



Transforming CIB Lending with Artificial Intelligence: Enhancing Efficiency and Decision-Making

Executive Summary

This white paper explores the transformative impact of artificial intelligence (AI) on the lending landscape within Corporate and Institutional Banking (CIB). It highlights how AI technologies are reshaping traditional lending practices, unlocking new levels of efficiency, and revolutionizing decision-making processes.

Introduction: AI has the potential to transform CIB lending.

Technology continues to rapidly change the way financial institutions conduct business. Now, with major advances in artificial intelligence (AI) and generative AI, banks are revolutionizing the way they assess borrowers and make lending decisions.

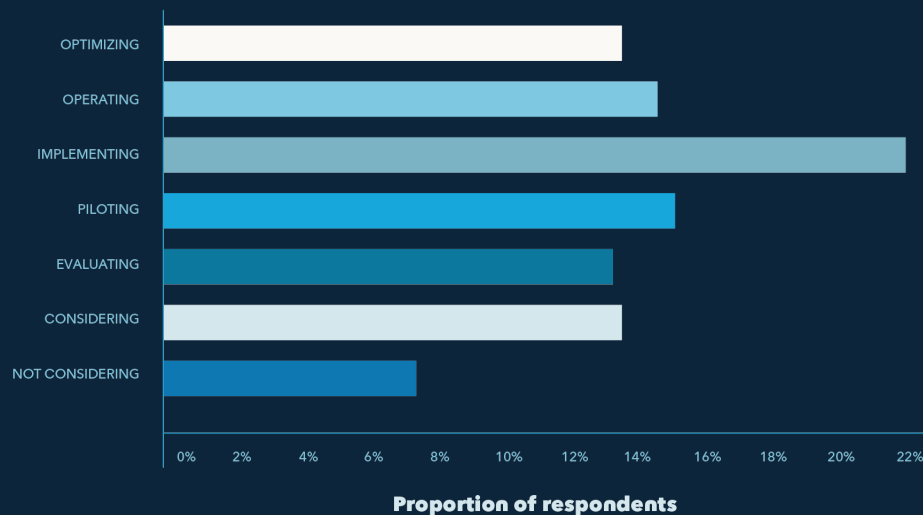
For Corporate and Institutional Banking (CIB) in particular, these technological advancements present both opportunities and challenges, and are pushing even the most traditional financial institutions (FIs) to rethink their strategies and accelerate their digital transformation journeys.

This evolution isn't a question of "if," but "when." A recent survey from Omdia found that the financial services industry is already lagging behind other equally regulated industries such as health care in its adoption and implementation of AI¹.

One of the reasons CIB has thus far underinvested in artificial intelligence is precisely because it is a largely relationship-based business, with high barriers to customers moving to alternate institutions. As a result, regulatory uncertainty and concerns about explainability and security can exacerbate fears about AI disrupting established client relationships and traditional modes of decision-making. Deriving value from AI isn't always a quick and easy process for CIB lenders in particular.

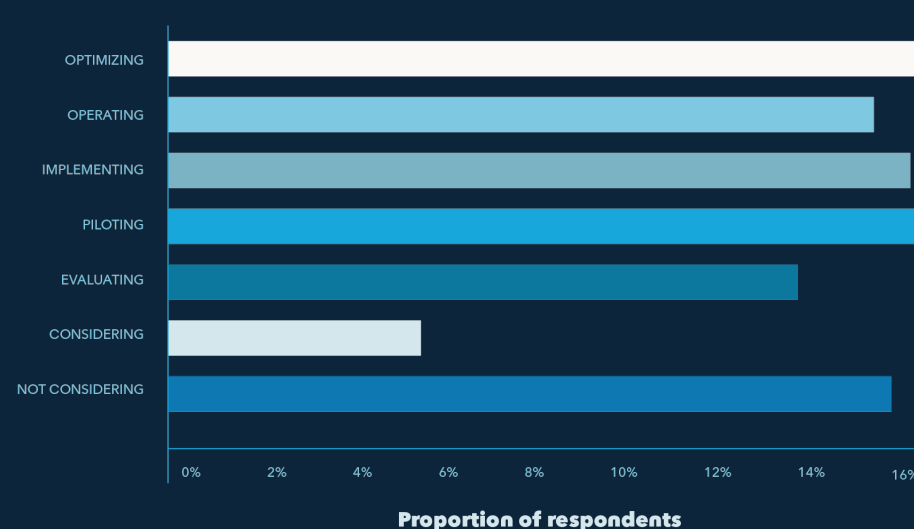
And yet, to win in the decade ahead, CIB lenders must leverage AI to transform nearly every aspect of CIB lending and become more client-centric, efficient, and agile. The current challenge is understanding where and how to begin the transformation journey.

