

Just in Time

Wealth Management *Generative AI and Self-side Research*

July 2026

Executive Summary

- **AI is emerging as a strategic driver in wealth management, improving research, client servicing, and operational efficiency across the advisory value chain.** It is enabling a more data-driven and scalable model for financial services.
- **The operating model is shifting from fully human-led to AI-augmented, with AI handling repetitive and analytical tasks.** Advisors remain central for judgment, trust, and final decision-making.
- **Strong governance and regulatory control remain essential.** Key priorities include managing bias, transparency, cybersecurity, and compliance with frameworks such as GDPR, MiFID II, and the EU AI Act.
- **Overall, AI is creating value through efficiency, personalization, and competitive advantage.** The direction is toward broader adoption supported by quality data, robust controls, and human oversight.



At a Glance

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Keywords: Wealth Management, GenAI, Machine Learning, Natural Language Processing, Agentic AI



01

Introduction

A Rapid Acceleration

AI Applications Across the Wealth Management Value
Chain

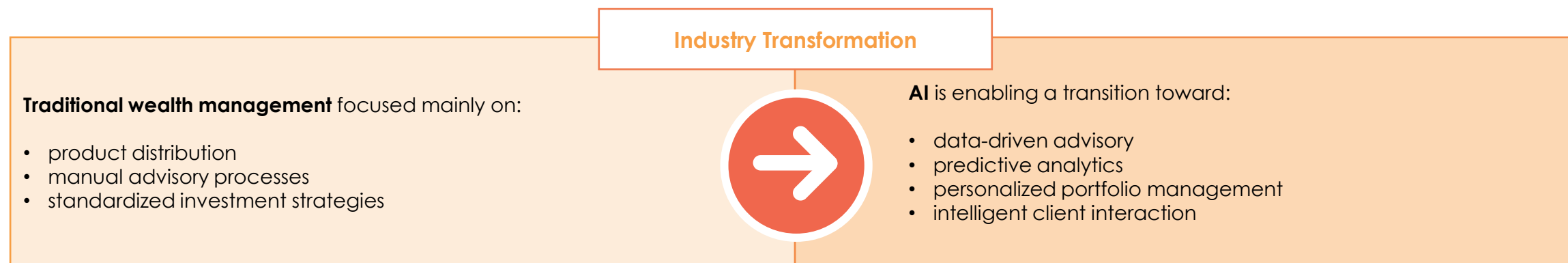
From Machine Learning to Agentic AI



Introduction 1/3

A Rapid Acceleration

Artificial Intelligence is **increasingly transforming wealth management** by reshaping how financial institutions deliver advisory services, manage portfolios, conduct investment research, and handle onboarding and compliance processes. The adoption of Machine Learning, Natural Language Processing (NLP), Generative AI, and Agentic AI is **redefining decision-making, operational models, and client interactions across the industry**.



Rapid Growth of AI Adoption

Artificial Intelligence has rapidly become a strategic priority in the financial industry, especially in wealth management.

- Over **70% of financial institutions** are already exploring or implementing AI solutions
- Investments in AI technologies have significantly increased in recent years
- Wealth managers are adopting AI to improve efficiency, personalization, and decision-making
- Generative AI is accelerating digital transformation beyond traditional automation tools

The global AI market in financial services is expected to exceed **\$190 billion by 2030⁽¹⁾**

With a **growth rate greater than 30% per year⁽²⁾**

⁽¹⁾⁽²⁾ AI in Finance: Market Size & Share. *Markets and Markets*

Introduction 2/3

AI Applications Across the Wealth Management Value Chain

AI is transforming the entire wealth management value chain by improving **operational efficiency, enhancing personalization, accelerating investment research, and supporting more data-driven decision-making**. From client onboarding to portfolio advisory, AI enables financial institutions to deliver **faster, smarter, and more scalable services** while improving both client experience and regulatory compliance.

