SolomonEdwards

BANKING & FINANCIAL SERVICES

Implementing AI *in* Banking & Financial Services

A practical guide to effective governance and risk management of the modern AI tools that empower your people

DIGITAL GUIDE | 2026

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Why AI, and Why Now?

The financial services industry faces pressure on multiple fronts. Regulatory demands continue to increase, customer expectations are rising, and new competitors are entering the market without the constraints of legacy systems. At the same time, many institutions are still burdened by high operating costs driven by manual processes.

In this environment, artificial intelligence has become essential. It enables financial institutions to streamline operations, strengthen risk decisions, improve customer experiences and compete more effectively across the market.

Three Forces Driving AI Urgency

Regulatory Complexity

Compliance demands are rising. AI improves monitoring, speeds audits and streamlines documentation.

Operational Drag

Manual work and siloed data slow teams down. AI reduces rework and accelerates execution.

Competitive Disruption

Fintechs move faster with AI-native models. Traditional institutions need to modernize to keep pace.

Bridging the Readiness Gap

Most banks recognize the importance of AI, but few have a clear path to implement it safely and at scale.

The challenge lies in **readiness**: clean, reliable data, standardized processes and governance frameworks that align with both business priorities and regulatory expectations are essential to making AI effective in practice.

Data Quality & AI Readiness

AI is only as reliable as the data it learns from.

Most financial institutions have data spread across core banking platforms, loan origination systems, CRMs, spreadsheets and legacy applications. Establishing consistent definitions, clear ownership and high-quality data helps streamline AI implementation while improving the accuracy of analytics, regulatory reporting and business decisions.

Where Data Makes a Difference

EXAMPLE 1

Loan Origination

AI speeds underwriting through standardized data, supported by effective data governance.

Data Flow

Standardize borrower data across disparate systems

Borrower Profiles

Connect customer records for a complete borrower view

Document Insights

Extract and organize data from financial documents

EXAMPLE 2

Financial Crimes

Connected, clean transaction data lets AI catch what rules-based systems miss.

Behavioral Models

Unified transaction history trains ML to flag anomalies rules miss

Alert Quality

Deduplicated entities cut false positives and focus investigators

Faster SARs

Structured evidence lets AI draft examiner-ready narratives

EXAMPLE 3

Regulatory Reporting

Traceable, governed data turns reporting from a fire drill into an on-demand capability.

Source Lineage

Source-to-report lineage proves every figure to examiners on demand

Automated Filings

Validated data feeds auto-populate filings and reduce rework

Exam Readiness

AI assembles documentation, compressing readiness timelines

AI Governance Starts Here

A governance framework creates the confidence to innovate responsibly.

Whether you're just beginning to explore AI or already deploying it across your business, the 5 foundational practices on the next page can help you start to manage risk while maximizing value.

Know What You Have

Start with an AI Inventory

You can't govern what you can't see. Identify every AI application being used, from enterprise platforms to employee-approved productivity tools.

- Internal AI tools
- Third-party AI vendors
- Customer-facing AI interfaces
- Employee-made solutions

Before you scale AI, ask yourself…

- Do we know **where** AI is being used across our organization?
- **Who** owns decisions about AI risk and oversight?
- Can we explain **how** AI-generated decisions are made?
- **How** do we know our AI is still producing reliable results?
- Are we **prepared** if regulators or customers ask questions?

5 Practical Steps to Start Building Your Framework

1 Keep Humans in the Loop

Maintain appropriate human oversight.

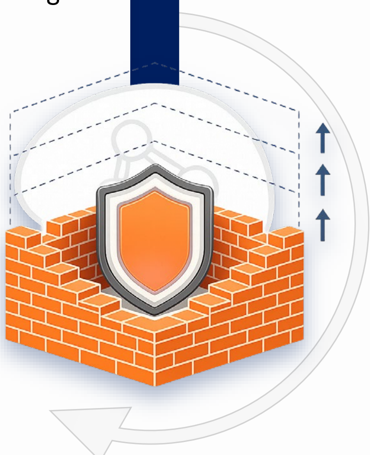
Define where human review is required and document who is accountable for final decisions on functions like lending, fraud investigations, customer disputes, SAR drafting or adverse customer decisions.

- Approval checkpoints
- Escalation paths
- Exception handling

2 Monitor Performance

Review AI on an ongoing basis.

Models can drift over time and business conditions change. Establish a routine to regularly test whether outputs remain aligned with your institution's risk appetite and regulatory expectations.



3 Be Transparent

Communicate how AI is being used.

Maintain an inventory of AI use cases, document their purpose and ensure leadership, auditors, and examiners can understand how AI supports business decisions and customer outcomes.

4 Define Ownership

Governance requires more than IT.

Assign clear ownership across the business, with defined responsibilities for executive leadership, risk, compliance, legal, technology, model risk, and business-line owners. Board oversight should be clearly established and documented.

ASK Who makes decisions when an AI issue arises?

5 Keep Improving

Treat AI oversight as a living program.

