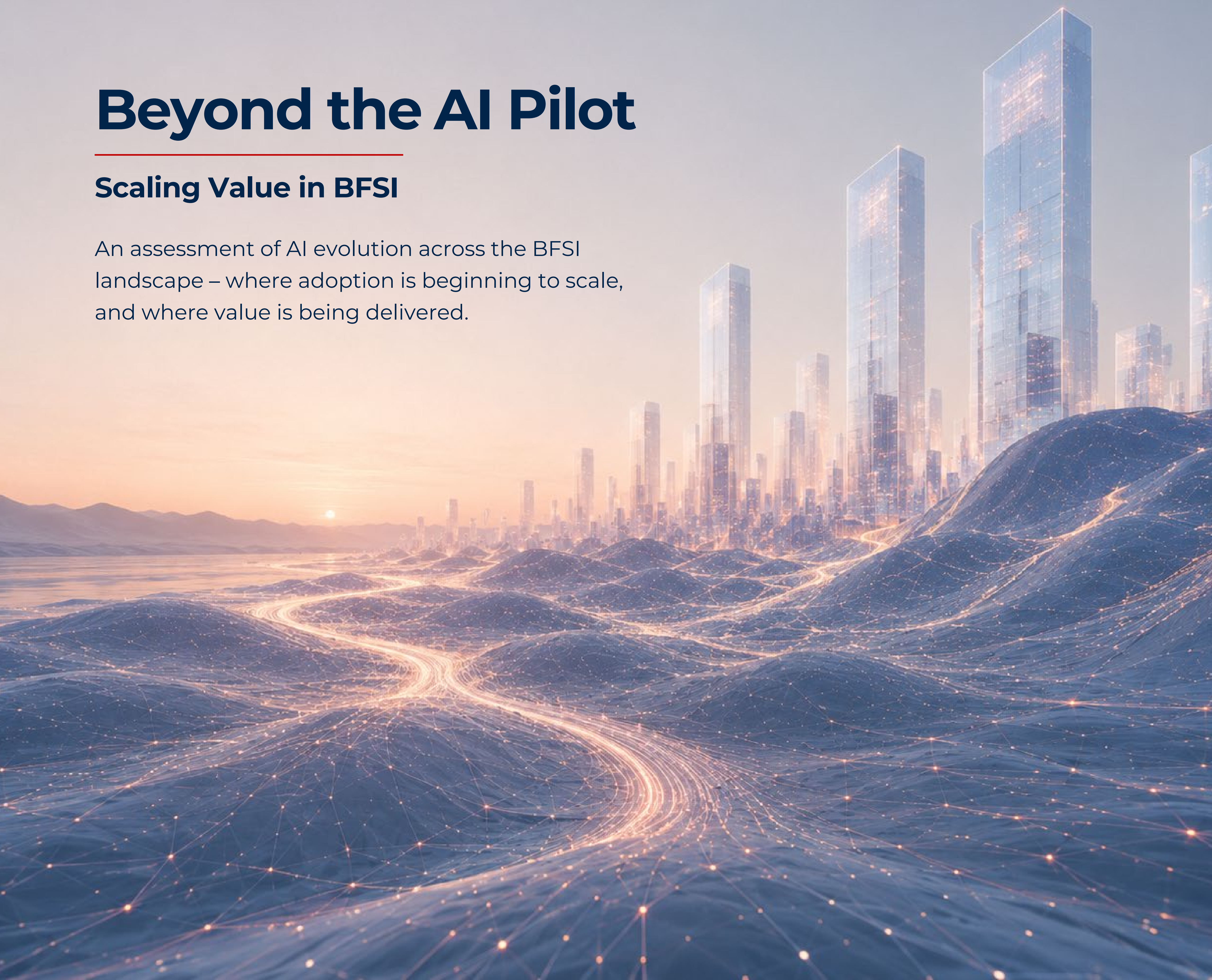


# Beyond the AI Pilot

## Scaling Value in BFSI

An assessment of AI evolution across the BFSI landscape – where adoption is beginning to scale, and where value is being delivered.



01

**AI in BFSI:**  
Setting  
the Stage

02

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**Means For**  
**Investors**

FOREWORD

# Beams Fintech Fund



We didn't set out to write a report about artificial intelligence. We set out to answer a question every portfolio conversation kept circling back to: is the AI activity across Indian BFSI building value, or building demos?

A year in, our honest answer is both - and the gap between the two is now what matters. Every institution we spoke with has something live in production, often several things. Eighteen months ago, "exploring AI" was a slide. Operational impact, faster turnaround, fewer manual touches, cleaner first-pass accuracy is now genuinely widespread across the workflows tracked.

Whether AI works inside a financial institution is no longer the question. Whether that impact survives the trip to a P&L line is. This report calls that the leap from operational impact to banked value. A strong pilot number is not the same claim as sustained, attributable savings at scale, and that gap is where most AI investment theses quietly stall. The binding constraint has shifted from 'can the model do this' to whether the economics still hold once a use case leaves the sandbox and meets real volume, data, and governance. Our own diligence has converged on the same five questions this report lays out: is the moat workflow-deep or a thin, replaceable layer; does the company own an outcome or just rent an interface; is there a repeatable path to the customer; does the margin survive token-cost inflation at scale; and would the customer pay once the free pilot ends. People pay for Claude and ChatGPT not because the technology impresses them, but because it does something they couldn't do as well, as fast, or as cheaply alone. We hold every company we back to that same bar.

That bar points us toward teams building deep, defensible IP—in underwriting, claims, collections, servicing—with the ambition to compete beyond India, not just inside a crowded, commoditizing category.

Talent, not technology, is now the binding constraint on how fast this market moves. We'd rather underwrite a market with real, well-understood constraints than one with none, that's where defensibility gets built, and where we're spending our time.

## THE TEAM



**SAGAR AGARWAL**

Founder and  
Managing Partner



**MUKUND KHETAN**

Director—  
Investments



**DEEPANSHU SIDHANTI**

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FOREWORD

# Alvarez & Marsal



Financial services is approaching another inflection point in its technology evolution. India's digital adoption journey was gradual, with institutions broadly converging around established technologies and economics playing an important role in adoption. AI is likely to follow an accelerated path. Adoption will be faster, but far more contextual, shaped by an institution's maturity, data and technology foundations, business model and the nature of the opportunity.

This distinction is important. Digitization often required relatively limited changes to existing ways of working; AI adoption is more nuanced, requiring institutions to determine where and how AI can create value within their own businesses. This could potentially offer institutions opportunities to build a stronger moat, built not simply through access to AI, but through differentiated ways of applying it across processes, data, and capabilities.

The opportunity is already becoming visible across BFSI, from customer acquisition and servicing to underwriting, fraud, compliance, and risk. Yet while operational improvements are increasingly evident, translating these into attributable and sustainable economic value remains less proven. This is where the distinction between the promise of AI and its realized impact becomes critical.

As institutions move from experimentation towards scale, this is also reshaping how they approach technology choices. The growing ecosystem of AI solution providers is expanding the range of capabilities available to institutions, from specialized point solutions to broader platforms. Build versus buy is becoming less binary, with institutions determining which capabilities are strategically important to develop themselves and where external solutions can accelerate adoption. The choices they make will increasingly reflect where they can create distinctive advantage, rather than simply how they can deploy AI most quickly.

The next phase of AI in BFSI will therefore be characterized by faster adoption, but greater divergence in how value is created. Institutions that develop distinctive ways of applying AI can build meaningful advantage, but that advantage will need to evolve continuously as the technology and competitive landscape change. The institutions that succeed will be those that move beyond adopting AI to continually adapting their businesses around it.

