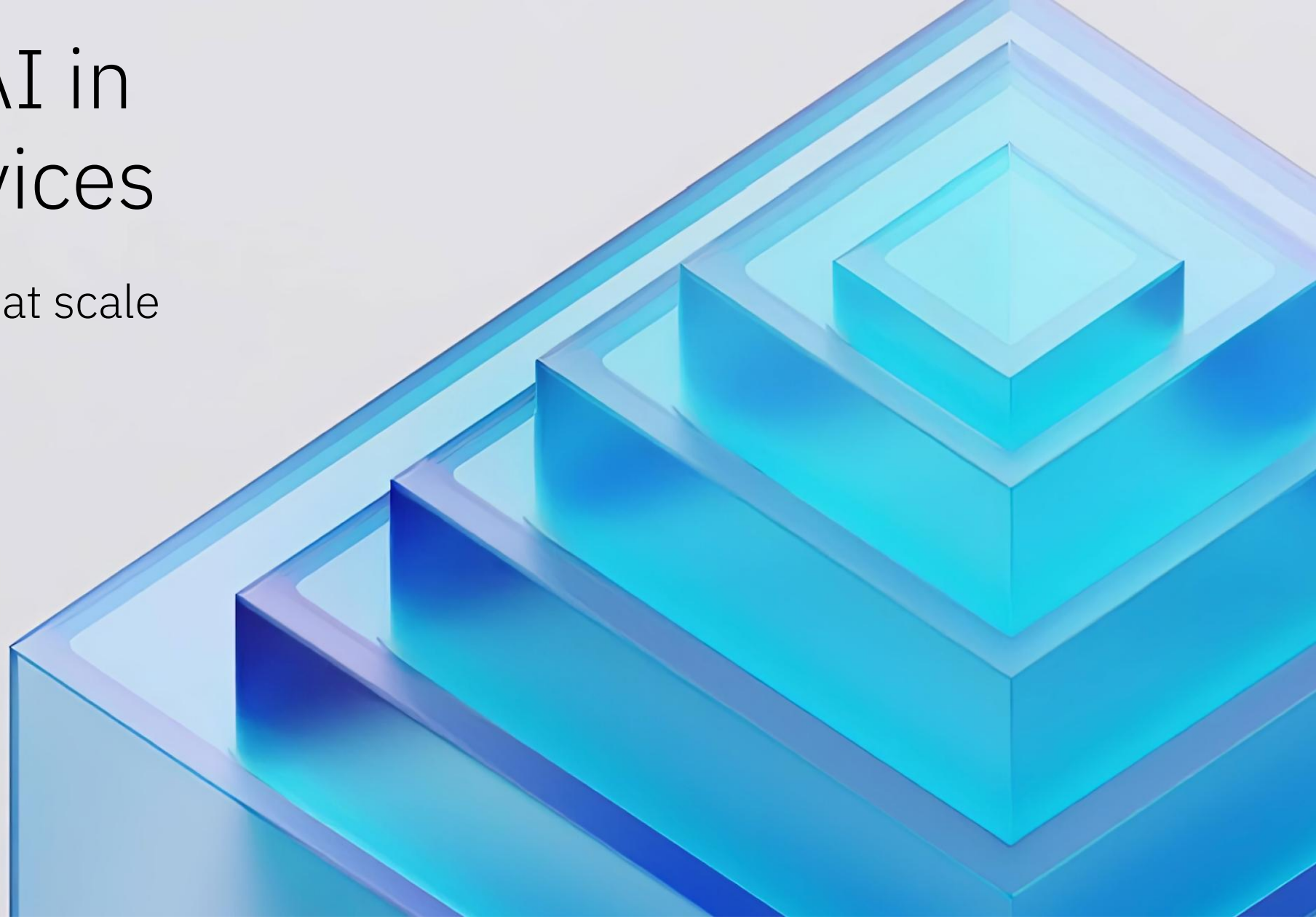
Trustworthy AI in Financial Services

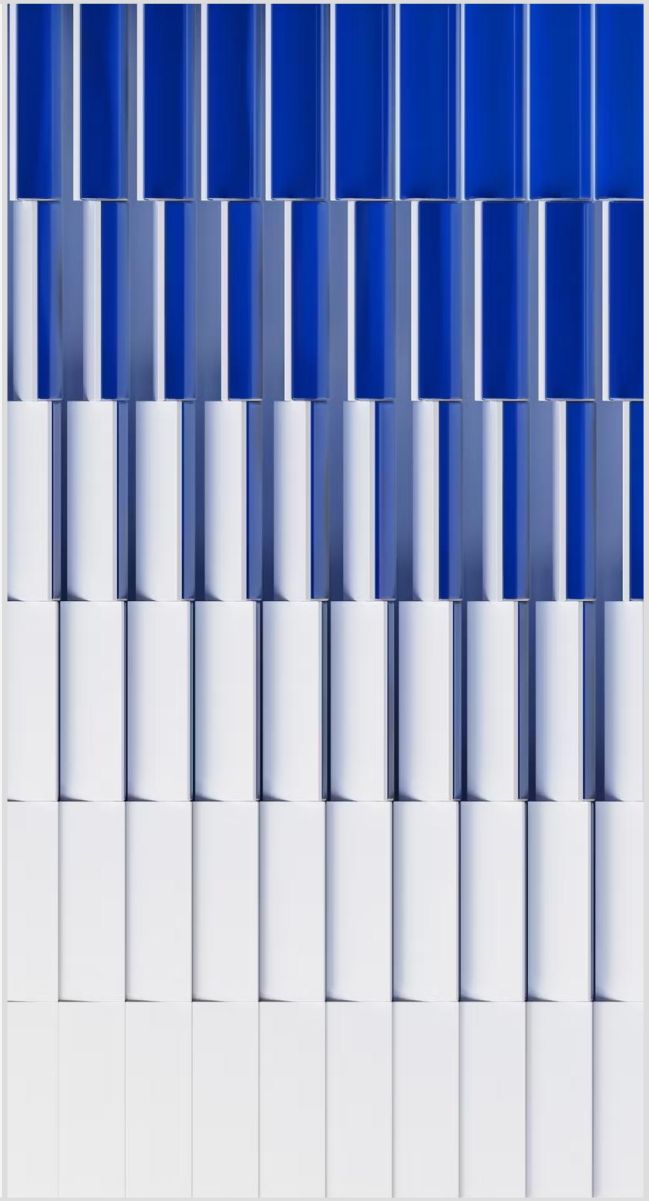
