AI Disrupting BFSI?
Real-world Innovations and Impact

Podcast Transcript

Ajay: Welcome to our discussion on the tech trends from Brillio. So, is AI disrupting BFSI? So, what we are really going to do today is to take a look at the real-world innovations and impact where we dive into the transformative power of AI in banking, financial services and insurance sector. AI is no longer just a buzzword, right? I mean we all know that couple of years back it was, but, but today it isn't. So, it's revolutionizing everything from client onboarding to fraud detection to intelligent document processing to risk mitigation or anything you can think of within the BFSI space. So, but with all these innovations come challenges, right? These challenges could be ethical concerns, regulatory hurdles as well as the complexities of the technology itself, right? So today we're going to break it all down with two AI thought leaders we have from Brillio. So, Gary Gaskin, he is a strategic leader in lending operations, risk management and digital transformation at Brillio. And we also have Ashraf Sulaiman. Ashraf is our CTO of BFSI division and he's an expert in AI adoption for financial automation information. So, they'll be sharing some real-world use cases, challenges as well as what's the future of AI in BFSI. So welcome gentlemen, glad to have you here. So let's just dive right in, right? I mean so I'm going to jump in with some questions and maybe first question is for you Ash. So, what I really like to hear is that I'm sure a lot of our audience would also like to hear this is like how is AI driven personalization enhancing client onboarding experiences in commercial banking, right? This is, we are getting very specific to that commercial banking sector.

Ashraf: Yes, Ajay I think this is a good question as well and I think AI plays a very good role there. Just to give you an example, when we talk about digital banking for commercial onboarding, right? That requires a lot of submission of a lot of documents, right? And information needs to be validated in average any commercial business to be onboarded for bank to have an account it takes between five to seven days and some banks are more the reason behind that because there's a lot of information need to be validated. How you are registered with the taxes, how you register with the federal, are you registered with the state? Are you submitting the right documents? Do you have the right management structure? Is it an Scorp is an LLC? All of that left for human right now at the bank to review all of this.

So it goes into a queue and when the human gets into that, they start reviewing, they start calling different systems, they start to review all of the system. So think of with agentic AI right now we can have an agent for validating each piece of information. So I can have a validation and agent to be able to go to the federal government and then validate of the year number matches the name of the company that is in the form, right?

Or also another agent to look at all the document and say if I am asking to let's say upload the, let's say the en number document, right from the federal government, you already uploaded the document, you did not upload a picture or something else, right? So all of that can be right now done by an AI agent which can reduce the time from 5 to 7 days now for importing a commercial customer to the bank to maybe a day or two even less than this.

So, so there is a huge opportunity for agentic AI to speed up the onboarding for the commercial client to a banking. And think about it, right? The customer experience will change day and night if instead of like if I'm an SME for example waiting for the bank to get open, then I start transaction instead of waiting for five to seven days, I have my bank account open let's say in a day or less than a day or maybe a two days maximum. That will help me to do business immediately.

Ajay: Well that's, that's fascinating, right? I mean so Gary, switching onto you and more of a follow up question here, right? Because there is this balance one always has to hit between your customer experience and the regulatory requirements, right. I mean so how do you actually see that, you know, within the space?

Gary: I think that piggybacking on what, what Ash had mentioned. I think that having customer journey, having tailored customer jersey based on risk definitely personalizes the onboarding for clients and I think it improves the client experience using, using AI and some of the, some of the other tools to, to get meaningful information around individual clients to enable them to, to get these tailored, tailored solutions based on their trends and their transaction history.

I think is really strong and I think that that's, that's going to carry, that's going to continue to expand and, and AI is going to get, get better at that

about, better at judging based on transaction history as well as you know, blending in some sort of alternative type modeling to use that's not traditional in the industry.

That's, that's really interesting. I mean so the kind of impact you know, AI would have on the whole commercial bank, the onboarding Part of commercial banking seems to be really significant. I know as we all have been working with that at Brillio, I know that we are starting to see some of those challenges within that space.

Ajay: So fascinating. So let's switch to another topic here, right? I mean so asset and wealth management space is definitely another thing that we focus on a lot. And maybe back to you Ash, right? I mean how do you see this AI powered IDP or that intelligent document processing transforming that financial statement analysis, right?

Because within AWM that statement analysis is a huge thing, right? I mean, so how do you see that? Sometimes people might think of it like not as complex, but as we have seen at Brillio, there is a lot of opportunity here and there is a lot of requirement for that from the industry.