## THE TEAM



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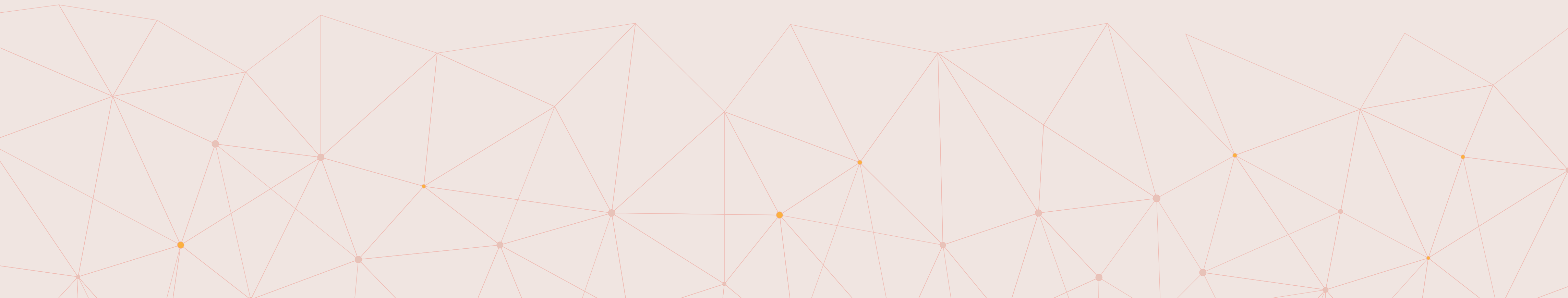
Associate,  
Business Transformation  
Services



# O1

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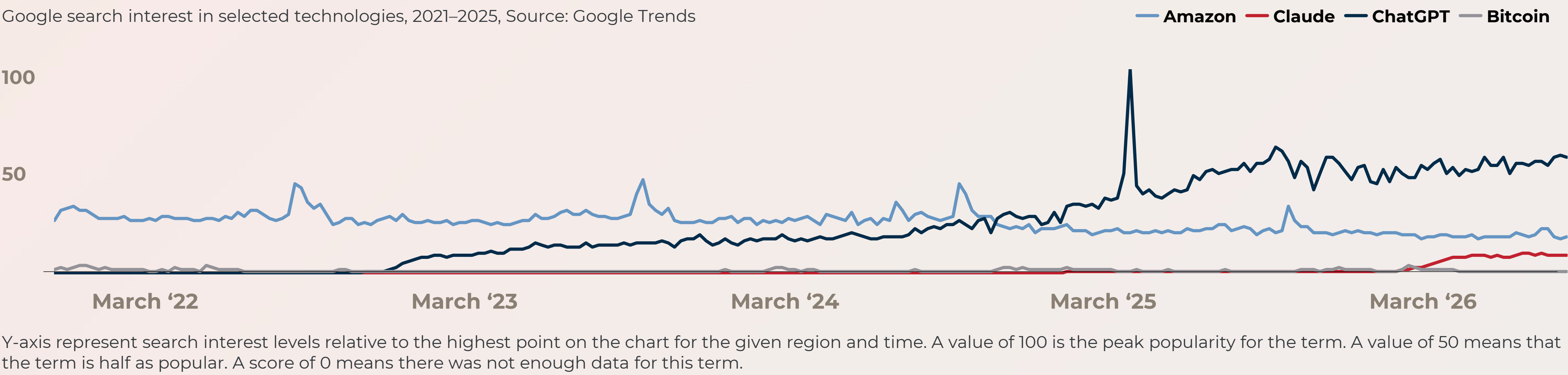
## **AI in BFSI:** Setting the Stage



# AI is redefining the technology landscape of financial services, marking a new chapter in its evolution.

Artificial Intelligence is evolving from an emerging technology into one of the defining technologies of our time. Organizations are using AI to automate routine processes, enhance decision-making, improve customer experiences, and generate insights from vast amounts of data. As models become more capable and accessible, AI is increasingly being embedded into enterprise workflows, driving productivity and innovation.

This evolution is reflected in the sharp rise in AI-related Google searches relative to other emerging technologies, signaling that AI has moved from the periphery of the technology landscape to the center of mainstream attention. The speed and scale of this shift are setting the stage for a new phase in how AI will transform the financial services industry.



Across the BFSI value chain, AI is beginning to redefine how financial institutions operate and serve customers, transforming functions from customer acquisition and servicing to fraud detection and compliance, while enabling faster, more personalized services. As AI becomes more deeply embedded, regulators are increasingly engaging with its implications, with RBI’s FREE-AI framework emphasizing responsible, secure, explainable and accountable AI, and SEBI highlighting applications across risk assessment, market surveillance, fraud detection, and investor protection. This is also sharpening focus on data privacy, security and regulatory compliance, with FIs showing a growing preference for solutions aligned with DPDPA and FREE-AI principles and for keeping sensitive data within their own environments or processing it within India.

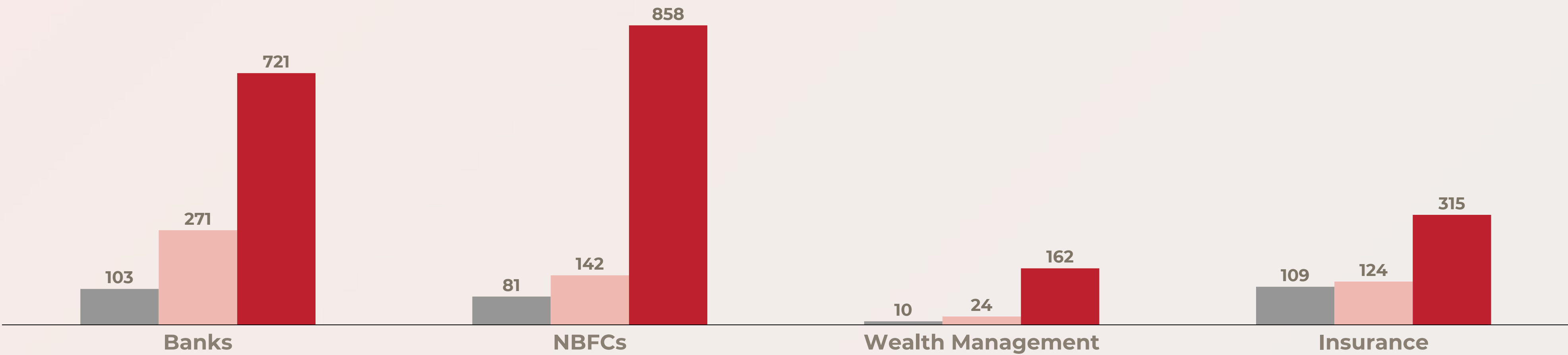
AI is rapidly evolving from a specialized technology into a mainstream capability, with public interest and use accelerating as it becomes embedded in everyday products, workflows, and enterprise applications.

Understanding where AI is delivering measurable business value requires perspectives from both technology providers and financial institutions (FIs). We gathered insights from leading AI solution providers and FIs actively deploying AI to assess adoption across the BFSI value chain, the ROI achieved, and the operational, organizational, and strategic implications of enterprise-scale deployment.

AI is also moving higher on the strategic agenda of financial institutions, with AI/ML mentions rising sharply across BFSI annual reports. The increase spans banks, NBFCs, wealth and insurance, signaling broad-based momentum across the sector.

This report examines where AI is delivering the greatest impact today, where adoption is beginning to scale, and which use cases are emerging as promising. It provides a practical assessment of AI deployment across the BFSI value chain, highlighting the opportunities, challenges, and lessons that can help organizations navigate their own AI transformation journey.

Number of times AI-ML has been mentioned in BFSI companies' Annual Reports and Investor Presentations, FY22, FY24, and FY26



“

AI is creating a significant opportunity to reshape the economics of financial services. As adoption accelerates, it will be interesting to see the degree of operating leverage institutions can create and how this translates into differences in cost structures, productivity, and returns across the industry. The competitive moat will increasingly depend on how effectively institutions translate AI capabilities into sustained improvements in the economics of their businesses. Over time, this could create meaningful divergence in the underlying economics of institutions, as early adopters build advantages that are difficult to replicate through technology adoption alone.

**Sagar Agarwal • Founder and Managing Partner • Beams Fintech Fund**



# Q2

**Where AI is  
Reshaping BFSI**

# AI is reshaping the BFSI value chain, but the nature of the work determines where it can take hold.

Across the BFSI value chain, three patterns emerge: AI has scaled fastest in lower-risk tasks, data rich functions are not yet fully autonomous, and narrow tasks are more AI-ready than broad responsibilities.