Delivering value from AI at scale



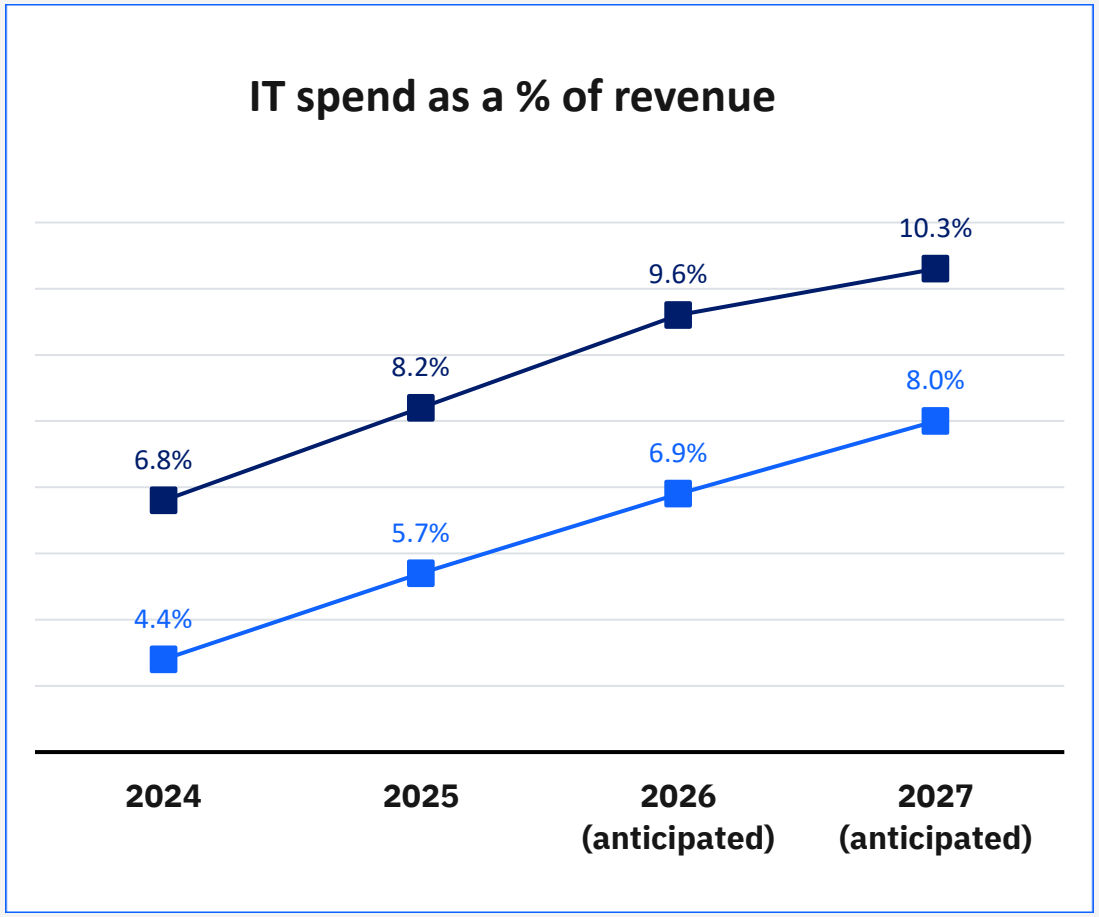
$4.4T