Client Onboarding

AI **improves onboarding processes by automating document verification and compliance activities**:

- OCR and NLP technologies can automatically extract information from passports, contracts, and financial statements
- AI systems can identify suspicious transactions and support AML monitoring in real time
- Biometric verification tools accelerate identity validation and fraud detection

Client Profiling & Product Clustering

AI enables wealth managers to **better understand client behavior and financial preferences as well as the suitable product clusters that match the clients' risk tolerance**:

- AI models analyze transaction history and investment behavior to create dynamic client profiles
- Risk tolerance can be continuously updated based on market conditions and client activity
- Behavioral analytics help advisors deliver more personalized investment strategies



Investment Research

AI significantly **accelerates research and information analysis processes**:

- NLP models can summarize earnings calls, market news, and research reports in seconds
- Sentiment analysis tools evaluate market perception using financial news and social media
- AI systems can identify market trends and anomalies faster than traditional research methods

Portfolio Advisory

AI supports advisors in **generating personalized and data-driven portfolio recommendations**:

- AI models can optimize portfolios according to client risk-return objectives
- Predictive analytics help simulate market scenarios and portfolio performance
- Robo-advisory platforms can provide automated investment suggestions at scale

Introduction 3/3

From Machine Learning to Agentic AI

Machine Learning, Natural Language Processing (NLP), Generative AI, and Agentic AI are transforming wealth management by **enhancing prediction, automation and decision-making**. Together, these technologies are accelerating the shift toward more intelligent, scalable, and data-driven financial services.

Machine Learning (ML)

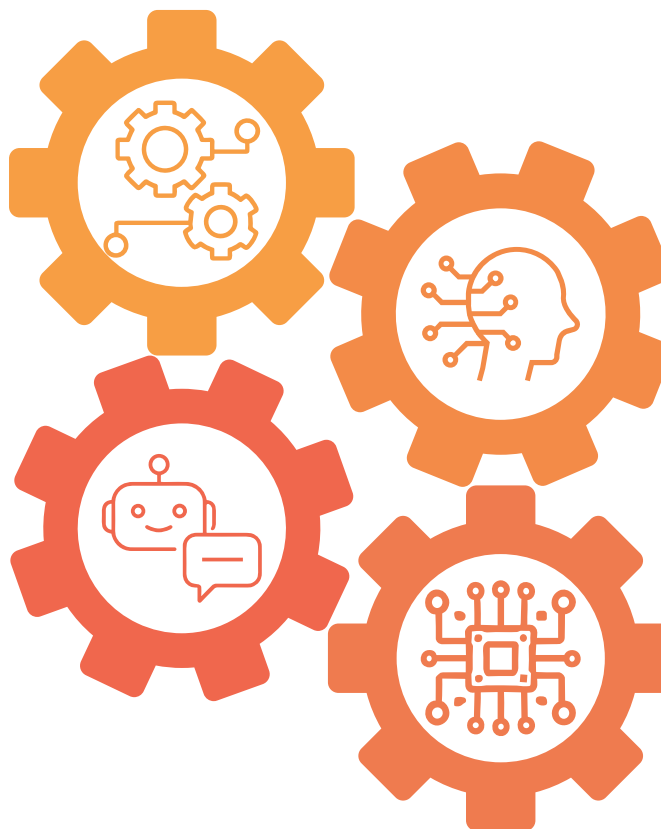
Machine Learning uses historical and real-time data to **identify patterns and generate predictions**:

- Predictive analytics and market forecasting
- Risk modeling and fraud detection
- Portfolio optimization and credit scoring
- Continuous improvement through data learning

Natural Language Processing (NLP)

NLP **enables AI systems to understand and process human language**:

- Analysis of financial news, reports, and earnings calls
- Chatbots and virtual financial assistants
- Automated extraction of insights from documents
- Improved communication and client interaction



Generative AI (GenAI)

Generative AI **can create new content, summaries, and recommendations**:

- Automated report generation and investment summaries
- Personalized financial insights and advisory support
- Faster production of research and client communication
- Decision support through conversational AI systems

Agentic AI

Agentic AI refers to **autonomous AI systems capable of managing multi-step tasks** with limited human intervention:

- Autonomous workflow execution
- Intelligent task coordination across systems
- Continuous monitoring and adaptive decision-making
- Advanced support for advisory and compliance processes

02

Workflow

Traditional Human-centric Model Operating Model

AI – augmented Scalable Advisory Model

The Human Shift in an AI – Augmented Wealth
Framework



Workflow 1/3

Traditional Human-centric Model Operating Model

Before the introduction of Generative AI, **wealth management workflows were largely sequential and manual**. Advisors and support teams were responsible for most analytical, operational and preparatory tasks, creating **strong dependence on individual expertise** and **limiting scalability**. The model relied heavily on human capacity, scaled poorly, and exposed the organization to **operational** and **consistency risks**.