### PATTERN 1

The functions where AI has scaled most quickly, such as customer acquisition and servicing or collections, are also the ones where mistakes are easier to fix, have lower financial impact, and face less regulatory scrutiny.

### PATTERN 2

Functions with the richest data and the clearest theoretical AI readiness, underwriting and fraud/AML, are also the ones where a single wrong answer is most expensive, which is exactly why deployment there tends to stay human-in-the-loop.

### PATTERN 3

AI performs best when the task is narrowly defined with clear boundaries. Broader responsibilities require more context, judgement, and exceptions to be handled, where AI models could potentially hallucinate.

## Six Areas of AI Development and Adoption



While AI adoption is accelerating across these six areas, their underlying readiness for AI deployment varies significantly. This readiness is best assessed across three dimensions: **Workflow decomposability, Task repetitiveness, and Data accessibility.**

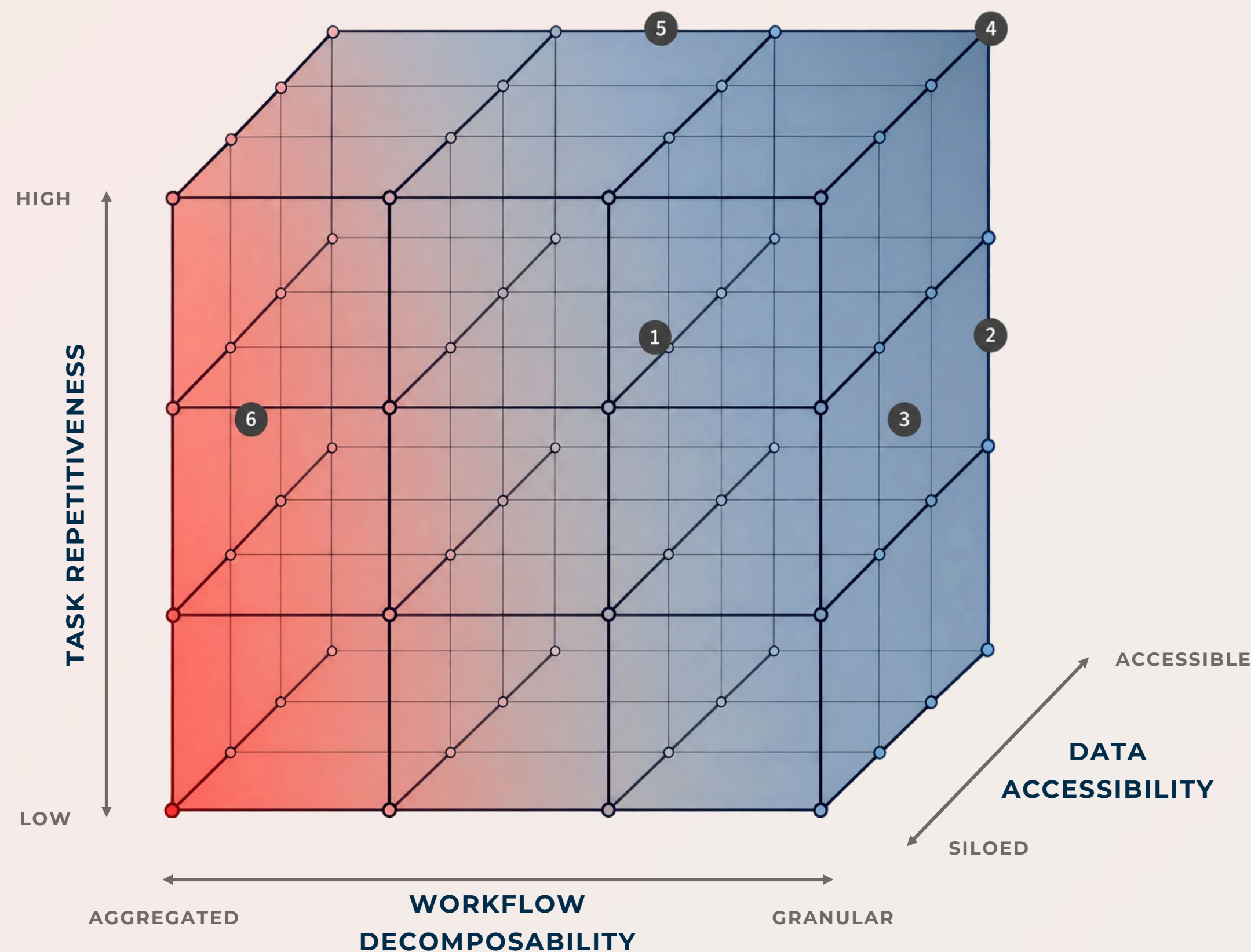
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Financial services has continuously evolved, progressing from pen-and-paper processes to software-led systems, and then to internet, API, and mobile-led models; AI now marks the fourth generation of this evolution. What is distinctive about this phase is the breadth of its impact: AI is no longer confined to automating individual activities, but can influence how entire processes are designed, how decisions are made and how human capabilities are deployed. This represents a fundamental shift in how financial institutions can operate and organize themselves around technology.

**Bhavik Hathi • Managing Director • Alvarez & Marsal**

# When assessing where AI can take hold, opportunities lie in repeatable, decomposable, and data-rich work.

Across these three dimensions, the six areas differ materially in their underlying AI readiness, depending on the characteristics of the work, the task involved, and the accessibility of the data required.



**The AI-readiness cube:** The six areas are positioned on the three dimensions basis their evaluation across Workflow Decomposability, Task Repetitiveness, and Data Accessibility.

## X

### WORKFLOW DECOMPOSABILITY

The extent to which a workflow can be broken into discrete, repeatable steps that can be individually addressed by AI.

## Y

### TASK REPETITIVENESS

The frequency with which similar tasks recur with consistent inputs, patterns, and decision requirements.

## Z

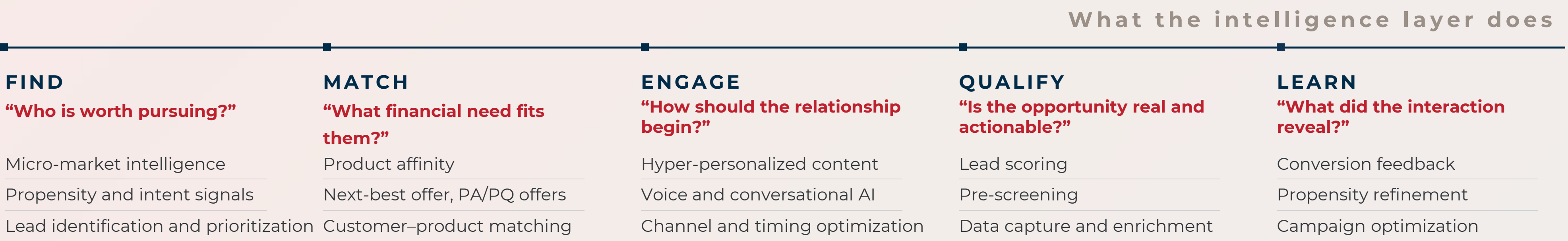
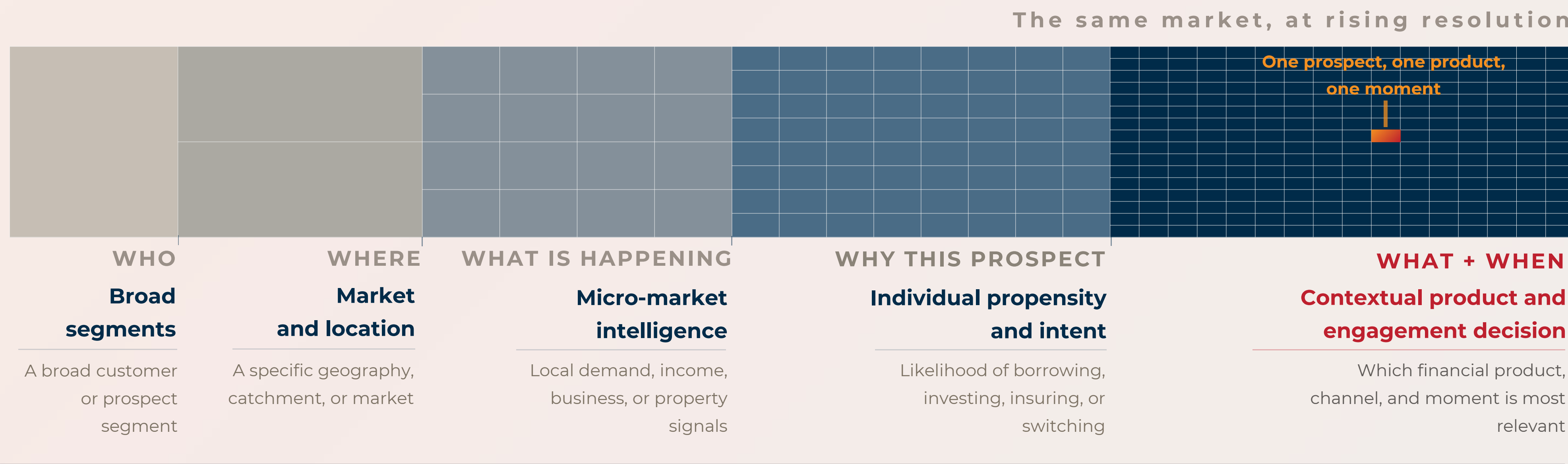
### DATA ACCESSIBILITY