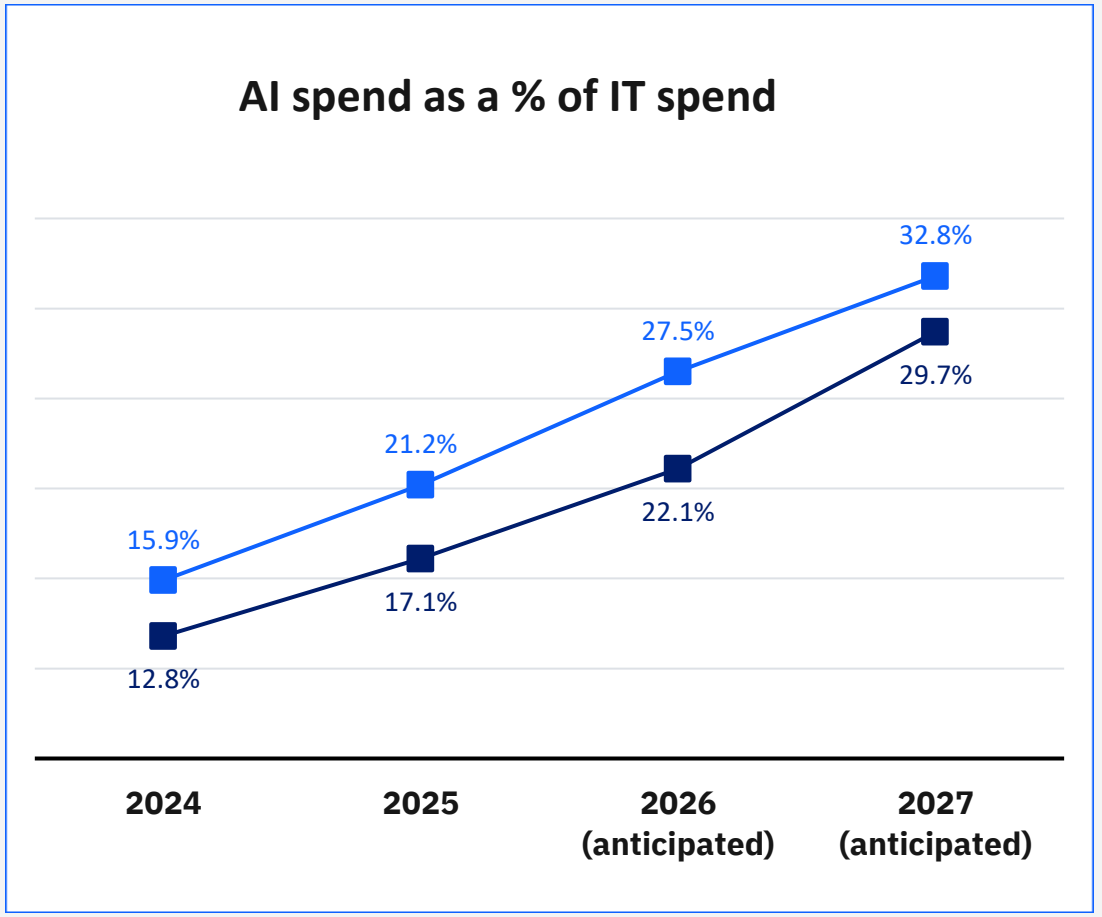
predicted annual productivity gains driven by AI by 2030