Front Office

The **Front Office** is the **client-facing core** of the wealth management organization and is responsible for the following activities:

- **Client onboarding** and relationship initiation;
- **Manual information gathering** (e.g. needs, goals, constraints);
- **Risk profiling** via static questionnaires;
- **Initial proposal discussion** based on advisor experience.

All these activities were performed by **humans** leading to:

- **High reliance** on advisor knowledge and preparation;
- **Quality varies** by individual advisor;
- **Time-consuming** preparation.



Middle Office

The **Middle Office** acts as the **bridge** between **client-facing advisory activities** and **operational execution** and is responsible for:

- **Analysis** of market data and research;
- **Interpretation** of sell-side / internal views;
- **Portfolio construction** and proposal drafting;
- **Scenario analysis** performed ad-hoc or spreadsheet-based.

All these activities were performed by **humans** leading to:

- **Fragmented information** sources;
- Significant **manual synthesis** effort;
- **Limited personalization** at scale.



Back Office

The **Back Office** is responsible for the **execution, processing, and administrative lifecycle** of wealth management services:

- Know Your Customer (KYC) and Anti-Money Laundering (AML) **checks**;
- **Document validation** and archiving;
- **Reporting** and regulatory documentation;
- **Trade processing** and reconciliation.

All these activities were performed by **humans** leading to:

- **High operational workload**;
- **Long processing times**;
- **Elevated operational risk**.

Workflow 2/3

AI – Augmented Scalable Advisory Model

With the introduction of AI, the same workflow is preserved but fundamentally transformed. AI takes over **repetitive, data-intensive** and **analytical tasks**, enabling advisors and operations teams to **focus on judgment, client relationships** and **decision-making**. AI does not replace the wealth management workflow, it **transforms a human-centric model into a human-in-the-loop, scalable operating system**.



Front Office

AI Actions:

- **Automated client data aggregation** and pre-meeting insights;
- **Dynamic risk profiling** and behavioral analysis;
- **Real-time goal simulations** and portfolio explanations.

Thanks to AI, humans can concentrate on relationship management, interpretation trade-off, recommendation and accountability with the following advantages :

- **Faster and better-prepared client interactions;**
- More **personalized advice** from the first meeting;
- **Consistent quality** across advisors.



Middle Office

AI Actions:

- **Automated synthesis** of sell-side and internal research;
- **Generation of advisor-ready investment briefs;**
- **Scenario simulations** and draft portfolio proposals.

Thanks to AI, humans can concentrate on validation and strategic oversight, alignment with house view and customization for complex client cases with the following advantages :

- **Significant reduction** in **analysis time;**
- **Higher consistency** in advisory outputs;
- **Ability to scale** personalization across the Client base.



Back Office

AI Actions:

- **Automated KYC and AML screening;**
- **Intelligent document recognition** and **validation;**
- **Exception detection;**
- **Automated reporting.**

Thanks to AI, humans can concentrate on exception handling, governance and compliance supervision and regulatory accountability with the following advantages:

- **Lower operational costs;**
- **Faster processing** and **onboarding;**
- **Reduced operational** and **compliance risk.**

Workflow 3/3

The Human Shift in an AI – Augmented Wealth Framework

The introduction of AI does not eliminate human roles in wealth management, it reshapes them. As AI absorbs analytical and operational workload, **human contribution shifts toward judgment, interpretation, and relationship-driven value creation.**

Critical Thinking

- Ability to **challenge** AI outputs;
- **Understanding** when models may not apply;
- **Responsibility** for final decisions.

AI Literacy

- **Knowing** how AI supports decisions;
- **Asking** the right questions to AI tools;
- **Collaborating** effectively with intelligent systems.

Relationship

- **Managing** client emotions during market stress;
- **Supporting** life-driven financial decisions;
- **Reinforcing** long-term trust beyond performance.

Communication Skills

- **Translating** complex AI-driven insights into clear client language;
- **Explaining** uncertainty, not just outcomes;
- **Building** confidence and trust.

Accountability

- **Understanding** bias, limitations, and model risks;
- **Maintaining** fiduciary responsibility;
- **Ensuring** suitability and transparency.