The extent to which the data required to execute or support a task is available, structured, usable, and accessible to the AI system.

**This assessment approach evaluates each area across three dimensions, using the resulting scores to position it within the AI-readiness framework and assess its underlying suitability for AI deployment, rather than simply reflecting the level of AI adoption observed today.**

# AI is turning fragmented customer acquisition into a continuous learning loop for hyper-personalization.

AI allows institutions to interrogate the same addressable market at progressively finer levels of granularity—while continuously learning from each interaction to improve who they target, when they engage, and what they offer.



## WHAT CHANGES WITH AI

**01 | FROM SILOES TO A LEARNING LOOP**

The Find > Match > Engage > Qualify > Learn chain was traditionally fragmented across teams and systems. AI connects these steps, allowing each interaction to improve the next.

**02 | DATA CAN PROVIDE A HEADSTART, BUT NOT THE ADVANTAGE**

Incumbents FIs bring richer data and relationships, giving them a natural headstart. AI-native players can offset this with cleaner AI-first workflows and faster feedback loops. Over time, the advantage shifts to the FI that learn and adapt faster.



## HOW FINANCIAL INSTITUTIONS ARE APPLYING AI

### 01 | Lending: Agentic lead engagement

**SK Finance** uses an agentic customer app and AI-enabled voice channel to process leads in real time. Rather than simply scoring a lead and handing it to an RM, AI can understand voice or chat requests, help prospects explore relevant loan offers and progress standard steps in the application journey. The agentic layer connects these conversations with SK Finance's internal systems, allowing routine prospect interactions to move forward without repeated human hand-offs, while directing human teams towards customers that require more judgement or support.

### 02 | Insurance: Contextual product matching

**InsuranceDekho** combines customer age, location, stated coverage needs and policy preferences to identify relevant products across 50+ insurers. AI can bring these signals together to create a more contextual product recommendation rather than relying on broad customer segments. The same intelligence can then be used across the customer journey, helping determine which products to surface, which insurer or partner to route the customer to, and how to tailor the interaction based on the customer's needs.

## HOW AI SOLUTION PROVIDERS ARE ENABLING USE CASES

### 01 | Lending: AI-led lead qualification

**Sarvam** enables Tata Capital to use multilingual voice agents for loan-campaign engagement and lead qualification. Working with MoEngage, Tata Capital's customer-engagement platform for targeting and triggering campaigns, Sarvam places the calls, understands customer intent, and captures responses for follow-up. In an early campaign, ~41% of contacted customers engaged with the voice agent, conversations averaged 37 seconds, and ~1 in 6 generated a qualified lead. Nearly all conversations were in Indic languages, demonstrating vernacular voice engagement at scale.

### 02 | Banking: Branch/ATM network planning

**Kentrix** combines location-based intelligence with demographic, income, lifestyle, and spending data to identify where banking demand is likely to emerge. Its proprietary AI maps India at building-level precision, covering ~8,000 towns and every village, to identify granular micro-markets and customer segments. This helps FIs in identifying optimal locations for branch and ATM placement, as well as decisions on which products and services to promote in a particular catchment, moving beyond traditional PIN-code-based targeting.

“

AI is fundamentally reshaping journeys across InsuranceDekho. We are moving from segment-led engagement to contextual, individualized interactions that reflect each customer's needs and circumstances. Across our distribution network, AI is improving product matching, partner support, and RM efficiency. Response times are already compressing from hours to seconds, while AI-led insights enable RMs to serve a significantly broader partner base. The opportunity goes beyond personalization: it is about making insurance distribution more intelligent, responsive, and scalable.

**Ish Babbar • Co-founder and CTO • InsuranceDekho**

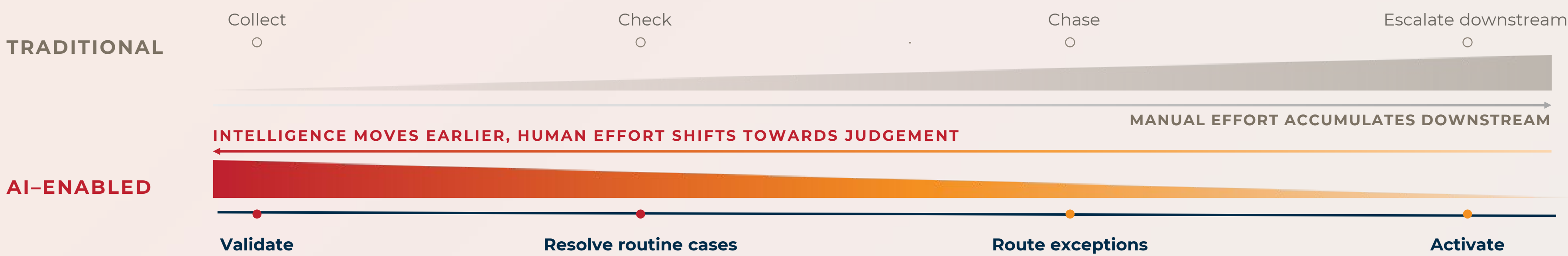
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Traditional next-best-action ran on rigid rules and a bank's own history—every customer understood only through how they'd already behaved. AI brings the outside world in: the micro-market a customer lives in, their inferred lifestyle and spend, their neighbourhoods, thousands of signals no bank holds internally. That context turns a generic cross-sell rule into a timely, personalized action—something rule-based systems could never reach.

**Divyansh Raghuvanshi • Co-founder and Chief Product Officer • Kentrix.ai**

# With AI embedded within onboarding, human effort is shifting from processing to nuanced decision-making.

Traditional machine learning automated the recognition and prediction of customer signals. AI builds on this by interpreting those signals in context, connecting evidence across the journey, and acting on the insight, moving intelligence earlier and human judgement towards exceptions.