Financial Services



AI Market Maturity 2023,¹ Omdia

Health Care



The Opportunities and Challenges of AI

CIB lenders provide banking services to medium and large enterprises, governments, and other financial institutions, and offer a range of services such as corporate finance, international trade finance, cash management, and lending.

Because the CIB environment involves bigger customers with complex corporate structures, it can be more difficult to assess things like credit risk, complex lending requirements, high value securities, syndication, and multi-jurisdictional transactions. These lower volume, higher touch customers make applying AI technologies uniquely challenging, but not impossible.

According to Celent, over 55% of banks are currently evaluating or testing use cases for generative AI (Gen AI), while a further 23% have projects using this technology in their 2024 roadmap². Given the potential of and hype around AI, this is no surprise.

FIs have quickly realized that AI can enable the delivery of new and unique customer experiences by personalizing services and interactions, driving customer satisfaction, and enabling new growth opportunities. According to a survey from the Economist Intelligence Unit, 77% of bankers believe that the ability to unlock the value of AI will be a primary competitive advantage for banks moving forward³.

While CIB lending is ripe for opportunities to leverage AI, there are challenges to consider. These range from data management, where siloed data poses a significant challenge to the effective implementation of AI, to explainability, where AI's decisions must be transparent and understood. Another challenge is the data protection, security, and IP concerns institutions have around the open source nature of many AI tools. As a response, some FIs have considered the benefits of running closed Large Language Models on their own servers, which can be resource-intensive but offer a higher level of security.

"One struggle facing CIB lenders in particular is siloed, inaccessible, and sometimes conflicting data across the organization," says Jonathan

Rouse, Regional Vice President of Sales – EMEA, nCino. "This requires a knowledgeable and experienced banker who knows what to look for to evaluate and interpret that information. For any transformation project, especially where AI is utilized, it's important to present a consistent view of data that can be utilized across the bank."

Tom Sturley, Accenture Managing Director, EMEA Banking, agrees. He says, "AI is here to stay, and that means data will continue to be more and more important. Whenever a banker speaks to a client, it must start with data, and that data needs to be maintained. That's the mindset we need to adopt and embrace when it comes to AI."

These challenges mean that when it comes to AI, trust—which has always been a priority for banks—will only grow in importance. FIs must establish executive trust in AI-driven solutions, especially because these tools will end up touching what many executives consider their "secret sauce"—i.e., pricing, credit box, customer satisfaction, and more. Deep trust in both an FI's chosen tools and its potential partners will be necessary as leadership considers operationalizing new AI technology. And yet, the longer they wait to leverage these tools, the further behind they'll fall.

With such a range of challenges and opportunities, one thing is clear: the time for FIs to define and prepare for their AI strategy is now.

