



AI and Wealth Management: opportunity or threat for the private banker?

AI does not replace the private banker,
It redefines their value.

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"Technology should support human judgment, not replace it".

Christine Lagarde, President of the European Central Bank

Across European wealth management markets, AI is reshaping advisory models by enhancing personalization, responsiveness and efficiency. The challenge for banks is to **integrate AI while preserving the human foundations of advisory**: judgment, responsibility and long-term client relationships. As a strategic advisor in the financial sector, Ailancy supports private banks in designing and implementing hybrid advisory models, where: AI acts as a decision-support tool for Private Bankers, governance and regulatory requirements are embedded by design, and human value creation remains at the core of the client experience.

Successful transformations combine **clear strategic vision, pragmatic execution and strong change management**.

AI as a strategic lever with high value potential for private banking

As business models come under increasing pressure and client sophistication rises, AI is becoming a decisive lever for performance, differentiation and trust



Private Banking environment in deep transformation

- Rising client expectations: speed, personalization and transparency
- Implicit comparison with digital standards set by fintechs and Big Tech players
- More demanding HNWI and UHNWI clients, with lower tolerance for inefficiencies
- Private banking models under pressure: high costs, limited scalability, generational challenges



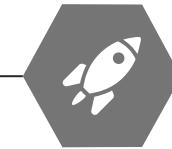
Clear and structuring regulatory framework

- Stronger European regulatory framework (GDPR, AI Act) driving more responsible AI use
- Heightened requirements for transparency, traceability and human oversight, particularly for sensitive use cases (advisory, allocation, compliance)



A mature, scalable technology opportunity

- Rapid rise of generative AI, business copilots and advanced analytics
- Automation of repetitive, low-value tasks to drive operational efficiency
- Lower entry costs, enabling large-scale adoption



Tangible, measurable benefits

- Acceleration of relational excellence and improvement of operational efficiency
- Decoding complex data for faster, more precise, and more personalized decisions
- Strengthening innovative positioning while preserving client trust

In Luxembourg, AI is moving from promise to a concrete value-creation lever, delivering productivity gains, process optimization and enhanced competitiveness, particularly in the highly regulated financial sector. Differentiation will increasingly depend on trusted AI that is ethical, transparent and human-centric, enabled by robust data governance and an established European regulatory framework (GDPR, AI Act).

Source : Paperjam, interview Philippe Mayer (Luxinnovation).

Strong growth in an increasingly complex environment

The growth in AuM and the increasing complexity of client wealth are driving the transformation of both relationship and operating models



Sustained growth reaching a new scale

- Strong increase in AuM, driven by international capital mobility and life insurance
- Growing concentration of wealth at the top of the pyramid
- Volume is no longer the core issue: the ability to absorb and manage growth has become critical

+ 14% Assets under Management in 2024



A more sophisticated and demanding client base

- Growing share of HNWIs and UHNWIs with increasingly complex wealth needs
- Higher expectations in terms of personalized advice, responsiveness, and holistic support
- Low tolerance for inefficiencies

≈ 2/3 of clients in Luxembourg are UHNWI



Increasing complexity of the business

- Wealth spanning multiple jurisdictions and subject to extraterritorial regulatory frameworks
- Growth in private, structured, and illiquid investments
- Rising importance of family governance and succession planning

+50 tax jurisdictions and regulatory frameworks to consider



A historical model under pressure

- Model heavily reliant on human interaction
- Difficulty in reconciling premium service, operational excellence, and cost control
- Increased pressure on execution quality and consistency of the client experience

+ \$100,000bn of wealth to be transferred over the next 25 years

Sources : UBS Global Wealth Report, KPMG 2025 Private Banking Survey.

A structured regulatory framework enabling trusted AI

By framing AI use cases around security and transparency, regulation supports a controlled deployment of AI that is compatible with trust requirements and client protection



AI is governed by **several European regulations** designed to ensure security, transparency, and respect for individuals' rights. In the financial sector, these regulations directly **impact the use of AI for advisory services, portfolio allocation, and client data management**.

