



ESSEX

AI Leadership Briefing

July 31, 2025



In tomorrow's banking world, hesitation on AI investment won't just cost you market share — it will cost you your license to compete.



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Introduction

Artificial Intelligence has moved from the "nice-to-have" column to the "must-have" row on every board agenda. Our latest benchmarking of Canada's Big-5 banks across three critical AI dimensions reveals not just who's leading — but by how much, and why that gap will only widen for CEOs who wait.

The CEO's AI Scorecard: Metrics That Drive Domination

To separate true AI frontrunners from laggards, CEOs must relentlessly monitor three high-impact KPIs — each proven by external research to drive business value and fend off insidious FOMO.



Investment Momentum

What it is

Aggregate scale of AI commitments — acquisitions, strategic partnerships, in-house R&D centers, public hiring targets.

Why it matters

Only deep pockets can fuel the "all-in" game. Banks that under-invest risk missing out on an estimated **USD 170 – 340 billion** profit uplift from AI by 2028.



Production Readiness

What it is

Count and scope of AI models and tools in live, revenue- or cost-impacting environments — backed by senior AI leadership and formal governance.

Why it matters

Pilots don't pay the bills. Firms in the top maturity quartile are **3×** more likely to achieve **>10 %** revenue growth from AI initiatives.



External Validation

What it is

Recognition through global AI-maturity rankings, patent strength, and prestigious industry awards.

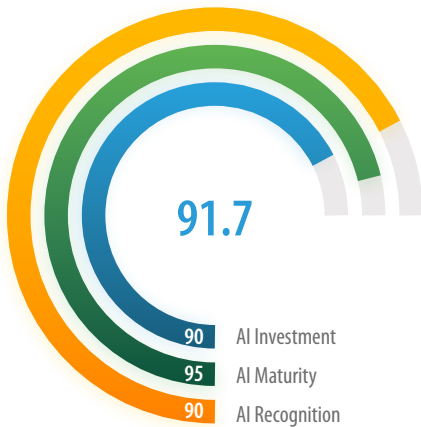
Why it matters

Public accolades amplify your AI brand — attracting talent, partners, and investors. Organizations with mature AI governance report higher staff adoption and increased revenue growth, underscoring that trustworthy AI is a true competitive moat.

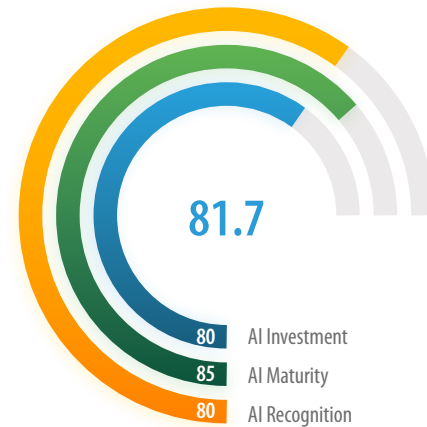
Composite Scorecard and Executive Summary



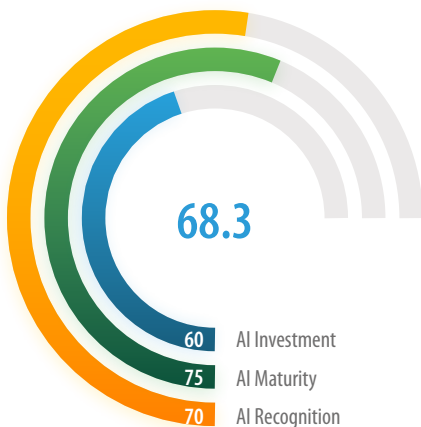
RBC



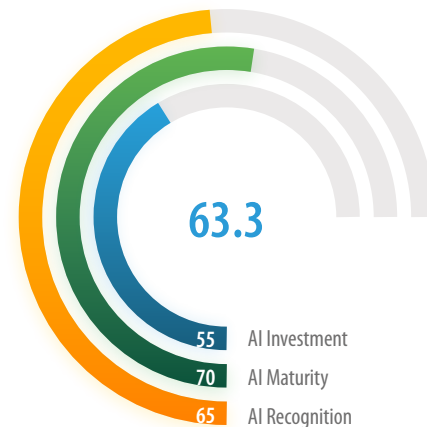
Scotiabank



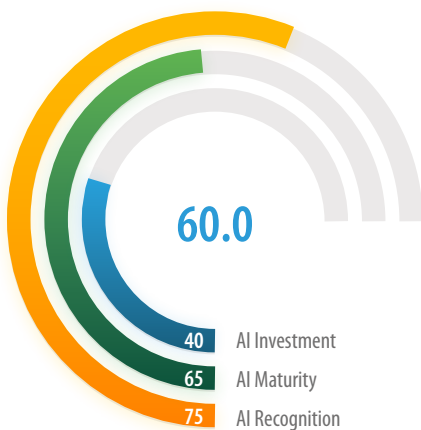
TD



CIBC








BMO



* The Scorecard is based on "Internal study and best practices".

