11 - 13 May 2026, Wolfsberg

23rd ISSA Symposium - Context Document

Breakout Session 4: AI and Agentic AI

HYPOTHESIS

The research has concluded that over the next two years (2026–2028), AI in securities services (custody, clearing, asset servicing, fund administration, broker-dealers) will shift from an efficiency tool to core operating infrastructure. This transition will affect every aspect of our work as we know it.

We need to consider and understand what the key benefits are that firms are likely to gain and conversely, how will this be managed from a risk and workforce perspective.

What is AI and how is it different to Agentic AI

Artificial Intelligence (AI) refers to the broad field of computer science focused on creating systems that can perform tasks that typically require human intelligence. These tasks include learning from data, recognizing patterns, understanding language, making decisions, and solving problems. Examples include chatbots, recommendation systems, image recognition, and autonomous vehicles.

Agentic AI is a more advanced subset of AI that involves systems designed to act as autonomous agents. These systems don't just respond to inputs—they can set goals, make plans, take actions, and adapt dynamically to achieve objectives over time, often with minimal human intervention. Agentic AI can interact with tools, environments, or other systems to complete multi-step tasks. Basically, all agentic AI is AI, but not all AI is agentic; agentic AI represents a shift from simple task execution to goal-driven behaviour.

The key differences are

- AI (general): Typically reactive—responds to specific inputs or queries
- Agentic AI: Proactive and autonomous—can initiate actions, plan steps, and pursue goals independently

Key Benefits

The expectation is a significant rise in operational efficiency, with AI delivering cost reduction and process optimisation across back-office functions. Estimates point to 20–40% productivity gains in middle- and back-office activities, particularly in high-volume processing. Examples include:

- Trade reconciliation and settlement-exception handling
- Corporate actions processing
- KYC and onboarding automation (highlighted by major banks)

Research also anticipates major advances in data processing and insight generation. Seventy-five percent of firms identify enhanced data analysis as the top benefit. Examples include:

- Process unstructured data (emails, filings, news)
- Improve NAV validation, pricing, and risk analytics
- Detect anomalies in transaction flows

Given rising data volume and complexity, this capability is critical for securities services.

Client servicing and customisation is also positioned to improve, with AI enabling personalised reporting, predictive servicing, and faster response times and compliance and financial-crime detection will strengthen as AI enhances monitoring for market abuse, AML and sanctions breaches.

Impact - Workforce

What does this mean for our current securities services workforce? On one hand, there is a real opportunity to attract talent to firms that are seen as advanced in their use and development of AI. On the other, a large portion of the existing workforce requires significant upskilling and development to remain relevant. How do we bring these two sides together within our current workforce composition to ensure we have the right skills for the future?

Cultural Adjustment – Foundational Hygiene factors

Additionally, cultural change, robust governance and risk awareness must be deliberately and consistently developed. This extends beyond leadership intent to the practical embedding of controls, accountability, and oversight throughout the organisation. It includes foundational hygiene factors such as clearly defined guardrails, ownership models, escalation paths, and non-financial risk processes that can support the safe onset of mass AI adoption at scale. Without these elements, the benefits of AI risk being undermined by operational, reputational, or compliance failures. A key question therefore remains unresolved: will coherent frameworks of best practices and processes primarily reside with individual firms, shaped by their risk appetite and operating models, or will regulators move more decisively to require, harmonise, and impose common standards across the market?

Data, model, and hallucination risks remain prominent: 82% of firms report data-related risks, and 51% cite inaccuracies or hallucinations. In securities services, this could lead to incorrect NAVs, regulatory misreporting, or faulty corporate-actions outcomes.

Cybersecurity and fraud risks are also expected to rise as AI expands the attack surface. Potential issues include:

- Deepfake instructions leading to payment fraud
- Model manipulation or prompt injection
- Data leakage from AI tools

Additional risks include third-party dependency and concentration, regulatory and legal uncertainty, talent shortages, as we have noted above, and operating-model disruption.

The forecast

The expectation is that AI is likely to materially reduce costs and enhance data capabilities across securities services, but it will also introduce new systemic risks across data, cyber, and regulatory domains. Firms that integrate AI with strong governance and proprietary data are expected to outperform those that treat AI as a peripheral tool.

The objective of the Breakout Session will therefore be to debate the theme, identify the emerging risks and the impact of these on ISSA membership and, assess whether collective risk mitigation is something that ISSA could take forward. We will look to drill into thematic themes of workforce management, regulatory landscape and oversight, hygiene tools and management of AI utilisation in the supply chain.

OBJECTIVE OF THE SESSION

The objective of the Breakout Session will be to review the overall theme of AI and Agentic AI as well as debate the subgroup topics of:

1. Identify AI Opportunities
2. Agentic AI Challenges and Threats

The Breakout Session attendees should identify whether there are areas which impact the ISSA membership and broader Securities Services industry and assess what opportunities there are for ISSA to further develop its capabilities in this area.