Ashraf: Yeah, Ajay, let me give you an example to illustrate the power of data and AI when it comes to intelligent document processing. We had a customer came to us and said to me the data is very critical. I can lose an opportunity for investment, right? In a great an opportunity if I don't have the data at the right time, in a real time data.

Right? So we looked at what they are doing right now from a process perspective. They have a team, believe it or not, of PhDs on data science. What they do is just download the documents from the different portals that they have subscribed to, get the data and download it and then start really distilling the data in Excel sheet

and building a dashboard to get the right answers for the data.

Right? Can you imagine how much of a waste of effort in the data? These data scientists should be really focusing on the trends, they should be focusing on finding opportunities on the data itself and instead of just really building dashboards and creating data reporting. So our solution for that is.

And now with GenAI and with all the announcement for the hyperscalers, right? It's becoming much easier. We even can have right now something to download the reports from the websites that we want to get. We can create a quick data lake right now with the agent AI. We can have agents to connect to the different data sources, getting into the data, cleaning it up, distill the data and then we have dashboards right now powered by GenAI.

I can query anything I want against this data. To say, give me, let's say the possibility, give me the opportunity. What is the profitability margin here? What is the profitability percentage if I get into that deal or that deal and all of the stuff, right? It's not any more a fixed dashboard.

I can use GenAI now To create a rock solid data analysis on the fly, real time with the data end to end, starting from getting the data all the way to creating the answers that I'm looking for from the data perspective. So there is really a great opportunity for Assets Wealth Management to shape the entire data analysis that coming from the financial statements and the financial analysis and make it real time, make it question and answers like a normal question and answers empowered by the GenAI.

Ajay: This is really interesting. Right, so again maybe a follow up question to you, Ash. Right. Do you see this being adopted by pretty much

everybody who's actually doing the AWM or is that something that's happening in pockets right now?

Ashraf: Yeah. So when we talk about the adoption, the common concern for asset wealth management is I don't want to generate something from a data perspective to be responsible for from a regulations perspective if we're keeping the use case as to be internally used by the product managers or the assets wealth management account managers.

Right. Still this is an acceptable by Asset Wealth Management to be having the human in the loop in that case the account manager to look at the data, validate it, ensure that what's been generated between by GenAI and the data and AI makes sense and it doesn't have any responsibility, let's say on the firm.

So considering that and from a regulation perspective it's safe to have the human looking at the data and reviewing it. We're seeing a lot of the assets wealth management firm are adopting this right now, changing their way of storing, storing the data, storing the documents, getting the data out of the documents and processing and using the data as well.

There is a huge adoption and will be more and more once we have more tools when it comes to agentic AI and be able to be empowering all of this analysis that we're talking about.

Ajay: Nice, nice. So Gary, sort of keen staying on this topic. Right. So Ash sort of built that relationship between the business requirements and the technology and how it can help. But from your point of view, right. What are the key challenges the AWM firms would face as they start adopting this for document intelligence? Right. I mean, to put it that way from your perspective.

Gary: Yeah, I think that, I think just resistance from teams that are potentially unfamiliar with AI. I think that you know, focusing on training and building out user friendly interfaces in a phased implementation of AI would be helpful. I think that from what I'm seeing so far, it's just the, the resistance to change in general, but also because of what AI can actually do. And when people don't understand the power of AI, they tend to resist it because they fear it in some way. But I think that's the main challenge that I see managing this change. I think it's all around the resistance people will naturally have with AI.

Ajay: Yeah, that's interesting. So this is pervasive across every industry and every client that everybody we talk to. So what do you think companies can do to address some of these challenges?

Gary: I think get ahead of it with training, get ahead of it with the message, right. That this is the path that we're going down. We're exploring AI and provide some real-life examples of how it can help their process, their job, their day to day. And giving them the tools.
And giving them the tools, but then in addition, showing them how to use them effectively to make their job easier and put more controls in place around the data that they're responsible for.

Ajay: Very nice. So I think some of the work that we are doing in our teams here at Brillio, right, And things like building some of those accelerators that can actually highlight these features and like you said, pull in some governance features into that workflow. Right. I mean, automated governance and things like that. And so that compliance is not a concern, valid or not. Right. Because some of these things are coming. Because the biggest challenge I've seen is that the perception of losing the control of what is happening. Right. And if we can sort of bring in that compliance as well as the

governance aspect of it in an automated way and sort of make sure that that is completely observable across the board, that sort of addresses some of those challenges, would that be right?

