



## BANKING IN THE AGE OF AI: WHY DIGITAL NATIVES ARE PULLING AHEAD



Digital-native banks, built from the ground up with modern technology, are pulling ahead of traditional players. Their advantage lies not only in starting on a greenfield, but in embracing agility and innovation as core principles. Established banks, even those launching digital initiatives, often find themselves struggling to keep pace.

The reason? Legacy structures and mindsets that resist change.

Artificial Intelligence is amplifying this divide. Early implementations of AI-driven software factories are already delivering productivity improvements for professional software development. The question for incumbent banks now changes from 'how to adopt AI into their operations' to 'how to adapt to new performance paradigms.'



## THE INCUMBENT'S DILEMMA

For established, large banks, the challenge is existential: reinvent themselves to seize future opportunities or cling to structures that deter innovation and growth. Complacency can arise from failures of hype-driven approaches such as “vibe coding,” where large language models generate code for a POC with the push of a button, only to see it turn into an unmaintainable mess when trying to integrate it into the complexities of corporate IT production.

[A number of studies have shown that up to 88% of large enterprises fail to meet their transformation goals.](#)

Yet, success stories exist. Some organizations are not just surviving but thriving in this new era.

What sets them apart? A willingness to rethink everything from technology to culture. Adapt not adopt.

## WHY TRANSFORMATION FAILS

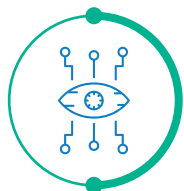
The reasons for failure are strikingly consistent. Poor process and data quality limit progress to slow and incremental improvements when only end-to-end innovation can deliver a step-change in performance. Outdated technology stacks cripple agility, requiring comprehensive modernization rather than piecemeal replacements. And perhaps the hardest barrier of all: the psychological challenge of unlearning past success. Leaders who built their careers on yesterday's playbook must embrace new paradigms while operating within deeply entrenched structures.

Compounding these challenges is a widespread lack of AI literacy. Most managers and staff still have only a superficial understanding of how to implement AI with its intrinsic complexities to its strengths. Even fewer can imagine how AI might reshape organizational processes. Without guidance from a grounded vision, transformation efforts stall.



# BREAKING THE POC TRAP

Too many companies remain stuck in a cycle of pilots and proofs of concept, dependent on different vendors for fragmented solutions. To break free, organizations need a unified approach:



## Instil a Tech-First Vision

Commit to building a scaled, AI enabling, modern technology platform as a shared enterprise goal.

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## Adopt a Federated Model

Combine strong central governance with decentralized execution to balance control and agility, rewarding collaboration. The most impactful federation we have seen in the banking sector is across LOBs like retail banking, business banking, wealth management, etc.

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## Foster Creativity Zones

Provide an environment with tech foundations in place for teams to experiment with business applications within these LOBs.

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## Democratize the AI Building Skills at Scale

Institutionalize AI skill development across the organization to break the perception that AI can be built only by a select few. Adoption increases when technology is trusted by the maximum number of people in the enterprise.

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## Accelerate Responsible AI Assessments

Responsible AI assessments should be viewed as an enabler rather than red tape. Automating these assessments and providing clear visibility of risks to all stakeholders transforms this dimension into a catalyst, not a hindrance.

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True transformation requires more than ambition; it demands infrastructure. AI-driven IT operations, exponential engineering practices, evolvable platforms, and outsourcing models that prioritize structural innovation independent from annual budget cycles form the backbone of an AI-powered organization.

Technology alone won't deliver success. The full value of AI depends on adaptability, both organizational and individual. Large banking organizations must cultivate a culture that prizes learning, experimentation, and resilience. Employees need not only new skills but also a setting that embraces change as a constant rather than a disruption.

## THE BOTTOM LINE

The combination of advanced technology with strong leadership and adaptability will leave banks in the best position for future success. Timely action is essential to remain competitive; delaying transformation increases the risk of falling behind in an AI-driven economy.

At Infosys, the use of Agentic AI is already offering us tangible results. Beyond accelerating software development, we are able to deliver significant improvements across IT operations, reducing operating costs from anywhere between 30%-50%, whilst maintaining or even improving quality.

Similar efficiency gains have been achieved in complex business processes such as audits, KYC, customer onboarding, loan origination, and invoice processing, often translating into eight-figure savings. These outcomes are not theoretical; they come from projects with industry and technology leaders who are proactively embracing new opportunities.

The magnitude of these gains shows that AI is not just a technology upgrade; it is redefining operating models and freeing capital for growth initiatives that were previously out of reach.

## AUTHORS



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Micha Helbig is the Senior Vice President and Regional Head of Financial Services for Continental Europe at Infosys, where he has worked for 18 years. His career spans consulting, business development, and client relationship management across Europe and APAC. Having started his career as a business consultant, Micha has over 28 years of experience in consulting, business development, client relationship management, and alliance management, primarily in software and services for the Financial Services Industry across Europe and from 2005-2020 also in Australia/APAC.

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Max is a partner at Infosys Consulting in Frankfurt and the head of EMEA for tech strategy in financial services. His main focus is on new technologies and how they are changing business and operating models for financial institutions. Over 25 years, Max has advised leading financial institutions in Europe, the U.S. and Asia on topics ranging from profitability enhancement to cost reduction strategies, particularly driven by new technology use. In recent years, Max has focused on new tech-driven bank models and how AI and new tech can help revolutionize banking services.



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Vishvajeet is a seasoned technology professional with over 23 years of experience in the IT industry, delivering large-scale, complex programs across the digital spectrum. His expertise spans web portals, digital experience platforms, self-care solutions, e-commerce systems, and business intelligence and decision-support dashboards, serving industries including telecommunications, retail, banking, manufacturing, and oilfield services. In his current role as Lead Architect for a flagship product, Vishvajeet is responsible for architecting and delivering multiple complex subsystems, ensuring scalability, security, and performance at an enterprise level. He also plays a key leadership role in mentoring and developing a high-performing team of over 70 full-stack engineers, fostering strong technical depth and design excellence. Beyond his core delivery responsibilities, Vishvajeet is an active community and capability builder. He leads the Pune, Nagpur, and Mumbai chapters of a technology community comprising approximately 800 architects, with a mission to create vibrant, boundary-less technology ecosystems across the region. He is also a strong advocate for secure engineering practices and has been instrumental in scaling the “Secure by Design” philosophy across projects within the organization.



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