1

GDPR – Personal Data Protection

- Regulates the processing of personal data within the European Union
- Protects sensitive data and data with high financial value

Objectives:

- Strengthen individuals' rights
- Make data-handling actors accountable
- Ensure data transparency and security

2

IA Act – IA Regulation (UE)

- Classifies AI systems according to their risk level: unacceptable, high, limited, minimal
- Obligations for high-risk AI: risk assessment, governance, transparency, human oversight

Objectives:

- Ensure the protection of fundamental rights
- Establish a harmonized legal framework across Europe
- Promote responsible and secure adoption of AI

3

Data Governance & Data Act

- Regulates the access, sharing, and reuse of data necessary for AI systems

Objectives:

- Facilitate access to reliable, high-quality data
- Strengthen trust among stakeholders
- Regulate the conditions for data sharing and reuse

Without hindering the momentum of innovation, the European regulatory framework **structures a trusted environment conducive to the deployment of AI in private banking**, by securing sensitive use cases, enhancing transparency, and promoting responsible, controlled, and value-creating applications for the client.

Mature AI technologies, already operational in Private Banking

Thanks to proven and accessible AI technologies, AI is now a key operational lever to enhance efficiency, personalization, and innovation



Mature technologies enable the automation of tasks, the generation of insights, and the enhancement of personalized advisory

- Expanding AI technologies with reliable and operational analytics
- Massive and instantaneous processing of financial and wealth data
- Production of personalized and directly actionable insights
- Handling of repetitive tasks
- Facilitated adoption with lower entry costs
- Progressive integration into existing business workflows for a rapid, scalable transformation aligned with the client strategy

Technologies already in place covering a wide range of uses

- **Generative AI & LLMs (Large Language Models):** translation, document summarization, personalized report generation
- **Advanced machine learning & analytics:** leveraging data for dynamic insights, anomaly detection, client segmentation
- **Intelligent automation:** RPA + AI to reduce low-value-added tasks (document processing, KYC, reporting)
- Growing adoption of **pre-trained business models** to accelerate production deployment

Impacts on the Private Banking business

1. **Shift to AI-Assisted banking** – Traditional roles evolve while operational efficiency increases through the automation of routine tasks
2. **Process optimization** – Integrated data management enables faster and more accurate decision-making
3. **Client relationship transformation:**
 - More meaningful interactions through personalized advice based on real-time market data
 - Proactive anticipation of client needs, strengthening trust and loyalty
4. **Model personalization** – Tailored to individual needs, delivering more relevant and profitable financial solutions and dynamically responding to market changes

AI as a driver of value creation, but not without prerequisites

Concrete benefits, provided the right technological, regulatory, and operational prerequisites are in place



The use of AI in Wealth Management requires several identified cross-functional prerequisites

1 Ensure continuous monitoring of data quality and feed AI solutions consistently



Benefits of AI



Enhanced accuracy: AI algorithms enable more detailed and personalized portfolio analyses, leading to better-targeted advice and optimized investment decisions



Faster results: Instant processing of complex financial and wealth data allows for rapid responses to market developments



Efficiency and cost reduction: Automation of repetitive tasks (KYC, reporting, documentation) frees up time for high-value advisory activities



More relevant insights: Identification of new investment opportunities and arbitrage possibilities through predictive models and advanced analytics

2 Master data ingestion models and query languages (prompts, models, versions, etc.)

3 Maintain a secure environment and verify the scope of data being used



Responsible Use of AI



Risk Management and Data Protection: AI must ensure the security, confidentiality, and integrity of sensitive wealth data for HNWI and UHNWI clients



Enhanced regulatory compliance: AI usage operates within a strict compliance framework, incorporating European regulations such as GDPR and the European AI Act



Human oversight and continuous control: AI serves as a decision-support tool under constant supervision by the teams, without ever replacing the private banker's judgment



Client trust and ethics: Transparent and responsible use of AI sustainably strengthens the trust-based relationship between private banks and their clients

6 – 8 bn€ / year

Potential contribution of AI to Luxembourg's GDP over the next decade

72 %

Share of tasks potentially automatable by deploying a trusted AI

Sources : Paperjam, Forbes, Implement Consulting Group.