Source: McKinsey Global Institute



AI is taking a bigger share of rising IT spend





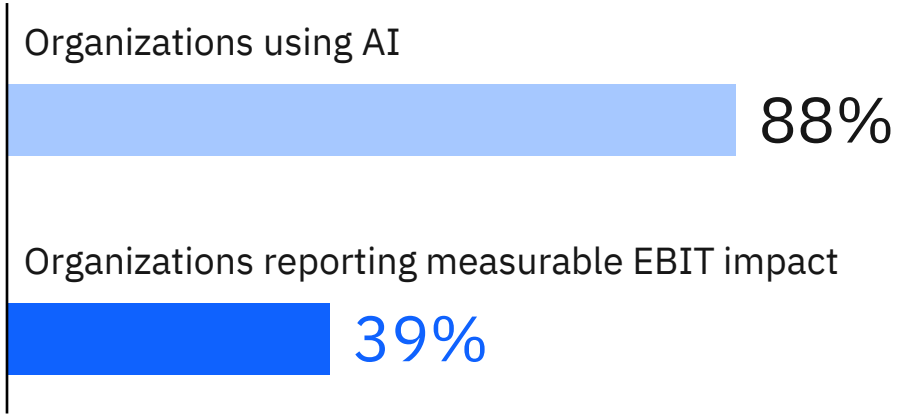
IBM Benchmarking Data, 2026

All industry respondents

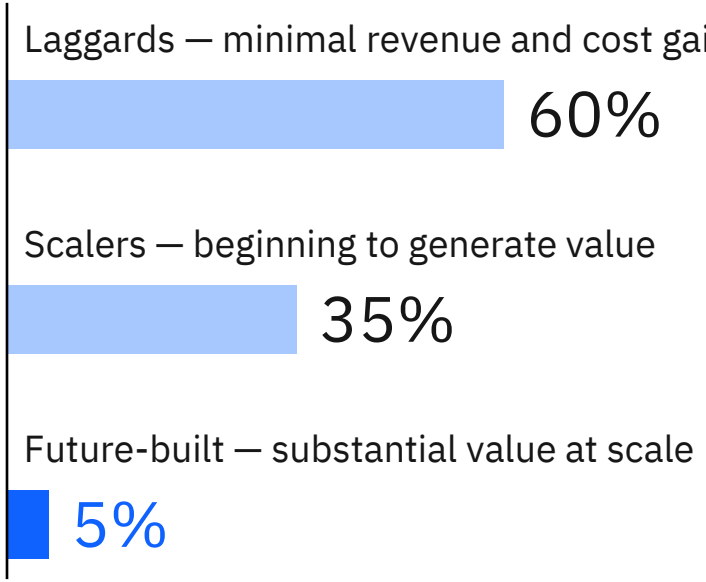
European banking respondents

Most firms are struggling to convert AI adoption into bottom-line value

AI adoption has outrun financial impact (1)