## How AI augments the onboarding journey

| Identify the customer                  | Validate the evidence                     | Assess the relationship                | Determine the way forward            |
|----------------------------------------|-------------------------------------------|----------------------------------------|--------------------------------------|
| IDENTITY AND KYC                       | PRODUCT-READY DOCUMENTATION               | RISK, FRAUD, AND SPECIALIST DILIGENCE  | ACTIVATION AND ORCHESTRATION         |
| Face matching and liveness detection   | OCR, classification, and field extraction | Document tampering/forgery detection   | Automated case-file generation       |
| Video KYC/remote PD                    | Document sufficiency checks               | Property title and legal due diligence | Agentic partner-request handling     |
| Deepfake and synthetic-media detection | File/case-file auto-population            | Medical/claims document adjudication   | Consent/privacy workflows            |
|                                        | Automated document follow-up              | Sanctions/PEP screening                | Automated routing/exception handling |

## WHAT IS CHANGING BENEATH THE SURFACE

|                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                             |                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>01   ONBOARDING BECOMES A GROWTH INPUT</b><br><br>AI can turn onboarding data and customer signals into a richer view of the customer, creating more opportunities for relevant cross-sell, upsell, and retention beyond the initial product. | <b>02   FROM CAPTURE TO INTERPRETATION</b><br><br>As extracting information becomes easier, value shifts to AI that connects documents, customer data, and context to understand the customer and support better decisions. | <b>03   FROM ASSISTANCE TO ACTION</b><br><br>AI can move beyond identifying or recommending the next step to executing routine actions, while humans focus on exceptions and higher-risk decisions. |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| How it impacts FIs                                                        |                                                                                 |                                                                                |                                                                                    |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>Onboarding TAT ↓</b><br>Faster movement from submission to acceptance. | <b>Rework ↓</b><br>Fewer document chases, re-keying, and repeated verification. | <b>STP ↑</b><br>Green-channel for validated cases without manual intervention. | <b>Risk Detection ↑</b><br>Fraud, identity, and compliance issues surface earlier. |

## HOW FINANCIAL INSTITUTIONS ARE APPLYING AI

### 01 | Insurance: Automated policy issuance

**Tata AIG's** Inspectify uses computer vision and machine-learning models to automate pre-policy vehicle inspection through a customer's smartphone. The app guides users through capturing the required vehicle evidence, analyses the submitted visuals, and generates an inspection verdict in real-time. This replaces much of the coordination and manual assessment involved in conventional pre-policy inspection, allowing customers to complete the process remotely in under five minutes and proceed more quickly toward policy issuance.

### 02 | Wealth: AI-Enabled Remote Onboarding

**Aditya Birla Sun Life AMC** uses Signzy's AI-enabled video e-KYC to verify investors remotely. The process combines facial and image recognition with PAN verification, geolocation, IP checks, video forensics, and Aadhaar XML validation to support identity and fraud checks. This replaces physical KYC submission and reduces document handling during onboarding. The AMC onboarded over 50,000 investors through video e-KYC during the 2020 lockdown and close to 100,000 investors within the first year of adoption.

## HOW AI SOLUTION PROVIDERS ARE ENABLING USE CASES

### 01 | Banking: Identity and fraud verification

**IDfy's** KYC and fraud-detection suite establishes in real-time that a customer is who they claim to be and is genuinely present. It combines computer vision, biometric face matching, liveness detection, and AI-based fraud analytics. Selfies are matched to identity documents and checked against repositories of known fraudulent identities to identify duplicates and repeat offenders. It also detects deepfakes, face swaps, and injection attacks, alongside tampered documents and synthetic or AI-generated identities. Built through years of BFSI use, it prevents fraud while keeping genuine customers moving..

### 02 | Lending: Property and legal diligence

**Brikby's** AI solution helps lenders tailor legal diligence reports by reading vernacular property documents and reconstructing the chain of ownership. It can interpret legal text, identify relevant clauses, connect information across documents and cross reference against government records, reducing the need for lawyers to manually piece together fragmented records. A process that could otherwise take 10–12 days can be completed in <1 day for straightforward cases. Brikby handles the routine tasks so counsel can apply their judgement where it counts, on complex exceptions and higher-risk property cases.

“

For years, onboarding was sequential: OCR, workflow, prediction, then a decision. AI changes that in two ways. Onboarding can now work more like a conversation, adapting to what the customer needs instead of forcing them through a fixed form. At the same time, complex assessment can move to the front, producing a decision-ready view in minutes. The human role changes too. People handle the exceptions, while fraud and trust checks move earlier in the process.

**Ashok Hariharan • CEO • IDfy**

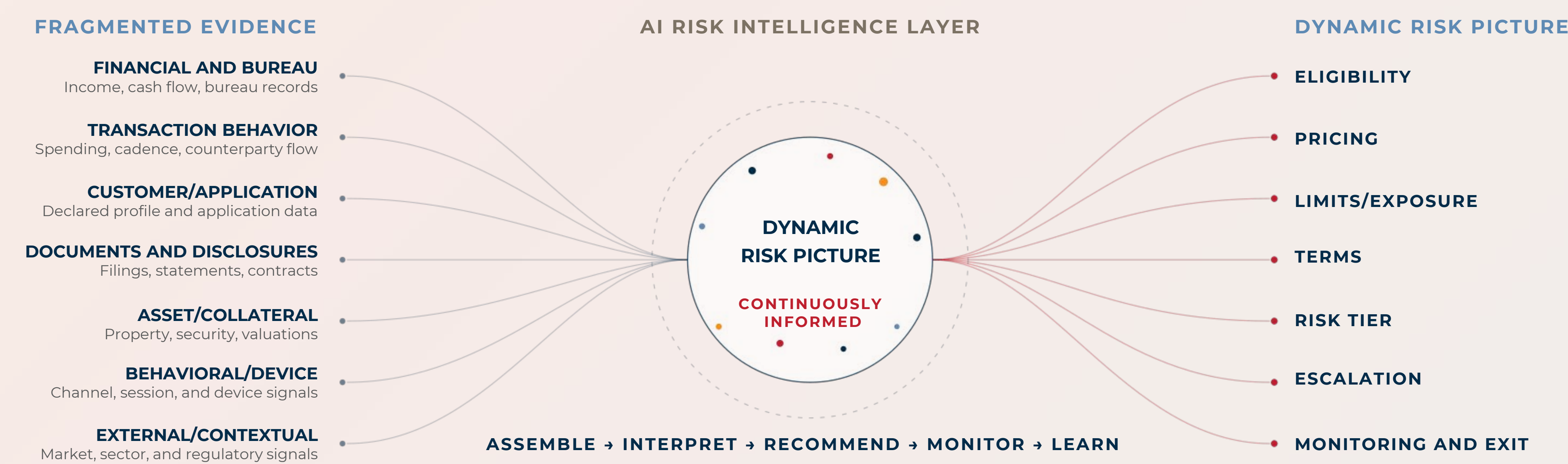
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There will come a point in the future where all manual bottlenecked tasks in BFSI will be automated using AI. The competitive edge amongst NBFCs will be almost level, considering interest rates among FIs remain largely similar. The victor on the other side of the AI hill will be those who best train their teams on the validation and process workflows around using the AI output responsibly.

**Rishabh Agarwal • Co-founder and CEO • Brikby**

# AI is redefining risk assessment from point-in-time judgement to continuously informed decision-making.

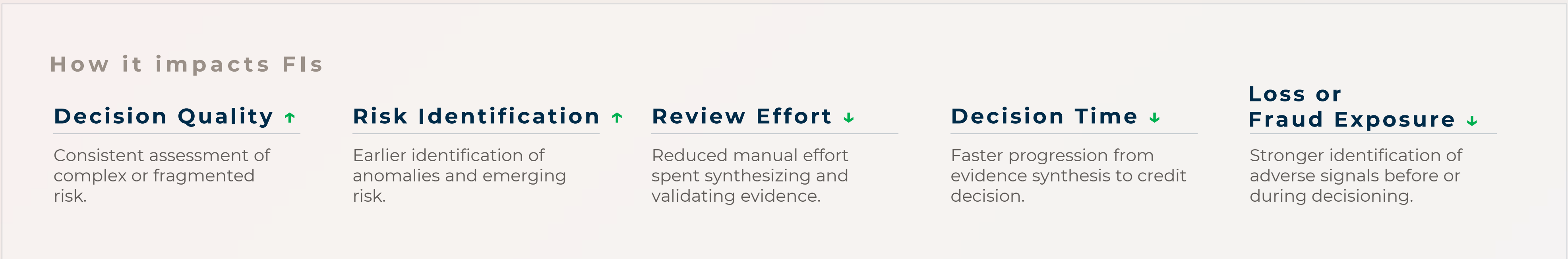
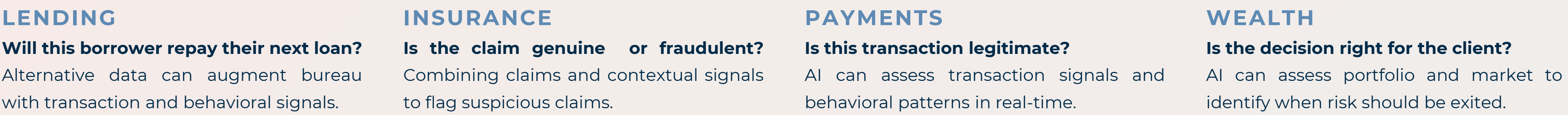
AI is bringing fragmented financial, behavioral, and contextual evidence together to create a dynamic risk picture and continuously refine risk decisions.