Monitor and review the ever-changing regulatory requirements monthly, review internal policies regularly, incorporate lessons learned and adapt your framework as technology and regulations evolve.

Small improvements over time create a stronger governance program.

AI Governance & Readiness

Empowering responsible growth and confident AI adoption.

Implement AI with *Confidence*

Good governance ***is*** good business. Strong governance is the permission structure for responsible AI deployment, enabling leadership, the board and regulators to say **yes.**

LEVEL 1

Complimentary AI Governance Workshop

DISCOVER

A 90-minute, consultant-facilitated session that leaves you with a clear picture of your governance posture and your most critical gaps.

DELIVERABLES

- ✓ AI Governance 60 Question Current-State Assessment
- ✓ Reference Paper explaining the FSB Sound Practices for Responsible Adoption of AI
- ✓ Next Steps Recommendation

FREE

One 90-minute session

RECOMMENDED

LEVEL 2

AI Readiness Assessment

ASSESS

A comprehensive, fixed-fee assessment of your AI strategy, readiness, and governance gaps, with a board-ready, high-level roadmap to close them.

DELIVERABLES

Everything in Level 1, plus:

- ✓ Ten-Domain Detailed Governance Risk Assessment
- ✓ AI Readiness & Strategy Memo
- ✓ AI Governance Gap Strategy: Prioritized 90–180 Day High-level Gap-Closing Roadmap
- ✓ Governance Framework & Implementation Guide
- ✓ Next Steps Recommendation

FLAT FEE

Three consultation sessions

LEVEL 3

AI Governance Framework

DEPLOY

A complete governance structure for full AI implementation: strategic plan, policy, key documentation reporting built for board- and examiner-ready deployment.

DELIVERABLES

Everything in Level 2, plus:

- ✓ AI Strategic & Tactical Plans
- ✓ Board-Ready AI Policy
- ✓ AI Risk Management Framework, Risk Registers & Exam Package
- ✓ Implementation Support to Close Gaps
- ✓ Optional Add-Ons: AI Selection, Data Governance, Cyber Security, Ongoing Monitoring and Exam Support

SCOPE-DEFINED

90–180 day advisory engagement

FREE ONLINE ASSESSMENTS

Knowing Where You Stand with AI

Emerging risks are moving fast. Our free online readiness assessments provide instant results that help financial institutions evaluate their AI exposure, identify gaps and take practical next steps.

RISK ASSESSMENT

AI Governance Assessment

Evaluate how prepared your institution is to govern artificial intelligence across Board oversight, tool inventory, independent validation, ongoing monitoring, third-party risk and regulatory change.

Start the Online Assessment →

FINANCIAL CRIMES

AI Fraud Prevention Readiness Assessment

Evaluate your institution's current readiness to detect, prevent and respond to fraud in an environment reshaped by artificial intelligence, including deepfakes, synthetic identities, AI-generated social engineering, model risk and vendor oversight.

Start the Online Assessment →

WHAT SETS US APART

The SolomonEdwards Advantage

Examiner-Level Expertise

Former senior examiners who supervised complex institutions and shaped governance judgments.

Advisory to Execution

We design governance frameworks and stay to implement them, including policy, reporting and exam-cycle support.

Cross-Risk Fluency

Deep expertise across risk management, capital, liquidity, credit, BSA/AML, and model risk.

Senior Practitioners Only

No junior consultants. You work with principals who've sat in the examiner's chair.

Tailored Engagements

Advisory, embedded-team and managed-support models sized to your institution.

Proactive, Not Reactive

Governance positioned as a strategic advantage to enable profitable adoption, not just compliance.

View Our Results and Insights

RESULTS

See how we've helped banking & financial services clients improve their business operations and achieve sustainable outcomes.

Building a Data Governance Foundation for a Regional Bank

Read the Case Study ➔

INSIGHTS

Our subject matter experts provide insights on a broad range of topics, including regulatory compliance updates, the impact of emerging technologies, transaction considerations and more, helping you stay ahead in an evolving business landscape.

Putting AI to work: What community banks need to get right before scaling AI

Read the Insight ➔

ABOUT US

Our Banking & Financial Services Team

Our Banking & Financial Services leadership team includes former bankers, operational executives, transformation leaders, and regulatory specialists with deep experience in complex financial institution initiatives.

From operational transformation and governance modernization to customer experience enhancement and enterprise program delivery, our teams bring the industry expertise, execution leadership, and hands-on organizations need to navigate transformation with confidence.

Carissa Robb
Managing Partner
Banking & Financial Services
LinkedIn

Meredith Rousseau
Senior Vice President
Banking & Financial Services
LinkedIn

Jon Glass
Partner
Financial Crimes Advisory
LinkedIn

Frank Ferriola
Senior Vice President
Banking & Financial Services
LinkedIn

Prescott Ford, CFA
Principal
Regulatory Risk Management
LinkedIn

Jared Barnes
Senior Vice President
Technology & Innovation
LinkedIn

Let's Get Started

Start a conversation with a Banking & Financial Services AI expert today.

Schedule a Consultation →

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