55% of banks are currently evaluating or testing use cases for **generative AI**

3 Ways AI Can Revolutionize Lending

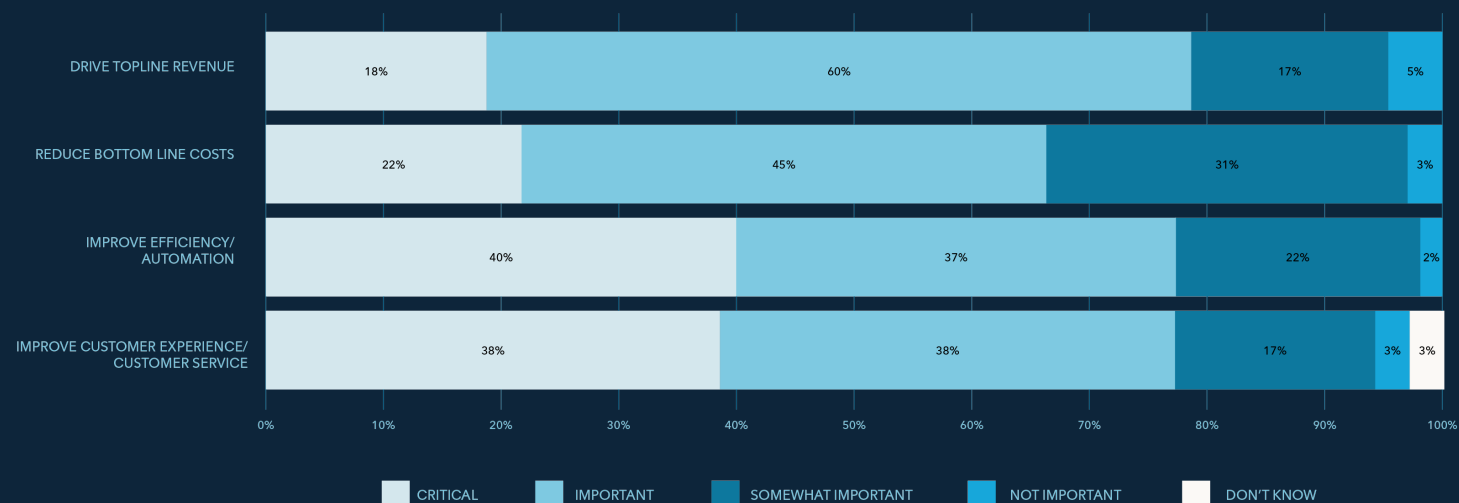
When harnessed strategically, AI has the power to unlock new value streams for financial institutions, improve the lives of their employees, and create better experiences for their customers. It can replace simple, repeatable human tasks, and it can also augment and assist humans, helping them to be more efficient and productive. As FIs begin to define their AI strategy, especially in the realm of CIB lending, there are three main areas where AI has the potential to bring the greatest benefits.

1. Speed and Efficiency

Traditionally, CIB lending has been a time-consuming process, requiring extensive documentation and manual input. Through AI and automation, however, FIs can streamline a range of processes, such as calculating the payback period of digital investments. According to McKinsey, they predict that, depending on the application, Gen AI can improve productivity in core

CIB activities by between 30 to 90%. All told, productivity and other benefits might add 9 to 15% to CIB operating profits, in McKinsey Global Institute (MGI)'s estimate⁴.

How important is it in your company to aim AI at the following outcomes?