AI: The essential partner for the Investment Sector and Financial Advisors

AI acts as a co-pilot for financial advisors, automating low-value tasks, enhancing portfolio analysis, and ensuring secure client communication and compliance



- Instant analysis with a broad range of indicators
- Document analysis to detect controversies, calculate ESG scores, and enhance due diligence
- ➔ The system provides financial advisors in real time with actionable market movements for portfolio rebalancing and suggests arbitrage opportunities
- ⚠ Data must be processed according to internal methodologies



Market data analysis



Content production

- Automation tools to scan identity documents
- Chatbot to handle client requests
- ➔ AI follows up with clients, automatically completes documentation and reporting, and adapts to all types of queries
- ⚠ Lack of personalization and relationship-building
- ⚠ Need for behavioral segmentation and high-quality interactions



Administrative workload reduction



Portfolio management

- Relay of technical information (advice, onboarding, regulatory knowledge)
- ➔ AI mimics human conversation, builds advisor trust, and generates regulatory responses based on client history
- ⚠ Regulatory learning and documentation remain major challenges
- ⚠ Need for auditable processes



Client communication



Regulatory monitoring

- Creation of data and content for analysts, advisors, administrators, and investors
- ➔ AI generates reports, recommendations, and investment scenarios from known or synthetic data
- ⚠ Need for validation, control, and monitoring systems

- Integration of differentiating factors for hyper-personalized portfolios and dynamic allocation proposals
- ➔ AI builds a unique portfolio based on multiple differentiating factors

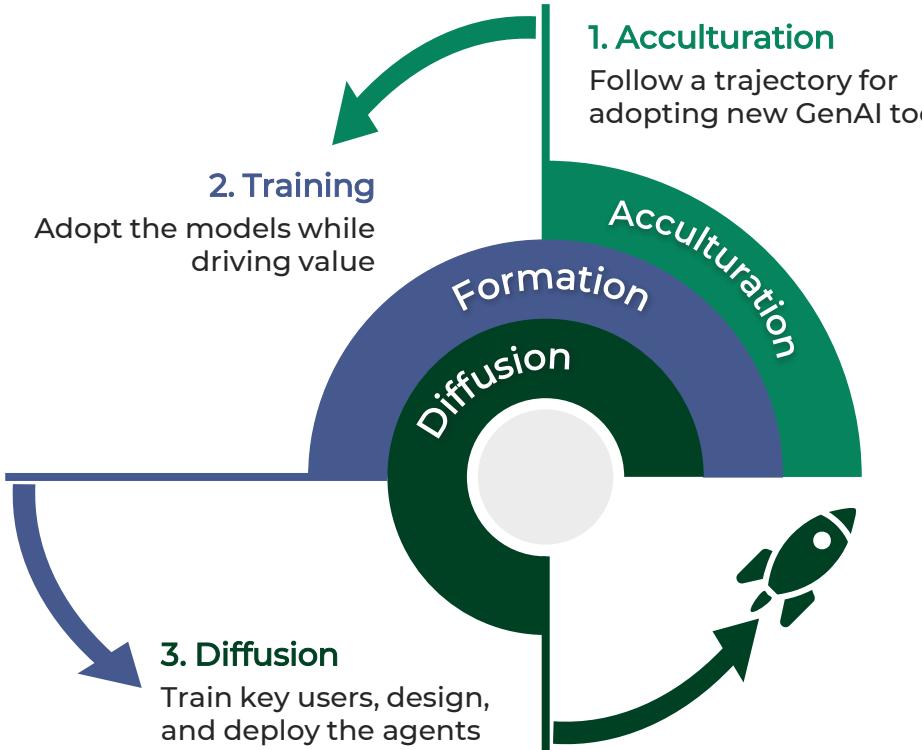
- ⚠ Maintain personalization and client conviction
- ⚠ Lack of trust in fully automated contracts

- Regulatory monitoring and tax adaptation, distribution of savings products
- Integration of variables for text interpretation and process implementation
- ➔ The system alerts in real time to new regulations and summarizes guidelines to share with the client

Strategy for holistic AI solution integration and deployment

Three essential steps to ensure solution adoption

Foster AI awareness among all employees while empowering key users to drive adoption



Acculturation

Acculturation to generative AI is part of a broader approach that will impact all employees across the organization. A phased awareness program helps establish a **shared understanding of the challenges and transformative potential of these technologies**, complementing ongoing business, AI, and IT projects.