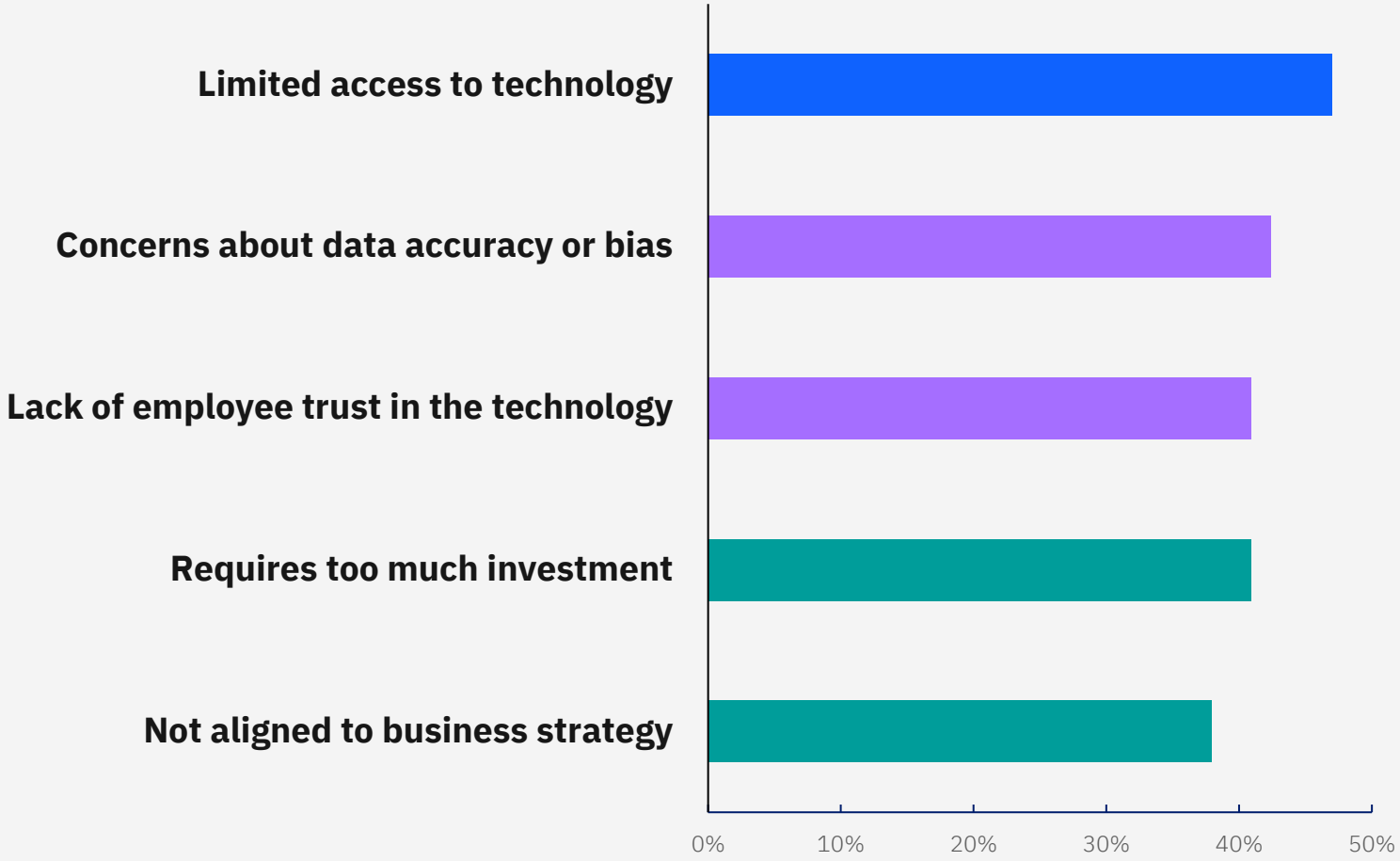


Value concentrates in a small leader tier(2)



Sources: McKinsey, The State of AI (2025); BCG, The Widening AI Value Gap: Build for the Future (2025)

What is holding banks back?



Operating model limitations across tech & data infrastructure

Limited trust, governance and adoption to embed AI into core workflows

AI investments not tied to business strategy or anchored on target value

IBM Benchmarking Data, 2026

In the AI era, governance isn’t a brake on opportunity—it is a boost to performance.