AI Market Maturity 2023," Omdia⁵

Automating Underwriting and Approval Processes

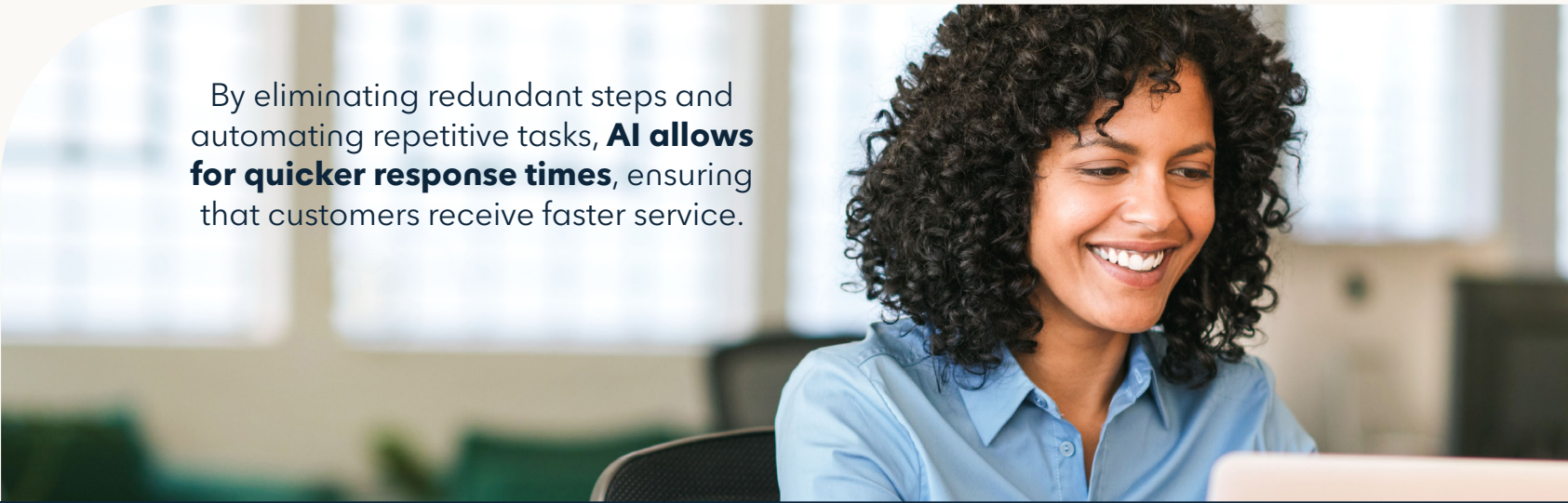
In the fast-paced world of finance, time is money, and the ability to expedite lending decisions can give FIs a competitive edge. AI tools can automate underwriting and approval processes, thereby drastically reducing turnaround times.

These processes often involve numerous decision-making steps, each requiring careful consideration and analysis. AI-powered tools can evaluate risk profiles, credit scores, and other relevant data points more quickly and accurately than traditional methods. This not only expedites the approval process, but also minimizes the risk of bad loans, enhancing the overall efficiency of lending operations.

“Traditionally, bank employees have been organized around highly specialized functions—credit analysts, underwriters, relationship bankers, treasury functions,” says Mark Bernhardt, Managing Director, Australia, and New Zealand at nCino. “AI is moving those employees away from roles that were skewed toward data mining and analytics to ones that provide insights.

It’s critical for CIB leaders to understand the skills of the people within their organization and how those skills and experiences can be repositioned to provide greater value to the customer.”

By eliminating redundant steps and automating repetitive tasks, AI allows for quicker response times, ensuring that customers receive faster service. This automation can lead to more streamlined operations, freeing up human resources to focus on strategic tasks that require critical thinking and decision-making skills. One example of this is assisted decisioning—i.e., using AI to pull out the most important or risky elements of a deal so the underwriter can focus on those, thus saving them the work of also reviewing relatively low-risk elements. Another example is using AI for the review of all the deal attributes (covenants, collateral, RM comments, subjective information, etc.) and creating a concise deal summary along with recommendations that the underwriter can then review and approve. In this example, the underwriter retains final say, but the AI does the bulk of the work.

A photograph of a woman with dark, curly hair, wearing a light blue button-down shirt, sitting at a desk and smiling while looking at a laptop. The background is a blurred office setting with windows.

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Powering Document Processing and Financial Spreading

The lending process often involves dealing with a multitude of documents, such as financial statements, credit reports, and other relevant paperwork.

AI can revolutionize document processing by using Natural Language Processing (NLP) and Optical Character Recognition (OCR) technologies to extract and analyze information from these documents swiftly and accurately for CIB lenders focused on trade finance, the ability to move swiftly and accurately is especially important. Moreover, AI can automate financial spreading—a process that involves converting financial statement data into a format that can be used for analysis. By automating this task, AI can reduce the scope for human error, ensuring more accurate and consistent results, and even create a subjective summary of the performance of the business in the credit memo.

Improving the Employee Productivity and Experience

AI alone won't make your bank more competitive and bring it into the modern age. Your employees still have an important role to play.