03

Risks and Model Limitation

Key Risks and Challenges of AI in Wealth Management

How Financial Institutions Can Mitigate AI Risks

Business Benefits and Economic Impact of AI



Risks and Model Limitation 1/3

Key Risks and Challenges of AI in Wealth Management

Although AI offers significant opportunities for innovation and efficiency, it also introduces **technical, regulatory, operational, and ethical risks**. Financial institutions must balance technological advancement with **transparency, accountability, security, and human supervision** to ensure responsible AI adoption

Technical Risks

AI systems may **generate inaccurate or unreliable outputs** if trained on incomplete, biased, or low-quality data:

- Model bias can lead to **discriminatory investment recommendations** or unfair client evaluations
- Complex AI models often operate as "black boxes," making **decisions difficult to interpret**
- Poor data quality can negatively impact predictions and portfolio recommendations
- AI systems may become **vulnerable to cyber attacks, manipulation, or data leakage**

Technical limitations can reduce the reliability and trustworthiness of AI-driven financial services.

Regulatory & Ethical Risks

The adoption of AI introduces important **legal, ethical, and compliance challenges** for financial institutions:

- Wealth managers must **comply with regulations** such as GDPR, MiFID II, and the EU AI Act
- Financial institutions remain responsible for AI-generated recommendations and decisions
- Generative AI systems may produce **hallucinations, inaccurate reports, or misleading outputs**
- The use of sensitive financial and personal data raises privacy and ethical concerns

AI deployment in finance requires strong regulatory oversight and clear accountability mechanisms.

Reputational & Operational Risks

Failures or misuse of AI systems can significantly **damage institutional reputation and client trust**:

- Incorrect investment advice may lead to **financial losses and reputational damage**
- Overreliance on automation may reduce human judgment in critical situations
- **Operational disruptions may occur** if AI systems malfunction or generate unstable outputs
- Lack of transparency can weaken client confidence in AI-assisted advisory services

In financial services, maintaining trust is as important as achieving technological efficiency.

Risks and Model Limitation 2/3

How Financial Institutions Can Mitigate AI Risks

Successful AI adoption depends not only on technological capabilities, but also on **strong governance, human oversight, explainability, cybersecurity, and regulatory compliance**.

Financial institutions that build robust governance frameworks will be **better positioned to scale AI safely and sustainably**.

Human Oversight

AI should **enhance human decision-making** rather than completely replace financial professionals:

Human-in-the-loop frameworks ensure continuous supervision of AI outputs, **critical recommendations** and risk assessments should require human approval, high-risk or uncertain cases must be **escalated to experienced professionals**, human oversight helps **reduce errors, bias, and inappropriate recommendations**

AI Governance Frameworks

Financial institutions need **structured governance systems to manage AI** responsibly:

Internal AI policies define acceptable use and **operational boundaries**, regular model validation ensures **reliability** and performance consistency, **continuous monitoring** helps identify model drift, bias, and system anomalies, ethical guidelines support fairness, transparency, and responsible AI use

Explainable AI (XAI)

AI-driven decisions must **be transparent and understandable** for both regulators and clients:

Explainable models improve transparency and regulatory compliance, advisors can better understand the drivers behind AI recommendations, greater **interpretability helps identify errors and reduce bias**, transparent AI systems strengthen client confidence and trust

Data Governance & Cybersecurity

AI systems rely on **secure, high-quality, and well-managed data infrastructures**:

Financial institutions must ensure data accuracy and integrity, **strong cybersecurity measures** to protect sensitive financial information, **access controls and encryption** reduce the risk of unauthorized access, continuous monitoring helps **detect cyber threats and operational vulnerabilities**

Regulatory Alignment

AI adoption must remain aligned with **financial regulations and supervisory expectations**:

Compliance with **GDPR and privacy regulations** is essential, institutions must adapt to new frameworks such as the **EU AI Act**, AI systems should support **MiFID II** suitability and investor protection requirements, proper documentation and auditability are increasingly required by regulators

Risks and Model Limitation 3/3

Business Benefits and Economic Impact of AI

AI is **generating substantial economic and strategic value** across the financial industry by improving efficiency, increasing productivity, enhancing personalization, and supporting more intelligent decision-making. Beyond cost reduction, **AI is reshaping the business model of wealth management** and becoming a key driver of long-term competitiveness and innovation.

Operational Efficiency

AI **improves efficiency by automating repetitive and resource-intensive processes:**

- Faster onboarding, compliance, and reporting activities
- Reduction of manual tasks and administrative workload
- Improved scalability and operational speed
- Lower operational and compliance costs

AI-driven automation can reduce banking operational costs by approximately **20–30%**⁽¹⁾.