QUESTIONS FOR CONSIDERATION

Below is a list of questions that the Breakout Session participants may wish to consider during their discussions:

Subgroup 1: Identify AI opportunities

Let's take the forecast ***Firms that integrate AI with strong governance and proprietary data are expected to outperform those that treat AI as a peripheral tool***.

- How can firms holistically integrate AI into their entire firm ecosystem to maximise its effectiveness and future proof the firm? Consider:
  - Its workforce
  - Foundational hygiene factors
  - AI utilisation in the supply chain
- Which areas should ISSA focus on to provide support for this new holistic firm operating model?

Subgroup 2 - Agentic AI challenges and threats

- What is Agentic AI?
- How can ISSA assist member firms to manage the impact of Agentic AI
- What are the Key challenges and threats that agentic AI brings to firms, including:
  - demonstrating compliance to existing or new emerging regulations?
  - developing strong guardrails and operating governance frameworks?
  - ensuring clear accountability frameworks?
  - ensuring accuracy of underlying data, protecting against corrupted data, or data manipulation?
  - potential impact to existing operating resilience and recovery strategies?

PRE-READING

Breakout Session participants should read the following collateral to familiarize themselves with the hypothesis prior to the Symposium:

https://www.reuters.com/business/blackrock-ceo-fink-backs-staying-invested-amid-volatility-flags-ai-shift-2026-03-23/

The AI-ready bank:

The State of AI: Global Survey 2025 | McKinsey

AI in the workplace: A report for 2025 | McKinsey

JA Pitch Master: A case study of AI in education | McKinsey

https://www.darioamodei.com/essay/the-adolescence-of-technology

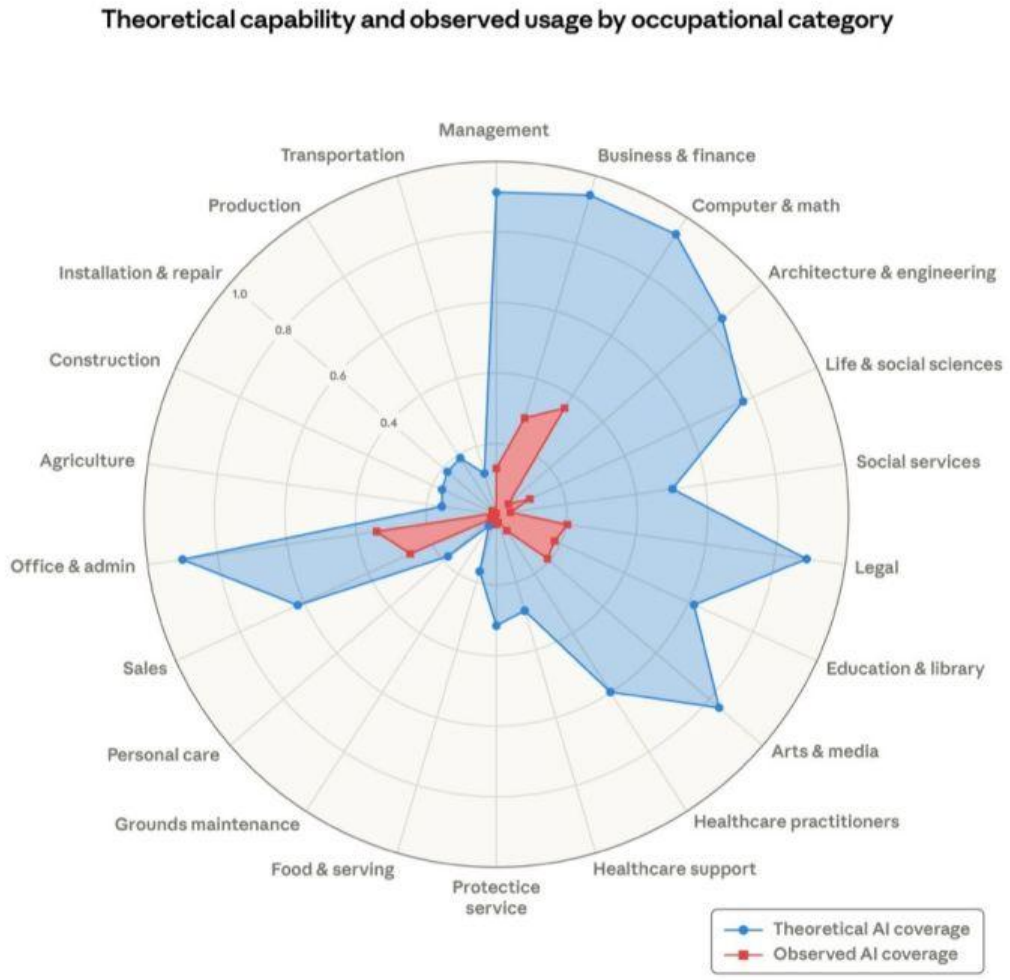

Figure 2: Theoretical capability and observed exposure by occupational category
This figure shows the share of job tasks that LLMs could theoretically perform (blue area) and our own job coverage measure derived from usage data (red area).