"AI is not going to replace bankers or relationship managers (RMs)," says Jonathan Rouse. "CIB lending is a personal, relationship-based business, and it's going to stay personal. It's about helping RMs to make better, more informed, and faster decisions."

nCino's Automated Spreading, powered by nCino IQ (nIQ)



nCino's Automated Spreading uses machine learning and optical character recognition (OCR) to automate the process of spreading financial statements and tax returns. It automatically interprets and extracts data from these documents and imports it into nCino's financial analysis tool, nCino Spreads.

Key benefits:

- Increase efficiency and streamline the underwriting process; reduce the time it takes to spread and process documents by up to 75%.
- Improve financial spreading consistency and minimize errors.
- Enhance productivity and increase focus on value-adding activities, such as analyzing credit.

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Generative AI could transform daily routines for corporate and investment bankers.

Seven frequent tasks that Gen AI can simplify:



Prepare account plans and proposals semi-automatically by leveraging latest client data and public info



Provide a 24/7 “virtual SME” bot to answer spot questions trained on proprietary know-how. Client data “live” news feeds and/or latest public information.



Suggest client-specific actions (e.g. next-to-buy) to front line by mining latest corporate initiatives with a corporate-action monitor



Shape preliminary responses to steer live client calls based on product offering, previous Q&A, policies, and past client logs



Automate client call assessment and summarization into actionable commercial next steps



Automatically write, fill, or interpret technical documents (e.g. Know Your Customer, deal terms) based on deal info / term sheets



Create quick email drafts in response to clients and reminders of action points

McKinsey & Company⁷

AI can automate routine queries, allowing RMs to save valuable time. By leveraging AI-powered chatbots, for instance, RMs can quickly get clients' immediate responses to their policy-related questions, freeing them to focus more on relationship-building and strategic tasks. Some examples of these key strategic tasks might include:

- Engaging with clients to understand their financial goals and conducting regular portfolio reviews.
- Collaborating on comprehensive financial plans and providing strategic advice on capital structure and financial decisions.
- Creating tailored financial solutions that address specific client needs and collaborating on innovative products.
- Staying informed about market trends and awareness of market dynamics as well as providing clients with relevant insights and research reports.
- Leveraging "voice pilot" technology, wherein a banker can verbally request the creation of a new application for a client, including the purpose and the amount, or ask for a report of all the deals closed in the last month.

"The first wave of AI really focused on content and communications," says Allan Burgess, Senior Manager, Commercial Banking – Credit and Loan Operations at Accenture. "For example, using AI to review and summarize regulatory changes. There's too much out there for people to absorb, especially on the front end. AI can also help RMs get beyond 'the tyranny of the blank page.' It can speed the communications cycle, and if there's one thing borrowers want when it comes to money, it's speed."

AI can provide RMs with real-time insights about customer behavior, preferences, and needs, enabling them to deliver personalized service. This transformation brought about by AI not only saves time, but also empowers

RMs to foster deeper, more meaningful relationships with clients. As bank employees learn to leverage AI, their roles will change—instead of completing the initial analysis, they will shift into the role of reviewer and communicator.

Empowering Underwriters and Analysts with AI

Underwriters play a crucial role in the lending process, analyzing client profiles, monitoring news, and assessing industry economic conditions. However, creating these analyses from scratch can be time-consuming and laborious. Herein lies the potential of generative AI.

Generative AI can automate the creation of these analyses, retrieving relevant data points and crafting comprehensive reports in a fraction of the time it would take manually. This allows underwriters to focus on making informed lending decisions, improving their productivity and job satisfaction.

Accenture is building a demo for a commercial bank that showcases how generative AI can be harnessed to increase efficiencies in heavily manual underwriting processes. The proof of concept shows how banks could accelerate credit memo generation by analyzing key documents, summarizing relevant information, and generating a draft of the memo all while increasing productivity and ensuring consistent outcomes in underwriting. Accenture estimates that this tool could automate 60% of the process, reducing the approval and funding timeframes from weeks to days, enabling banks to improve pricing 20 to 30 basis points, and lifting net interest margins by 10 to 15%.⁹

This is just one example of how nearly any part of the lending process that requires writing—from loan applications to risk assessments—can be enriched and streamlined with generative AI. By doing so, underwriters can facilitate more consistent, accurate, and efficient outputs.