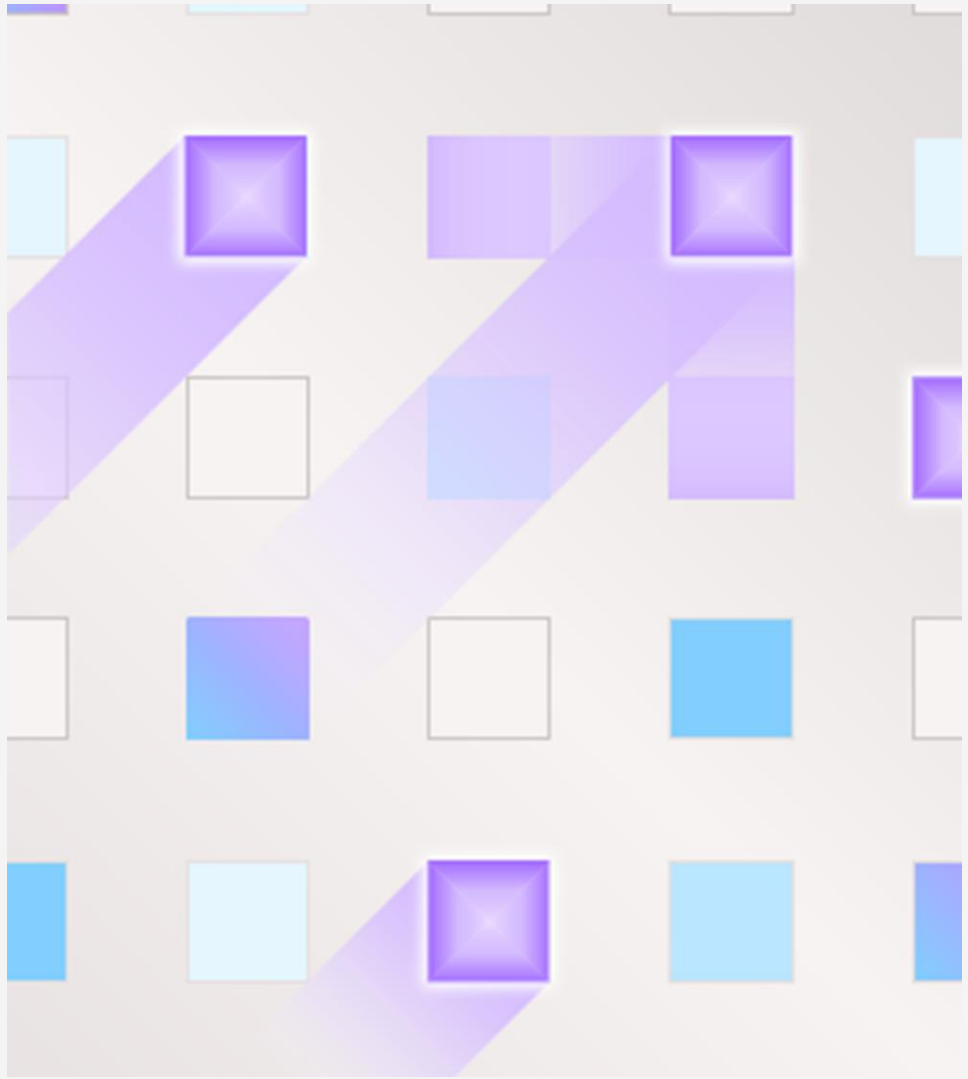
Banking executives credit

25+%

of AI efficiency gains to strong governance.

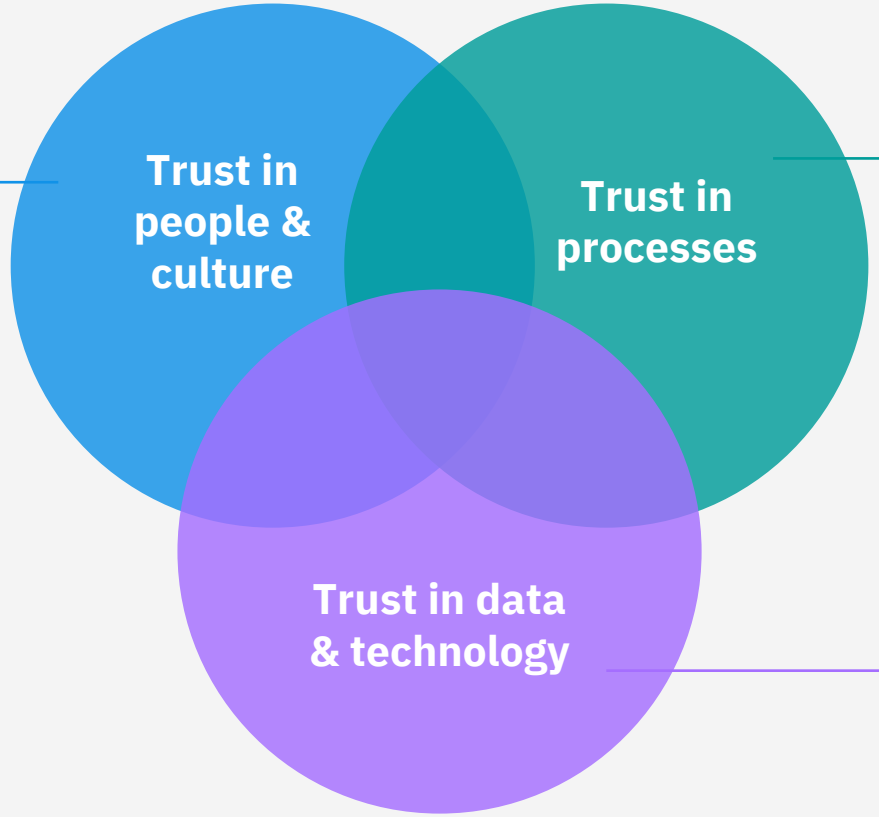
Companies that invest more in AI ethics report

34% higher profit from AI[1].