You know, definitely. Give. Give more comfort around.

Yeah. So let's switch to the topic and I'll start with you, Gary, this time. I mean, so let's talk about something on the payment modernization side of things. Right. So we have been seeing. There's a lot of activities happening within the payment modernization. So one space that we see a lot of activity, at least within our space, is things like fraud detection and the cybersecurity side of things. Right. So you know, how is that, how is AI sort of impacting some of those areas?

Gary: It is impacted in a major way. I think you hit it with real time fraud detection. Right. Previously in most cases, in most industries, right. They had a series of rules and they would have teams of humans that would go through data to make sure that, that they stayed in compliance, that they look for certain red flags from particular clients. I think AI is definitely improved that significantly. It enables the real time threat detection, real time risk monitoring in addition to the having adaptive security measures that mitigate risk. I think that using, I mentioned this earlier, using some of the behavioral biometrics and, and adaptive authentication. Right. I think that's giving better visibility into potential fraud situations. It can flag unusual activity, trigger types of multi factor authentication, for example. And I think that having the behavioral, the biometrics, I think that it can kind of pick up on a lot of the things that you can't normally, a human can't normally see from just looking at data.

Right. It can look at different types of transactions that the clients potentially may have had. It can

look at previous, previous fraud detection. It can identify, you know, deep fakes. Right. That's another hot topic right now, deep fakes with AI. AI can, you know, AI powered identity verification. It can analyze that data and authenticity of the documents to combat any sort of fraud.

Yeah, but I think combined in machine learning, automation and predictive intelligence makes everything faster, safer and more resilient. I think that that's, that's the goal. And I think by combining those, those tools and that, that technology, I think it makes for a very low risk control environment for financial industries.

Ajay: That's fascinating. So Ash, it sort of build on what Gary was talking about within the space, right. What are the kind of technologies that you would bring and how do you actually try and address some of these challenges you have in the payment modernization?

Ashraf: Absolutely. And to build on top of what Gary is saying, right. In the past we used to have the payment being processed in two, three days or maybe five days, which gives the teams the time to look at fraud and analyzing it either by human or by machines. Right. So with that you can't really rely on anything except AI for really quick Processing of the data to come quickly and detect a lot of the fraud detections basically at the same time.

Also you're looking for technology that have a speed of the, of the speed of processing a lot of the transaction very fast. Some of that could be Kafka for example, right? Which is event driven architecture based, right? Which is really. Kafka has the ability to handle a lot of the transaction very fast.

Kafka is being used in a lot of the posts that you see in LinkedIn and all of the stuff which is you can imagine a massive amount that you, you need to

handle from our post perspective. So that kind of give you the power, the machine learning with some integration power like Kafka and their kind of tools.

Combine it together it will give you the speed you're looking for, for analyzing the transaction, detecting if it's a fraud, if there's a money laundry, if there is a sanction test that you sanction list that you need to check against right before you process the payment quickly.

Ajay: That's really interesting. I mean the kind of advancements that we are seeing from even CSPs and all those within that space is really, really huge. So thank you for that. Ash. So again, switching topics, right? I mean one other area that we look into at Brillio within the space of like how is AI impacting the whole BFSI is something that's been there forever, things like auto finance, right?

I mean so we are looking at some of the auto finance platforms and all that. So again staying on the thread of CSP, what I was just mentioning, what do you see? How do you see the CSP sort of enabling that AI driven transformation in autofinance, right? And again going beyond the CSPs even the niche platforms and things like that out there, how do you see the technology providers addressing that custom requirements?

Ashraf: Yeah, so I love to use examples, right? So I'm going to use a quick example. Here is one of the cases that we're looking for for example is that when the part of the process, if someone doesn't pay on time or we have a bankruptcy case or delinquency case, right?
There is a database that you can look at it, right? And start analyzing the data and start analyzing the impact. Imagine this is really required a lot of legal basically knowledge right now, right? To be able to look at it, make the right decisions. But imagine automating all of this, right?

The follow up and looking at the database, analyzing it uses use the GenAIse of legal to determine what is the next best action on that or the next step and then schedule that. Right. Can you imagine automating this whole process that's required right now a lot of people to do.

I think this is one of the area just to give you an example of how AI and advanced technology can really expedite the process of importing, origination, servicing of the loans and also kind of really from part of the servicing the delinquency or the bankruptcy or and I'd let Gary also add to that but really I see there is a potential for the technology including AI to enhance really the auto finance process end to end.

Ajay: Awesome. Gary, would you like to jump in?