2. Intelligence

Many of the use cases for CIB lending involve customer interaction. For example, generative AI can be used to make the KYC process more efficient, so that analysts are reviewing the work performed by the AI, rather than doing the work themselves. It can also help with policy interpretation—not only digitizing it, but making it more accessible.

“Being able to move from data that is stored in a transactional layer and centralize it around the customer will be critical for FIs who want to use AI in a way that provides meaningful insights into opportunities with customers, how they price them, the risk profile,” says Mark Bernhardt, General Manager – Australia at nCino. “If you take a classic process like annual review process, which is heavy and burdensome in the CIB space, it’s traditionally been humans who have had to aggregate all that information. There is an opportunity for AI to not only help consolidate and prepare that information, but also highlight the insights the human eye can’t see.”

The second area where AI can have a transformative impact is in the design of customized loan products and diversified pricing strategies. AI can empower CIB lenders to segment the market based on a plethora of variables, including but not limited to industry, company size, and risk profile. This segmentation allows for the creation of loan products and pricing strategies that cater to the specific needs of each segment.

AI’s ability to process and analyze vast amounts of data in real-time can also enable dynamic pricing. By continuously monitoring market trends, customer behavior, and risk factors, AI can adjust loan terms and pricing to reflect current conditions. This level of responsiveness can give CIB lending organizations a significant competitive advantage.

nCino’s Commercial Pricing & Profitability, powered by nCino IQ (nIQ)



Commercial Pricing & Profitability helps financial institutions optimize pricing and profitability while strategically deploying capital, with the power of an on-platform pricing solution. The pricing policy is set, managed and centrally administered within the back office.

Commercial bankers can receive the information they need to negotiate and win deals at the moment they need it, in the system where they already work.

Key benefits:

- Provides insights into loan and relationship profitability.
- Facilitates conformity with the institution’s policies and financial targets.
- Provides fast, competitive rates in real-time, enhancing the client experience.
- Enables the intelligent pricing of loans to optimize profitability.
- Supports pricing and negotiation at every relevant point throughout the commercial deal lifecycle.

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3. Risk Management

Risk management is a critical concern for CIB lenders. Traditionally, credit risk management has been a manual and time-consuming process, fraught with human error and bias. AI-driven risk engines can analyze vast amounts of data, identify patterns, and predict potential risks with a level of accuracy and efficiency that far surpasses human capabilities.

"Banks are still figuring out what 'responsible AI' means, and that's causing some slow down across the industry in adopting it," says Matthew Ross, Banking Strategy Senior Manager at Accenture. "There will be fast use cases that are employee-facing, but customer-facing uses, such as credit decisioning, will take more time."

Best practices for credit risk management now involve the use of AI tools that employ machine learning (ML) algorithms for predictive modeling. These tools can assess borrower creditworthiness, forecast market trends, and simulate various risk scenarios. By automating risk assessment, lenders can make more informed decisions, minimize risk, and optimize their loan portfolios.

Regulatory compliance is another area where AI can deliver significant benefits. Lenders must navigate a maze of ever-changing regulations and maintain compliance to avoid hefty penalties. AI can help automate compliance processes, monitor regulatory changes in real-time, and flag potential breaches before they occur. For instance, AI-powered regulatory technology can track changes in AML and KYC regulations and update compliance procedures accordingly.

Predictive analytics powered by Machine Learning (ML) algorithms can analyze vast amounts of data to identify patterns and predict future trends. For instance, JPMorgan Chase uses ML for credit risk assessments. Their COIN (Contract Intelligence) system uses Natural Language Processing (NLP) to review legal documents and extract relevant information, reducing errors and saving thousands of hours of manual work¹⁰.