Training

Upskilling project managers and operational business leads (front and middle office) is a **strategic lever**. Enhanced expertise on conversational assistants, combined with a tailored training approach, will **enable effective support for employees across different business areas**.

Diffusion

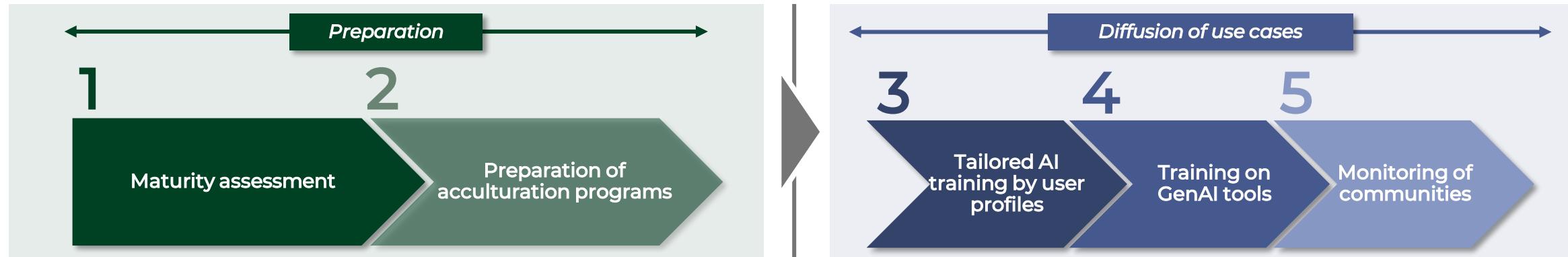
More than ambassadors, business line referents drive the diffusion of GenAI and support the transformation of practices. At the same time, **they will participate in the design and deployment of autonomous agents for process automation**.

A tailored approach: align the strategy with the continuity of ongoing projects

A two-phase deployment ensures gradual, targeted, and sustainable AI adoption



We follow a structured two-step approach: after a general awareness phase, a parallel deployment tailored to office and business use ensures a customized adoption.



A business use–driven approach to structure the assessment and precisely target groups based on their characteristics:

- Assess employees' AI/GenAI maturity in terms of knowledge and appetite
- Define "typical profiles" according to maturity levels

Thematic workshops for personalized support, with gradual handover to project managers:

- Co-create the training program content with and for the teams
- Adapt training to business areas / maturity levels of the "typical profiles"

Training programs tailored to 4–5 profile groups to:

- Foster interactive and engaging AI awareness among employees: training sessions, serious games, AI customer journeys, etc.
- Identify transformative, organization-wide AI use cases

Controlled diffusion for scalable adoption:

- Identify internal "ambassadors" as future adoption relays and create a support framework for them
- Select and support priority user profiles equipped with GenAI tools

A few words about Ailancy Group



A complete service offering dedicated to the Financial Services industry

+ 17 years

The firm was founded in 2008



> 300

Consultants spread over 4 entities



53 M€

Revenue



> 1400

Projects



Organizational Consulting and Management

STRATEGY & BUSINESS DEVELOPMENT

OPERATING MODEL & POST MERGER INTEGRATION

REGULATORY COMPLIANCE & RISK

BUSINESS AND PROCESS EFFICIENCY

LARGE SCALE TRANSFORMATION PROGRAMS

DIGITAL TRANSFORMATION

200 FTE



Expertises and Solutions

IT IMPLEMENTATION AND INTEGRATION

DATA MANAGEMENT

DIGITAL & UX

CLOUD COMPUTING

OUTSOURCING AND NEARSHORING

OPERATIONAL SUPPORT

100 FTE



Cyber Security Consulting

GOVERNANCE, SECURITY AND REGULATORY COMPLIANCE

RISK MANAGEMENT AND SECURITY INTEGRATION

CYBER PROGRAMS AND PROJECT MANAGEMENT

DATA PROTECTION, FIGHT AGAINST DATA LEAKAGE

RESILIENCE

IDENTITY AND ACCESS MANAGEMENT (IAM)