- AI Investment
- AI Maturity
- AI Recognition

Key Highlights

	Investment	Maturity	Recognition
 RBC 91.7	<ul style="list-style-type: none"> • C\$3.2 B+ tech plan • OJO Canada acquisition • Partnerships with Cohere & Nvidia 	<ul style="list-style-type: none"> • "Aiden" research platform live • Two C-suite AI hires • RESPECT AI™ governance 	<ul style="list-style-type: none"> • 3rd in the Evident AI Index • Canada's global AI leader
 TD 81.7	<ul style="list-style-type: none"> • US \$100 M Layer 6 buyout • Kasisto/Alexa integration • New NYC R&D hub 	<ul style="list-style-type: none"> • TD AI Prism foundation model (+20–30 % uplift) under "Trustworthy AI" 	<ul style="list-style-type: none"> • 9th globally • 2,500 patents (800+ AI) • 22 new trust-AI filings in 2024
 Scotiabank 68.3	<ul style="list-style-type: none"> • Google Cloud AI partnership • Startup incubator ties 	<ul style="list-style-type: none"> • Agentic AI live in Commercial Banking • Chief AI Officer appointed 	<ul style="list-style-type: none"> • DatalQ AI Award for client-side innovation
 CIBC 63.3	<ul style="list-style-type: none"> • Vector Institute talent partnership • 200+ planned AI hires 	<ul style="list-style-type: none"> • CAI GenAI tool pilot → enterprise rollout • New Head of Enterprise AI Platforms 	<ul style="list-style-type: none"> • Emerging in the Evident AI Index
 BMO 60.0	<ul style="list-style-type: none"> • Internal "Lumi Assistant" AI launch 	<ul style="list-style-type: none"> • Chief AI & Data Officer in place 	<ul style="list-style-type: none"> • 3rd in patent influence (2.4× citations) • Celent Payments Innovation Award

Case Study: AI Model Governance & Audit-Readiness

PROBLEM & URGENCY

In mid-2025, OSFI's AI model risk guidelines will require any production ML/DL model to have full documentation, explainability, and continuous monitoring or face capital surcharges and innovation delays. Today's fragmented spreadsheets and manual handoffs take months to audit prep, risking non compliance, blocked rollouts, and loss of competitive edge.

AI-POWERED SOLUTION BLUEPRINT

1. Smart Inventory & Classification

- Centralize all decision support models in a unified registry.
- Auto tag AI/ML models via metadata scanning of code repositories and pipeline definitions.

2. Automated Documentation

- **Metadata Ingestion:** Crawl model codebases (scripts, notebooks), CI/CD logs, and data catalogs to gather unstructured artifacts.
- **NLP Extraction:** Apply named entity recognition and relation extraction to identify key elements — training datasets (name, version), feature sets, hyperparameters, test metrics, and model lineage.
- **Template Generation:** Feed structured metadata into a report engine using pre approved audit templates.
- **Delivery:** Produce a complete, audit ready PDF/HTML dossier — covering data lineage diagrams, test summaries, performance metrics, and version history — in under 10 minutes.

3. Explainability as a Service

- On demand feature importance analysis and counterfactual explanations generate plain language decision narratives for regulators.

4. Continuous Risk Monitoring

- Real time dashboards track data drift, performance degradation, and bias indicators—triggering alerts and automated retraining where needed.

5. Integrated Compliance Workflow

- Embed governance checks into the ML CI/CD pipeline: model promotion only proceeds when documentation, explainability, and testing gates are passed.

EXPECTED IMPACT

Audit Prep Time

(months → days)

↓ 80%

Compliance Incidents

↓ 70%

Deployment Velocity

↑ 3×

FTEs

Freed for Product Innovation

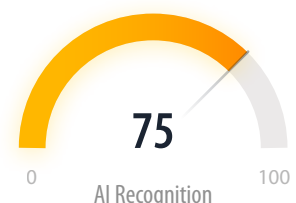
30+



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Composite Scorecard and Executive Summary

**RBC**Blended Score **91.7****Scotiabank**Blended Score **81.7****TD**Blended Score **68.3****CIBC**Blended Score **63.3****BMO**Blended Score **60.0**

* The Scorecard is based on "Internal study and best practices".