"Fraud is found in the footnotes," says Allan Burgess. "The numbers may look great on the surface, but skilled credit analysts know to look into the details. It's hard to consume those details at market speed, but there are certain keywords and phrases that consistently indicate fraud. Some banks are evaluating generative AI to look for fraud in borrower financials, but they still need to be able to explain to a borrower why they've been flagged for fraud."

Jonathan Rouse agrees. "Every bank is different, but when it comes to leveraging AI, they have one thing in common: the technology has to be explainable," he says. "AI needs to assist RMs in making decisions, not make decisions for them. That explainability will be more and more important as the regulations evolve."

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Where to Start

Quality data is the fuel for any AI system. FIs must facilitate the availability and integrity of their data for effective AI implementation. While generative AI leveraging Large Language Models can absorb unstructured data and use it to generate content creation and analyze customer feedback, structured data is needed for tasks such as financial analysis, monitoring fraud, analyzing market trends, and predicting stock prices. This means FIs must gather, clean, and structure data from various sources, including internal databases, credit bureaus, social media, and public records.

“Artificial intelligence will continue to mature, especially in the banking sector,” says Maurits Olijve, Managing Director at Accenture, Head of Commercial Banking EMEA. “Right now, they’re working through their first models, going through cycles to understand the validity and strength of those models. But to build and run models smoothly, the data needs to be in order. ESG strategy, credit decisioning, client profiling—it all comes down to data.”

The next step is to understand the challenges that the bank faces and how AI can help. This involves identifying specific problems that AI can solve, such as reducing manual processes, improving risk assessment, or enhancing customer experience.

“As a technologist, I’m often looking for a problem because I like the technology and I want to use it,” says Kevin Torno, Strategy & Consulting Managing Director at Accenture. “But organizations need to first identify the business outcome they want to target, then work backwards to find the right AI solution. For example, an RM might want to create a roadmap to say if I give you the next best offer, how can I be a better advisor, then figure out what tools and AI will help accomplish that. To be effective, organizations need to start with a specific business problem and work their way back from there.”



Finally, effectively implementing AI requires robust infrastructure, including cloud technology for data storage and processing, and existing AI tools and expertise. Banks need to invest in AI talent and training and may also consider partnering with trusted vendors or financial technology companies to achieve their goals.

“Cloud is definitely an enabler of AI,” says Kevin Torno. “The more mature a financial institution is in their cloud journey, the better positioned they are for AI.” This doesn’t mean regional institutions and community banks are out of luck when it comes to an AI strategy—there is enough opportunity, and enough tools, to go around. “It’s about where you are in your journey and how your key partners can help you get started or take things to the next level.”

To unlock the full power of generative AI, banks will need to bring customers and talent along for the journey. Commercial banks should thus focus on developing a future-ready workforce with a culture that embraces change, innovation, and constant learning. In such a culture, generative AI is woven into daily processes, systems, and ways of working. Banks will not only need to recruit for new roles such as AI model and prompt engineers, AI content creators, data curators and ethics and governance specialists; they will also need to prepare everyone in the workforce to harness generative AI. By focusing on this talent-centric strategy, banks will ensure that their people have the ability to use advanced generative AI tools effectively.

As financial institutions embark on their AI journey, a strategic, phased approach is key. Starting small with pilot projects can help CIB lenders understand the potential and limitations of AI and build confidence in AI solutions. As they gain experience and expertise, they can scale up their AI initiatives, harnessing the transformative power of AI to reshape the future of CIB lending.

For further reading, explore the following thought leadership from Accenture:

Commercial Banking Top Trends for 2024:

Accenture’s annual commercial banking top trends report identifies the topics that are most likely to transform the industry in 2024.

[READ THE REPORT —→](#)

Banking in the Age of Generative AI:

Accenture analyses the impact of generative AI on the banking industry and the potential increase in return on equity for banks that are early adopters.

[READ THE REPORT —→](#)

Looking Forward

As AI continues to evolve, it's crucial for financial institutions to continuously enhance and update their strategy to remain competitive in the market. The adoption of AI in CIB lending can improve the efficiency of the lending process, enable bankers to make better lending decisions and build long-lasting relationships, and drive business growth for decades to come.

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