< 20 FTE



AI Strategy Consulting

AI FOR CUSTOMER INTERACTIONS

AI FOR DEVELOPERS

COST MANAGEMENT AND AI EFFICIENCY

ORGANIZATION AND AI CONTROLS

GOVERNANCE AND DATA QUALITY

SCALING UP AND ACCULTURATION

< 10 FTE

Robust Values and Dedicated Practices across Ailancy Group and Its Entities



EXCELLENCE



ENGAGEMENT



DARING



KINDNESS

Let's grow up together !

- We are attentive to our clients' businesses and activities, striving to deliver genuine **added value** on every project.
- We actively seek feedback from our clients to continuously improve.
- We cultivate a healthy pride that drives our teams towards **positive** and meaningful **solutions**.
- We set **high standards, celebrating successes** only when our clients are fully satisfied, not before !

Trust us, we don't give up

- Our word and our clients' trust drive us. We are dedicated to fulfilling **our commitments** and ensuring their projects run smoothly.
- We understand that projects can face unexpected challenges, and we remain vigilant to provide **continuous insights** into progress.
- We're ready to roll up our sleeves when needed, ensuring that timing and quality expectations are met.
- We stand beside our clients as partners and allies.

With us, take one step ahead !

- Driven by curiosity, we work to develop original ideas that **deliver distinctive solutions** for our clients.
- We build on shared beliefs and values with our clients.
- We **encourage initiatives**: our employees know their efforts are valued, and their achievements are recognized.
- We cultivate **open-mindedness, innovation and a 'test & learn' approach**: there is no a priori bad idea.

Together, let's enjoy the journey

- We foster optimism and closeness within our teams, with partners, and with our clients.
- Our employees are supported by internal coaches dedicated to their **development** and **well-being**.
- We respect work-life balance and are mindful of our employees' time.
- Our management leads by example, offering encouragement, support, and mentorship. Together, we build the future !



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In 15 years, Ailancy has become a leading player in transformation, organization and management consulting dedicated to Financial Services. As a leader determined to rethink the codes of the sector, the firm has been constantly monitoring current events since its creation and conducting prospective work on the evolution of the Banking, Finance and Insurance sector by involving consultants, doctoral students and researchers, experts and professionals in the sector.

Through studies, convictions, newsletters, round tables, clubs, webinars and conferences, Ailancy deciphers the major transformations, whether societal, technological or regulatory.

Through its events, publications and various interventions, Ailancy is committed to impactful and sustainable transformations in the financial industry.

In addition to research by sector of activity (Banking, Finance and Insurance), three tribes are studying major transformations across the board:

Sustainable finance

- How can we ensure the transition to a low-carbon economy?
- How to integrate ESG criteria into investment decisions?
- How can we effectively combat the risk of greenwashing?
- How can we promote greater transparency to encourage responsible and sustainable financial practices?
- How can we integrate the requirements of sustainable finance into the organisation and support clients in their transitions?

Generative AI

- What are the major challenges of generative AI in financial services?
- How can we set up an organization that promotes the adoption of this new technological breakthrough on both the IT and business sides?
- How to acculturate teams to the challenges of Gen AI?
- How can sensitive data be protected, and automated decisions can be made transparent and explainable?
- What is the framework for the use of AI in financial services?
- What is the place of humans and AIs?

Open Finance

- Post-PSD2, where do we stand with open banking, BaaS (Bank as a Service) and BaP (Bank as a Platform) models?
- What is the difference between Open Banking and Open Finance?
- What are the threats and opportunities offered by FiDA (Framework for Financial Data Access) and this new data economy?
- Should we and how should we collaborate with Fintechs?
- How to manage interoperability between systems via APIs?

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