## WHAT AI IS BEING BUILT TO DO



## THE RISK QUESTIONS VARY BY FINANCIAL INSTITUTION



## HOW FINANCIAL INSTITUTIONS ARE APPLYING AI

### 01 | Insurance: Agentic medical underwriting

**SBI Life** uses Datamatics' TruAI Underwriting for complex medical cases. The platform reads medical reports, lab results, and customer declarations, extracts relevant clinical parameters, flags potential risk indicators, and consolidates the evidence into a digital case summary. It then applies underwriting rules and historical decision patterns to support the underwriter's assessment, while learning from outcomes over time. Final approval remains with human underwriters, so AI reduces evidence-review effort without removing judgement from consequential underwriting decisions.

### 02 | Lending: AI-augmented underwriting

**Vastu** has built an AI-powered underwriting platform that leverages India's Digital Public Infrastructure (DPI) to transform fragmented customer and financial data into intelligent credit insights. At its core is Credit IQ, Vastu's proprietary AI-driven borrower intelligence engine that synthesizes customer interactions, occupation, industry context, and financial signals to generate multidimensional borrower profiles, enabling faster credit decisions, more granular risk assessment, and laying the foundation for dynamic risk-based pricing. Together, these capabilities are expected to reduce underwriting turnaround time from ~10 days to under 48 hours.

## HOW AI SOLUTION PROVIDERS ARE ENABLING USE CASES

### 01 | Lending: AI-led thin-file underwriting

**AbleCredit** develops AI underwriting models specifically for thin-file MSME lending, where traditional bureau-led scorecards often have limited information. Its models analyze borrower conversations, business images, documents, geolocation, and other alternative data to generate explainable credit-risk signals, detect inconsistencies, and build a structured borrower risk profile. Lenders can use these AI-generated inputs for credit appraisal, fraud checks, and underwriting decisions, helping them assess borrowers who may otherwise be difficult to evaluate using conventional credit data alone.

### 02 | Lending: AI-powered credit decisioning

**FinBox** brings agentic AI into underwriting through Sentinel AI, its decisioning platform. Purpose-built credit agents extract and classify documents, verify identity, reconcile financials, research counterparties, and generate credit memos, moving analysts directly to judgment. Sentinel AI combines bureau data, risk rules, and scorecards to orchestrate decisions, with simulations, audit trails, and explainability built in. Each agent run is governed, auditable, and callable externally via Model Context Protocol, helping lenders automate routine underwriting while retaining policy-driven control and human oversight for complex cases.

“

For decades, credit systems have been designed around snapshots: a bureau score, a set of documents, a periodic review. AI makes risk increasingly dynamic. Institutions can now interpret multiple signals in context and update their view as circumstances change. Across India and global markets, lenders are beginning to embed AI into underwriting workflows to automate routine analysis and free credit teams to focus on judgement-intensive cases. Over time, this will reshape not just efficiency, but how credit is priced, monitored and extended.

**Srijan Nagar • Co-founder • Finbox**

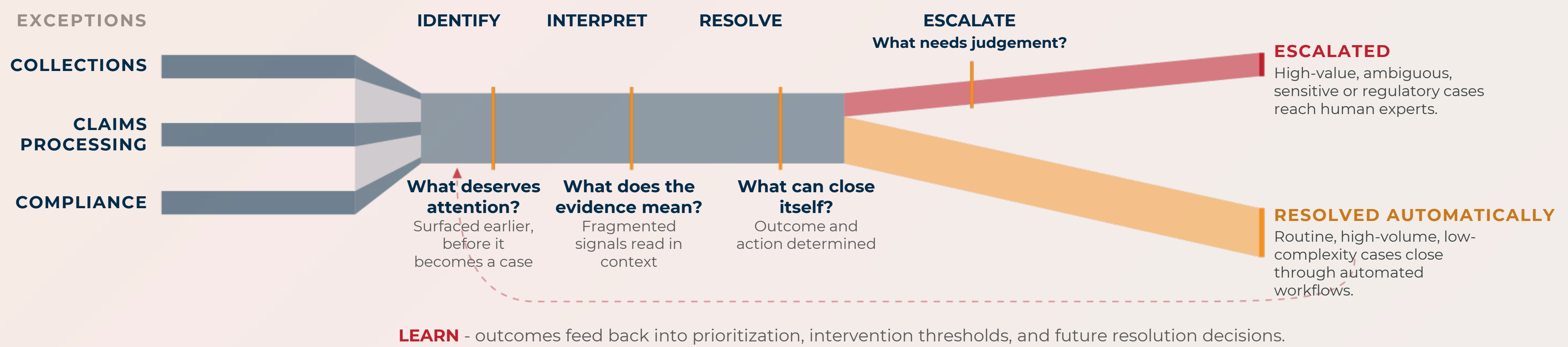
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AI is enabling us to fundamentally rethink how we understand and serve underserved borrowers. It helps us move from digitizing lending to making lending intelligent — enabling better decisions, proactive risk management and responsible scaling of housing finance access across India.

**Sandeep Menon • Founder, Managing Director, and CEO • Vastu Housing Finance**

# Collections, claims, and compliance are shifting from reactive response to monitoring and targeted escalation.

AI has enabled continuous evaluation of exceptions across collections, claims, and compliance, via earlier identification of issues, interpretation of fragmented evidence, automatic resolution of routine cases, and escalation where genuine judgement is required.



Across all three domains, AI applies the same intelligence loop to identify, interpret and resolve exceptions, while addressing different business outcomes.

## COLLECTIONS

### PREDICT AND PRIORITISE RECOVERY

From reacting to overdue accounts to predicting deterioration and prioritizing the right intervention before losses compound.

- Move from reactive to propensity-led recovery.
- Prioritize customer by likelihood of repayment.
- Tailor treatment and channel to customer behavior.
- Continuously refine recovery strategies from outcomes.

### OUTCOME

Higher recovery with precise and customer-specific interventions.

## CLAIMS PROCESSING

### ASSESS AND ADJUDICATE INTELLIGENTLY

From manual, document-heavy assessment toward evidence-led adjudication at scale, while preserving human judgement for complex cases.

- Assess claims basis historical patterns.
- Highlight suspicious or complex claims.
- Resolve straightforward claims with low human effort.
- Escalate complex cases for specialist review.

### OUTCOME

Faster resolution, better claims outcomes, and enhanced customer experience.

## COMPLIANCE

### DETECT, INTERPRET, AND ASSURE

From periodic checks and sampling toward continuous monitoring, detection and auditability across the institution.

- Continuously monitor transactions and activity.
- Identify emerging compliance risks earlier.
- Reduce manual review of routing cases.
- Escalate material exceptions for investigation.

### OUTCOME

Stronger risk controls with greater consistency and lower regulatory burden.

## How it impacts FIs

### Recovery/Resolution ↑

Higher recovery and resolution rates.

### Early Detection ↑

Loss, fraud and compliance exposure surfaced sooner.

### Turnaround ↓

Faster resolution across all three domains.

### Review Effort ↓

Lower investigation and manual review load.

### Loss/Leakage ↓

Lower leakage and regulatory exposure.

### Decision Consistency ↑

More consistent decisions across cases and reviewers.

## HOW FINANCIAL INSTITUTIONS ARE APPLYING AI

### 01 | Wealth: AI enable trade compliance

**Nuvama** uses AI to monitor trade-confirmation calls for compliance across the full call population. Instead of compliance teams manually reviewing a sample of recorded conversations, AI audits every trade-confirmation call and flags interactions requiring further review. This moves a regulated control process from periodic sample testing to continuous surveillance, increasing coverage without requiring proportional compliance headcount. Human reviewers remain in the loop for exceptions, while AI-based data-loss prevention provides an additional control around sensitive information.