Our approach to Trustworthy AI: Diagnosis

Governance and accountability structures, ethical culture of safety, continuous education, and applied learning.



Unified, holistic approach, operating model with established roles, responsibilities, and continuous monitoring.

Data governance, embedded guardrails, security and privacy controls, and technology accelerators for people and processes.

The transformation of IBM: Balancing innovation with responsibility and trust through *integrated* governance

Principles for Trust and Transparency

Lay the foundation for how we develop and deploy technology responsibly



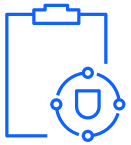
AI Ethics Board

Instills a culture of responsible technology throughout the business and establishes centralized governance



Integrated Governance Program

Enables IBM to adopt AI at scale, bring technology to market with speed and trust



Trusted solutions

IBM technologies are built with trusted enterprise data and governed processes



We used AI governance to accelerate innovation

IBM: 5,500 AI assets across 175 countries, 2018–2025

+88%

Faster to regulatory compliance

12 months to 6 weeks

72%

Less effort in model governance

36 hours to 10 hours

90%

Faster use case risk approval

Over 4 weeks to under 2 minutes

60%

Quicker data clearance

Processing time cut by three fifths

How we got here:

GDPR, 2018

EU AI Act, 2024

Reactive compliance 2017–2018

Proactive compliance IGMS, 2018–2022

Continuous compliance 2022–today

IBM’s principles, pillars, and policy

Principles for Trust and Transparency

1. The purpose of AI is to augment — not replace — human intelligence.
2. Data and insights belong to their creator.
3. New technology, including AI systems, must be transparent and explainable.

Pillars of Trust


Explainability


Fairness


Robustness


Transparency


Privacy

Key IBM policy

IBM believes in smart regulation that balances protecting society from potential harm and allowing innovation to flourish. This means:

1. Regulating AI risk, not AI algorithms.
2. Making AI creators and deployers accountable.
3. Supporting open AI innovation, not an AI licensing regime.

