Opportunity for AI Native Entrants

The answer to where value will accrue in financial services during the AI-driven transformation is far from straightforward. AI-native startups have several distinct advantages over incumbents. They can build their technology and operations from the ground up and are more agile, capable of deploying AI features and products without the burden of legacy infrastructure. While incumbents might have the technical capability and data, in areas where true reinvention is required, they are less likely to fundamentally disrupt their existing businesses. Our data is consistent with this: most in-product initiatives reinforce – but do not reinvent – existing products.

For AI native startups, building a moat will require industry-specific expertise, proprietary datasets that enable performance advantages, and deep integration into financial workflows – areas where incumbents have natural strengths but new entrants could carve out a niche.

Here are a few opportunities that stand out to us for AI-native fintech startups. These are representative but by no means exhaustive.

1. Generative AI Enabled Fraud Detection

Opportunity: New entrants may be best poised to build the most cutting-edge technology for fraud detection, using Gen AI for things like advanced simulation and training, real time detection and adaptive learning. The rate of innovation required to keep up with malicious actors using Gen AI – for things like deepfakes, synthetic identity, scalability of fraud operations – will be high. Gen AI could contribute to fraud losses in the United States reaching an estimated $40 billion by 2027, up from $12.3 billion in 2023. As one leading indicator, deepfake incidents increased by 700% in 2023.

New Entrant Right Win	Potential Hurdles
• **Adoption Index – Data Insight: Companies may be lacking existing solutions - only 7% of companies have implemented fraud & risk solutions that use Gen AI** • **Adoption Index – Data Insight: Existing vendors may be behind - Socure is the only fraud detection company to announce more than one initiative using Gen AI – most haven't announced any** • **As malicious actors become more adept with Gen AI,** fraud solutions will need to adapt quickly - a more agile startup may be best suited • **Gen AI threats may create enough pain for FIs to share specific threat data -** a uniquely designed & incentive aligned third party might be best suited to facilitate	• **Data:** New entrants likely won't have access to the volume of data required to train or fine tune models for others • **Integration:** Integrating new AI fraud detection systems into existing IT infrastructure can be complex and resource-intensive • **Regulation & explainability:** The financial industry is heavily regulated, and new fraud detection systems must comply with data protection standards and provide sufficient explainability

2. Payments Infrastructure for AI Agents

Opportunity: As AI agents increasingly operate across the internet, there will be a need for infrastructure to support agent-initiated and agent-accepted payments, ensuring seamless functionality and security. This infrastructure will need to cover key areas such as issuance, agent identity verification to establish trust—potentially enabled by a dedicated payments network or even new rails—and security frameworks to protect transactions.

New Entrant Right Win	Potential Hurdles
• **Adoption Index – Data Insight: While the Payments industry has been frontfooted in announcing public initiatives, none of the 47 Payments companies has an initiative involving agentic payments, and only Coinbase has a related initiative leveraging crypto rails** • **Current systems are set up for humans to initiate payments,** and integrating AI/agents into the existing infrastructure could present challenges • **New entrants can be risk on in reimagining a payments framework** while incumbents may struggle with the tradeoff of reinvention	• **Market timing:** Use cases are just beginning to emerge, and we are likely a bit early for fully sovereign agents acting and transacting independently. • **Scalability:** As more use cases emerge for both consumers and businesses, reliable and cost effective infrastructure will be required to scale to large volumes of transactions – likely a bigger challenge for newer entrants than incumbents

3. Personalized Wealth Management

Opportunity: Gen AI could enable highly personalized financial decision making and execution for the mass affluent that is traditionally delivered by RIAs. This might span from optimized allocation and product implementation decisions between cash, investments, debt and tax optimization.

New Entrant Right Win	Potential Hurdles
• **Adoption Index - Data Insight: Wealth & Brokerage had the lowest AI and Gen AI adoptions rates across all industries we profiled – only 57% had launched an initiative at all** • **Only one third of Americans currently work with a financial advisor –** perceived high cost & lack of trust are the biggest impediments • **Open banking enables frictionless switching cost** to enable optimization of financial products and risk management across financial portfolios	• **Privacy & data concerns:** AI systems will require access to large amounts of personal data to function effectively, raising potential privacy concerns • **Limited visibility & controls:** Opaque decision-making processes of agentic AI may make customers reticent to use • **Regulatory & legal uncertainties:** The rapid development of agentic AI may outpace existing regulations, leading to uncertainties about liability, and consumer protections

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CONCLUSION

A Call to Action

Become Part Of The Story

Some technologies shift the goalposts — AI is changing the game. In this moment of profound reinvention, the future of money will be shaped by the companies and visionaries who dare to reimagine what's possible.

This report charts the first chapters of a remarkable technological transformation — but it's not a static document. AI is evolving far too rapidly for that — new initiatives are being launched even as you read this.

Now it's time for you to become part of the story. We're committed to maintaining and expanding this database, with plans to publish an updated version in the coming months. We invite you to help shape this narrative:

Is your company launching new AI initiatives that you'd like included in our database?

Do you have updates, feedback, or know of initiatives we missed?

Please reach out at: fintechai@acrewcapital.com

/ APPENDIX

Methodology

Our full methodology, list of companies, and database can be found here

THE DATA