Strategic Competitive Advantage

AI is becoming a long-term strategic differentiator within the financial sector:

- Early adopters may gain **faster scalability and innovation capacity**
- AI enhances customer experience and digital service quality
- Better predictive capabilities **improve risk management and investment strategies**
- Institutions leveraging AI effectively may strengthen market positioning



Revenue Growth & Personalization

AI supports more **personalized and client-centric financial services:**

- Personalized investment recommendations based on client behavior and preferences
- Improved customer segmentation and targeting strategies
- Better client engagement and retention
- Enhanced opportunities for cross-selling and long-term relationship growth

Productivity Gains

Generative AI significantly **increases productivity across financial operations:**

- Automated market research and financial summaries
- Faster access to investment insights and analytics
- Reduced time spent on repetitive documentation tasks
- Greater focus on strategic and client-facing activities

Generative AI could generate between **\$200B and \$340B annually** for the banking industry⁽²⁾.

⁽¹⁾⁽²⁾ AI in Finance: Market Size & Share. *Markets and Markets*

04

Automation and Digital Platforms: Some Example

JPMorgan

BlackRock



Automation and Digital Platforms: Some Example 1/2

JPMorgan

JPMorgan has increasingly integrated **AI** and **machine learning** technologies into its wealth management activities, leveraging tools such as **NLP** and **recommendation systems** to enhance decision-making and client services. These innovations have improved **operational efficiency**, streamlined research processes, and enabled more **personalized, client-centric financial solutions**.

Usage of AI/ML

- **Natural Language Processing (NLP)**

JPMorgan uses NLP to analyze research, news, and market data, reducing investment analysis time and supporting faster decisions.

- **Large Language Models (LLMs)**

JPMorgan is testing GPT-based and proprietary LLMs to automate report summarization, knowledge retrieval, and client support.

- **Recommender Systems**

Recommendation algorithms help JPMorgan deliver personalized financial solutions based on clients' profiles and objectives.

- **Reinforcement Learning**

JPMorgan applies reinforcement learning to trading and portfolio management, improving adaptability to changing market conditions.



Main Benefits

JPMorgan's adoption of AI and machine learning has delivered **measurable financial benefits** over time. Following an initial investment phase (2012–2015), characterized by high implementation costs, the firm achieved **sustained growth** in **revenue**, **profitability**, and **returns**. An estimated ROI of **163.43%** highlights the strong cumulative gains generated, confirming AI's contribution to **long-term financial performance** and **operational efficiency**.

Next Challenges

- **Regulatory Compliance:**

JPMorgan must ensure that AI systems follow financial and data regulations, requiring continuous monitoring and governance.

- **Cybersecurity Risk:**

The extensive use of sensitive financial data increases the need for robust cybersecurity and data protection measures.

- **Algorithmic Bias:**

AI models may inherit biases from historical data, potentially affecting the fairness and accuracy of financial decisions.

Automation and Digital Platforms: Some Example 2/2

BlackRock

BlackRock is applying AI not only as an investment theme, but also as a practical enabler of more scalable portfolio analytics and advisory processes. In particular, AI-related research and allocation signals are increasingly being incorporated into model portfolio decisions, supporting a more data-driven and industrialized investment framework.

Usage of AI in Portfolio Positioning and Analytics

- **AI exposure within model portfolios**

BlackRock increased exposure to AI in its U.S. model portfolios through the iShares AI Innovation and Tech Active ETF, showing that AI-related themes are being translated into concrete allocation choices within large-scale portfolio frameworks.

- **Thematic research supporting allocation**

BlackRock's technology outlook frames AI as a long-term growth theme across semiconductors, robotics, cybersecurity, and digital platforms, supporting more thematic portfolio positioning.

- **Scalable model portfolio implementation**

The use case shows how centralized research views can be converted into repeatable model portfolio updates, making it easier to scale allocation changes consistently across advisory platforms

- **Advisory relevance**

For wealth management, this approach is relevant because it connects research, portfolio construction, and advisory delivery in a more structured way, while keeping suitability and final recommendation under human responsibility.