### 02 | Insurance: Real-time claims adjudication

**ICICI Lombard** uses AI/ML in health-claims decisioning to extract information from claim documents, assess policy admissibility, and determine the amount that can be auto-approved. The insurer reports that cashless authorization, which previously took ~60 minutes, can now be completed in about one minute, with complex cases routed for manual review. Separately, InstaSpec digitizes motor-claim inspection through live video with a claims manager, replacing the need for a physical surveyor visit rather than automating damage assessment itself.

## HOW AI SOLUTION PROVIDERS ARE ENABLING USE CASES

### 01 | Lending: AI-led collections decisioning

**Credgenics** uses AI in collections to move beyond static reminder rules. Predictive models identify accounts needing intervention, while GenAI-powered voice agents understand borrower intent, repayment constraints, and willingness to pay, then respond contextually. The AI captures commitments and reasons for delay, using these signals to determine the next action, such as a reminder, payment link, escalation, or human follow-up. This creates a more adaptive, resolution-led recovery workflow.

### 02 | Insurance: Claims document processing

**Gnani** runs voice agents across the collections journey, from pre-due reminders to settlement calls, across both secured and unsecured loans. The AI handles routine repayment conversations and automatically hands over to a human when a query needs more judgement. This allows collection teams to focus on more complex cases rather than repetitive calls. Gnani reports resolution rates of 88-90+%, close to the 90% achieved by human agents, at roughly half the cost, making collections more efficient through intelligent triaging and exception-based escalation

“

Collection strategies are being tailored to customer segmentation, propensity, channel and routing, with agentic voice capabilities enabling lenders to implement at scale. This has enabled precise interventions and strengthened the ability to prevent accounts from progressing to severe delinquency stages, while significantly reducing reliance on field-intensive collections. Looking ahead, agentic AI will effectively manage soft collections, with human intervention concentrated on exceptions & trickier hard collection cases.

**Sushil Zaregaonkar • Managing Director • Alvarez & Marsal**

“

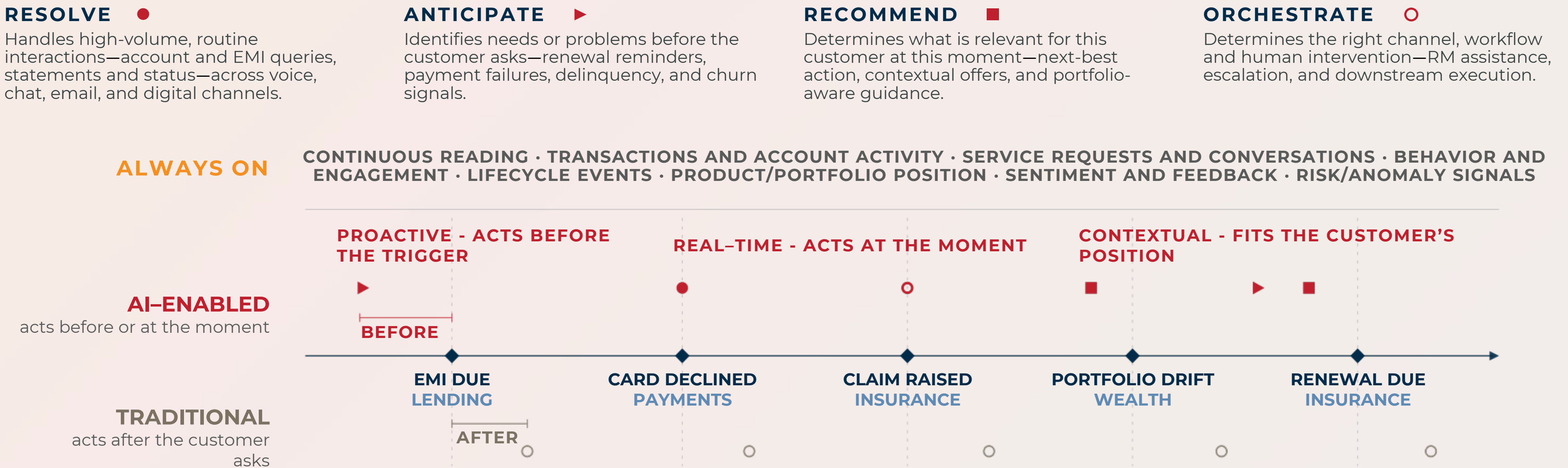
Credit lifecycle management has traditionally scaled by adding people across acquisition, servicing, and collections. AI breaks that relationship, enabling lenders to engage customers consistently across the entire journey, automate routine conversations, and escalate only where human judgement adds value. At an Indian NBFC, Gnani powers 30+ million AI calls a month, driving a 2.5x lift in lead-to-application conversion, 10x lower opex per case, and INR 18+ Bn in monthly repayments from AI-engaged accounts, making end-to-end credit operations economically viable at a scale previously impossible.

**Ganesh Gopalan • Co-founder & CEO • Gnani AI**

# Customer engagement is evolving from reactive servicing to proactive contextual interaction.

With AI, customer engagement an always-on relationship engine—resolving routine needs, anticipating what comes next, and personalizing every interaction.

**AI ACTION TAKEN:** The mark shows which action the intelligence layer took and where on the relationship it fell.



## THE CUSTOMER NEEDS VARY BY FINANCIAL INSTITUTION

|                                                                                 |                                                                                                       |                                                                                                               |                                                                                                               |
|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>LENDING</b><br>Repayments, account servicing, top-ups, and next-best offers. | <b>INSURANCE</b><br>Renewals, claims navigation, policy changes, premium queries, and coverage needs. | <b>PAYMENTS</b><br>Transaction queries, fraud alerts, disputes, payment failures, and real-time intervention. | <b>WEALTH</b><br>Portfolio context, investor queries, market events, suitability, and RM-assisted engagement. |
|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

**WHAT IS CHANGING BENEATH THE SURFACE**

**01 | REACTIVE → ANTICIPATORY**  
Service no longer starts only when the customer raises a request. AI can detect lifecycle, behavioral, and transaction signals and intervene earlier.

**02 | SEGMENT → INDIVIDUAL**  
Engagement moves beyond broad customer segments toward individual context—what the customer owns, needs, has done, and is likely to do next.

**03 | EVENT-DRIVEN → ALWAYS-ON**  
AI can continuously monitor interactions and account signals, enabling intervention when something happens rather than waiting for the next campaign or service contact.

| How it impacts FIs                         |                                                  |                                                                    |                                                    |                                                                        |
|--------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------|
| <b>Cost to Serve</b> ↓                     | <b>Resolution Time</b> ↓                         | <b>Service Automation</b> ↑                                        | <b>Customer Engagement</b> ↑                       | <b>Retention or Wallet</b> ↑                                           |
| Low human effort per customer interaction. | Faster response and closure of routine requests. | Greater share of interactions resolved without human interactions. | Timely, relevant, and contextualized interactions. | Proactive intervention creates retention and cross-sell opportunities. |

## HOW FINANCIAL INSTITUTIONS ARE APPLYING AI

### 01 | Insurance: Self-service and renewals

**ICICI Prudential Life** uses conversational AI across servicing and renewal calls. Ligo handles policy queries and service requests 24x7 across chat, WhatsApp, and voice. Separately, AI calls customers before renewal-premium due dates at scale, recognizing speech and supporting two-way conversations. In FY26, 96.8% of service interactions were completed through self-help or digital modes, demonstrating AI-enabled servicing at scale.

### 02 | Banking: Voice biometric authentication

**Bank of Baroda** uses AI-powered voice biometrics to authenticate customers during contact-center interactions, automating parts of the verification process. The bank has enrolled 2 Mn+ voiceprints, while anti-spoofing capabilities help detect fraudulent calls and impersonation attempts. The implementation has reduced average verification time by 50 seconds per call, lowered cost per call by 15%, and improved customer satisfaction by 24%, while strengthening fraud prevention and accelerating query resolution.