Gary: 100% agree. I think that it it's going to achieve faster loan processing, you know, better risk management, real time risk management, personalized tailored financing solutions. I think that's one that gets left out a lot of times. It's super important and then all the while maintaining that compliance and operational flexibility.

I think that part of the cloud service providers, you know, offering the scalable AI machine learning, it enables that risk modeling the customer insights. What we've seen with in the industry is there's a lot of legacy systems, right? There's, there's multiple legacy systems and a lot of times trying to tie those together can be challenging for, for some clients I think just by getting ahead of it analyze their current systems, the way that AI currently interacts with that and then building in some sort of AI driven automation for loan approvals, risk assessments similar to what Ash was saying, digital collections.

It'll definitely reduce the processing time and improve accuracy. I think accurate in this industry

fast is not always good but accurate is so it's most important to be accurate. And I think that that's something that, that before AI was a challenge and it required a lot of human effort.

I'll close on a couple things here. I think the personalized customer experience I think is huge. The tailored offers that same personalized experience also enables the servicer to get ahead of predicting delinquency potentially based on payment history. It may give them the ability to enhance their digital engagement with their clients which gives them more opportunities for their servicing but then also for cross selling opportunities potentially.

But I think that overall having custom enterprise needs and API driven architecture is needed now to seamlessly integrate with these legacy systems. That seems to be one of the main challenges with a lot of auto lenders is their legacy systems.

Ajay: I loved when you said that. Yeah, fast is not always the primary criteria right it's also always the accuracy, especially in this industry. Right. And so that's a fascinating, so I would have to say, you know, amazing insightful discussion here. So as we can all see, AI is sort of reshaping the BFSI sector, right.

Whether it's like streamlining, onboarding, modernizing payments, mitigating risks and the potential is enormous. Right. I mean we only started scratching the surface of this but as we heard today, success depends on how well the organization addresses challenges like the ethical AIUs, regulatory compliance, you know, make training, I mean so we delved a little bit into that training part of it as well as integrating with the legacy systems.

Right. Because those systems aren't going to go away. Right. All those systems are there now. We need to really make it work with the modern

systems. So before we wrap up, I want to do a quick lightning round with both of you. Right. I mean, so Gary and Ash, in one sentence, what's the biggest AI opportunity in BFSI that excites you right now?

You know I'll start with you Gary.

Gary: I'm going to say AI. It excites me more than anything just knowing from the years of being in the industry and the challenges, the manual effort it took to just accomplish very medial task, I think AI is what excites me the most. Just what I've seen so far, what we've been able to work with the clients, we've been able to use the gen AI and then even some of the copilot.

I think that it's really going to change the industry back to the point about having accurate data. One of the riskiest things in any sort of financial industry is not having correct data because it has a downstream effect that can affect the client, but then also the customer monetarily.

I think by getting ahead of building out these AI models that can constantly be trained, be edited and trained and continuously tested to ensure that there's, it's capturing everything risk related and at the same time the bias detection. Right. I think that's important, especially using AI, not using a human. What kind of controls can we put in place to make sure that there's a, like a, a fairness algorithm.

Right. There's, there's diverse training data and clear AI governance policies I think is really important. But to answer your question and the longest way AI is what's most exciting.

Ajay: Awesome. Ash, bring us home.

Ashraf: Yeah. So Ajay I would just say one of the issues that we had on BFSI for the longest time is the legacy as you mentioned, right. The legacy

kind of dragging us down big time. One of the exciting things right now I see a lot on the BFSI side is on the engineering side.

How can we empower the modernization using AI, right? Which is empowering the modernization using AI. Like migrating from mainstream, for example, to a new modern architecture that will empower and will get us more further to leverage the data and AI in kind of really in a full fledged, right?

Because if you have the data really parried on a legacy system, how can you use the AI on top of the data, right? So bringing really all of this legacy system, all of this data really to a modern system where we can right now put on top of that the AI so we can really implement some of the use cases that really leverage the power of the data and AI is really what is the most exciting things that I'm seeing really in the market on the BFSI side.

Ajay: Fantastic way to put, put it all together. Thank you, Ash. So that's a wrap, guys. So big thank you to our guests Gary and Ash for sharing their expertise and many thank you. Thanks to all the listeners who are actually tuning in and listening through many channels here. So if you found today's conversation valuable, definitely reach out to us.

We are happy to continue this conversations one on one or with your organizations. But until next time, you know, stay curious, stay ahead of the curve. Thank you.