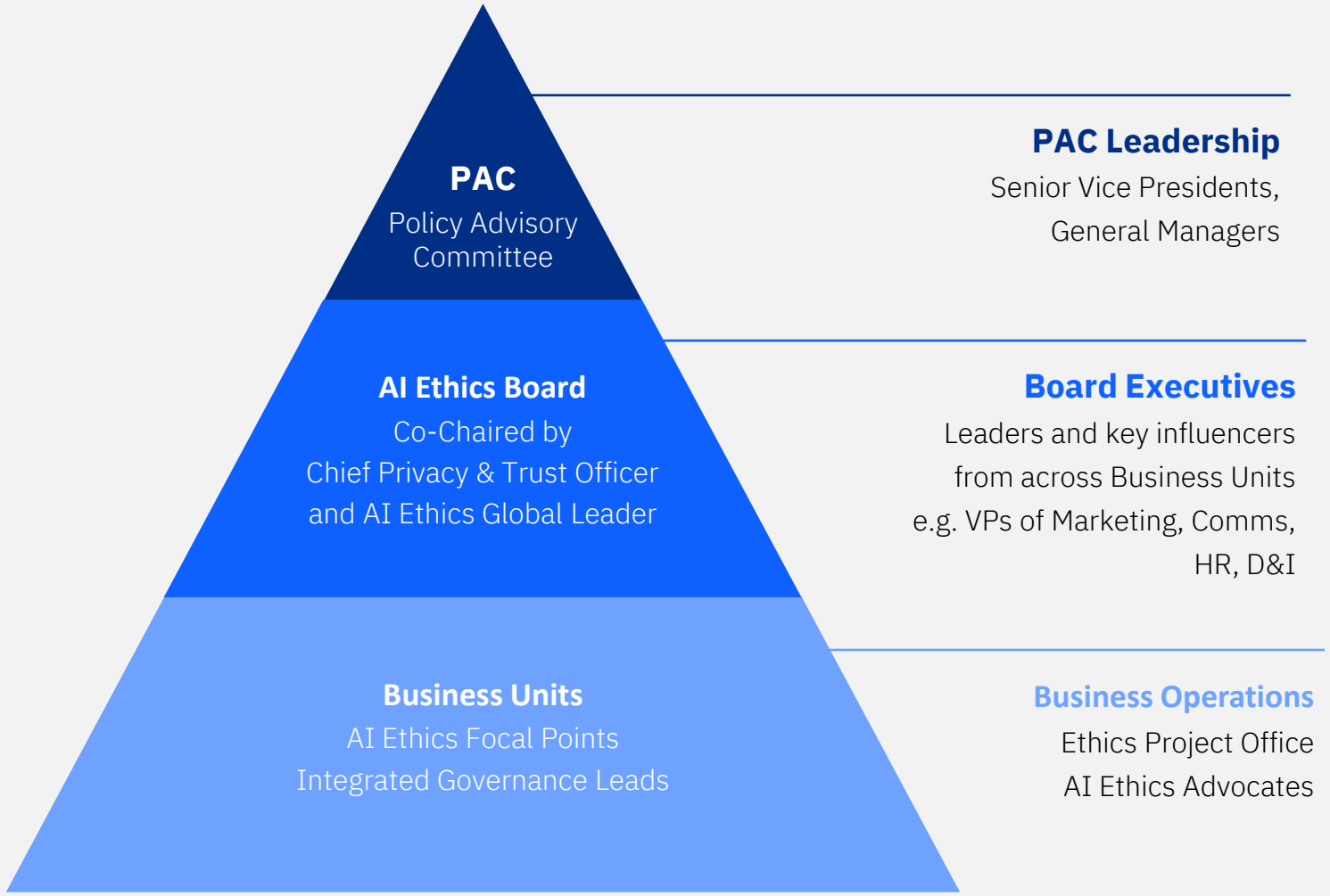
How IBM operationalised AI governance

- **Defined accountability and ownership**
  Starting at the top, leaders sponsor a culture focused on AI ethics.

- **Clear principles and policies**
  Centralized governance and decision-making promotes a culture of trustworthy AI.

- **Educating the enterprise**
  Understanding how AI works is crucial for fostering confidence in AI systems.

- **Advocacy and collaboration beyond the organisation**
  Stakeholders stay informed about emerging regulations and contribute to shaping standards and practical solutions to AI challenges.



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Integrated Governance Program - key components

Foundational Data Transformation

Org. Governance; Responsible Tech Board

AI System and Model Build

Data Governance

Model Lifecycle Management

Regulatory Compliance

Organizational Governance Responsible Technology Board

- Perform Use Case Risk Assessments to identify potential issues.
- Put in place guardrails to manage risks.

AI System and Model Build

Design use cases in accordance with IBM's Ethics by Design Framework.

Data Governance

- Data pipeline has a direct bearing on the risk profile.
- Facts about the data are collected.

Model Lifecycle Management

- The model is trained on cleared datasets regardless of origin.
- The model is tuned, tested and evaluated throughout its lifecycle.

Regulatory Compliance

A single inventory enables us to filter items in scope for a given regulation and launch targeted compliance campaigns.



Chief Privacy Officer (CPO)

Key concern:
How are we ensuring compliance with the growing number of AI regulations, across the jurisdictions we operate in?



Chief Data Officer (CDO)

Key concern:
Do we have trusted data pipelines to ensure quality and rights of use for model training data?



Compliance/Risk Officer

Key concern:
Do we have a comprehensive inventory of AI models and Systems used in the enterprise? Can we track these across their lifecycle?

Global Bank: Accelerating time-to-market through governance

Getting AI into production was slow and costly

Risk reviews duplicated across horizontals, overlapping documentation, and an array of competing governance forums, with no clear view of the end-to-end process.

A streamlined AI governance process

Consolidated risk documentation and delegated decision authority to a single forum, with one artefact as the input.

1 forum

For all decision-making on AI, instead of 5 forums with multiple engagements required at each

1 risk artefact

Instead of 16 documents required to move from POC to Production, creating a single source of truth

70%

Reduction of data collection requirements

Governance: control to catalyst

A.	Start with accountability
B.	Set the rules before considering tools
C.	Govern by risk, not one size fits all
D.	Integrate, don't bolt on
E.	Treat governance as a product