Main Benefits

BlackRock's approach shows how AI-related analytics can **improve the structure, consistency, and scalability of portfolio decisions**. By translating thematic research more effectively into allocation choices, this approach supports **stronger standardization** across model portfolios and a closer link between investment views and advisory execution. In this way, AI can help make **portfolio positioning more systematic, repeatable, and easier to scale** across broader advisory frameworks.

Next Challenges

- **Suitability and fiduciary control:**

Human advisors remain responsible for validating portfolio suitability and communicating investment rationale to clients.

- **Thematic concentration risk:**

Higher AI exposure may increase sensitivity to sector concentration and valuation volatility.

- **Continuous update of investment assumptions:**

AI-related allocations require frequent monitoring as market conditions and technology expectations evolve.

05

Conclusions

Key Takeaways

Next Steps



Conclusions 1/2

Key Takeaways

Artificial Intelligence is rapidly **reshaping wealth management** by improving **efficiency**, **scalability**, and **personalization** across the entire value chain. While AI automates many analytical and operational activities, **human advisors** remain **essential** for judgment, trust, and **complex decision-making**. The industry is therefore evolving toward **hybrid models** where **technology** and **human** expertise **work together** to deliver superior client outcomes.



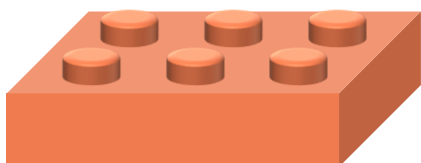
AI is transforming the entire wealth management value chain

AI is impacting **every stage of the advisory process**, from client onboarding and KYC controls to investment research, portfolio construction, and client servicing. By **automating data-intensive activities** and **accelerating information processing**, AI enables faster and more informed decision-making across the organization.



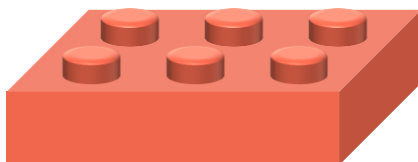
From human-centric to AI-augmented operating model

Rather than replacing existing workflows, AI is reshaping them by **automating repetitive analytical and operational tasks**. This allows advisors and specialists to focus on higher-value activities such as strategic judgment, portfolio customization, and client relationship management.



Human expertise remains a critical competitive advantage

Despite advances in Generative AI and automation, key advisory functions such as behavioral coaching, trust building, accountability, and the interpretation of complex financial situations continue to require human intervention. The most effective model is therefore **a human-in-the-loop approach**.



AI adoption requires strong governance and risk management

The benefits of AI can only be realized sustainably if supported by **robust governance frameworks**. Model explainability, regulatory compliance, cybersecurity, data quality, and continuous human oversight are becoming essential requirements for large-scale deployment within financial institutions.

Conclusions 2/2

Next Steps

The **next phase** of **AI adoption** in wealth management will extend **beyond** automation toward **intelligent orchestration** of **advisory** processes. Firms that successfully **combine advanced AI capabilities** with **strong governance** frameworks and human expertise will be best positioned to **capture long-term value**. The focus is shifting **from experimentation to large-scale operational deployment**.



Scale AI adoption across the wealth management value chain

Financial institutions are expected to move from isolated AI use cases to **enterprise-wide deployment**, integrating AI into advisory, portfolio management, research, compliance, and client servicing processes. The challenge will be achieving **scalability** while maintaining **consistency** and **control**.



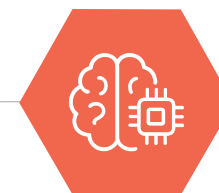
Strengthen AI governance and regulatory compliance

As AI becomes more deeply embedded in financial decision-making, firms will need more **robust governance frameworks** covering model **validation**, **explainability**, **accountability**, **cybersecurity**, and **compliance** with evolving regulations such as the AI Act and financial conduct requirements.



Invest in data quality and technology infrastructure

The effectiveness of AI models depends heavily on the availability of **accurate, integrated, and high-quality data**. Future investments will increasingly focus on data governance, cloud infrastructure, and centralized platforms capable of supporting advanced AI applications at scale.



Develop the next generation of AI-augmented advisors

The future of wealth management is likely to be characterized by **hybrid advisory models**, where AI enhances analytical capabilities while advisors focus on strategic guidance, behavioral coaching, and relationship management. This evolution will require significant investments in workforce training and new skill development.

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Strategic advisory on the **design** of **advanced frameworks** and **solutions** to fulfil both **business** and **regulatory needs** in Risk Management and IT departments

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