## HOW AI SOLUTION PROVIDERS ARE ENABLING USE CASES

### 01 | Wealth: Portfolio specific research for RMs

**Inferedge's** AI solution connects a wealth firm's research with individual clients' holdings and portfolio activity. Rather than analysts spending time on generic market research or tedious data collection, the system reads research documents, understands the client's portfolio, and generates summaries tailored to those positions. This frees up analysts from searching, collating, and reframing research to client portfolios and more time on judgement-intensive client conversations, making research more responsive to individual client needs.

### 02 | Wealth: Agentic investment research

**Pascal's** agentic AI deployment at Kotak Mahindra AMC expands the research capacity of investment teams by allowing agents to work across both public and internal information. They analyze regulatory filings, earnings transcripts, and disclosures alongside emails, research notes, call transcripts, and broker reports, connecting context across sources to surface relevant patterns and insights. By automating information gathering and synthesis, the system can reduce research time by ~40%, enabling broader investigation while analysts retain judgement over final investment conclusions.

“

Take a PMS firm that needs to send comprehensive planned portfolio reviews to every client every month as well as to new prospects, today that can consume a full day of one analyst. The entire workflow, from analysis and drafting to formatting, can be automated, potentially doubling productivity and saving as much as 12 working days a month per user.

**Aditya Mehta • Co-founder • Inferedge**

“

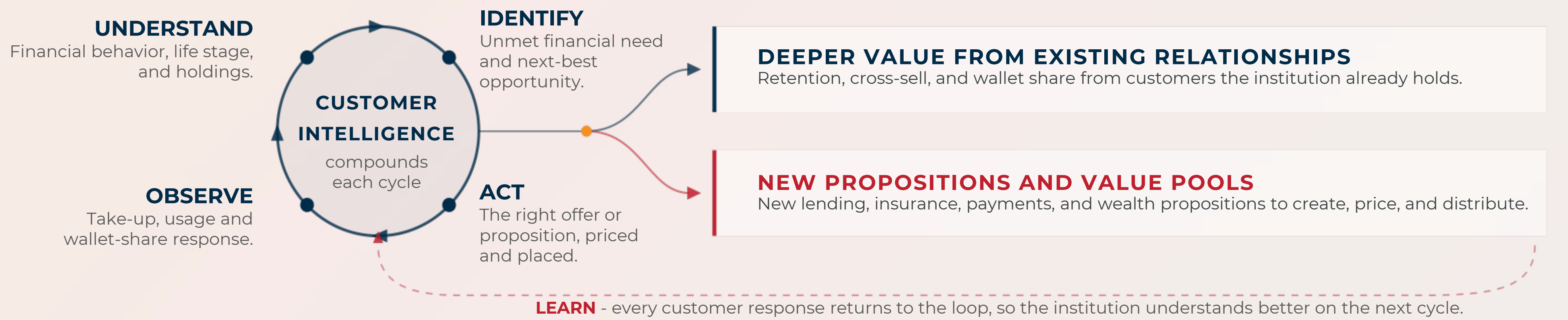
AI can give wealth advisors a much fuller view of the client and the investment context by bringing together information that analysts previously had to pull from multiple places. This gives advisors and analysts more time to focus on clients, make better investment decisions, and find opportunities to generate alpha.

**Vibhav Viswanathan • Founder • Pascal AI Labs**

# Targeted value creation is becoming more effective than broad-based targeting with AI.

AI is shifting growth from broad segmentation to continuous, customer-level decisions on what to offer, when to engage, and how to create value.

## ONE CUSTOMER INTELLIGENCE LOOP – TWO GROWTH OUTCOMES



## WHAT EACH ENGINE ACTUALLY DOES

### EXPAND EXISTING RELATIONSHIPS FROM CUSTOMER SEGMENTS TO INDIVIDUAL OPPORTUNITIES

From “which segment should we target?” to “what should we do next for this customer?”

Track lifecycle stage, changing needs and attrition risk.

Expand cross-sell, upsell, and share of wallet.

Identify next-best product across loans, cards, insurance, and deposits.

Trigger next-best actions across RMs, sales, and digital channels.

### CREATE NEW VALUE POOLS FROM SELLING PRODUCTS TO DESIGNING PROPOSITIONS

From “how do we sell what we have?” to “what should we create and distribute next?”

Identify unmet financial needs and segment whitespace.

Optimize pricing, eligibility, and offer construction.

Design new lending, insurance, payments, and wealth propositions.

Scale through digital, embedded, and partner-led distribution.

## WHAT IS CHANGING BENEATH THE SURFACE

### 01 | COHORT → INDIVIDUAL

Growth moves from broad customer cohorts toward individual financial propensity, value, and next-best action.

### 02 | EXISTING PRODUCTS → NEW VALUE

Behavior, needs, and response data identify and refine the next lending, insurance, payments, banking, or wealth proposition.

### 03 | CAMPAIGNS → LEARNINGS

Campaigns become a continuous loop - responses improve targeting, proposition design, offer construction, and distribution.

## How it impacts FIs

### Retention ↑

Lower customer attrition through earlier intervention.

### Wallet Share ↑

More relevant cross-sell across products held.

### CLTV ↑

Greater value from each customer relationship.

### Product Velocity ↑

Faster financial proposition design and refinement.

### Distribution Reach ↑

Digital, embedded and partner-led channels.

### Revenue Potential ↑

Potential for incremental revenue from existing as well as new customers.

## HOW FINANCIAL INSTITUTIONS ARE APPLYING AI

### 01 | Payments: AI-Led customer journeys

**Niyo** is extending AI from customer engagement into a broader, personalized, travel-finance relationship. AI supports funnel management by identifying drop-offs and enabling targeted outreach across app and WhatsApp, while AI agents automate first-level document verification. AI-handled support chats have risen from ~10% to ~90% as transacting customers grew ~4x, with headcount remaining flat. Niyo is now testing a AI-first Travel Concierge that uses customer interactions to learn trip-planning behaviors, with the intent to progressively scale these journeys through AI.

### 02 | Payments: Agentic risk and onboarding

**Dodo Payments** illustrates how agentic AI can support risk and merchant onboarding across digital payments. AI agents can assess customer and merchant information, analyse websites and transaction activity, identify anomalies, and coordinate multiple steps in the onboarding process. Rather than applying fixed rules to each case, agents can gather information, interpret findings, and determine the next action. Human teams remain in the loop for higher-risk or ambiguous cases, allowing routine onboarding and risk checks to become faster and more scalable.

## HOW AI SOLUTION PROVIDERS ARE ENABLING USE CASES

### 01 | Lending: GenAI journey optimization

**FinBox** uses GenAI-powered Journey Studio to help FIs rapidly create and iterate lending journeys for new products and customer segments. Teams can generate workflows through natural-language prompts, deploy them across channels, and use funnel analytics and A/B testing to identify and fix drop-offs. This enables faster experimentation and continuous conversion optimization, while reducing dependence on engineering teams. FinBox reports 90% faster time-to-market, with one lender launching an education-loan journey in three weeks and disbursing INR 2+ Bn within six months.

### 02 | Lending: AI-enriched lifecycle engagement

**Gnani** extends Voice AI beyond acquisition and across the customer lifecycle. Once a borrower is onboarded, the same agents conduct welcome calls, facilitate mandate activation such as e-NACH for EMI payments, manage repayment reminders and collections, and engage customers with relevant offers, cross-sell and upsell opportunities, and loan renewal conversations. The agent retains context throughout these interactions instead of simply following a script, allowing the intelligence used to qualify a lead to support the customer relationship over time. For lenders, this allows retention and cross-sell engagement to extend across a much larger share of the customer base.

“

AI is fundamentally changing the economics of customer engagement in BFSI. Historically, institutions had to prioritize which customers received personalized attention because human capacity was finite. AI removes that constraint. Every lead can be qualified, every customer can be engaged in their language and context, and every opportunity to cross-sell, retain, or reactivate can be acted on. The shift is from running campaigns for segments to having millions of individual customer conversations—continuously and at scale.

**Ganesh Gopalan • Co-founder and CEO • Gnani AI**

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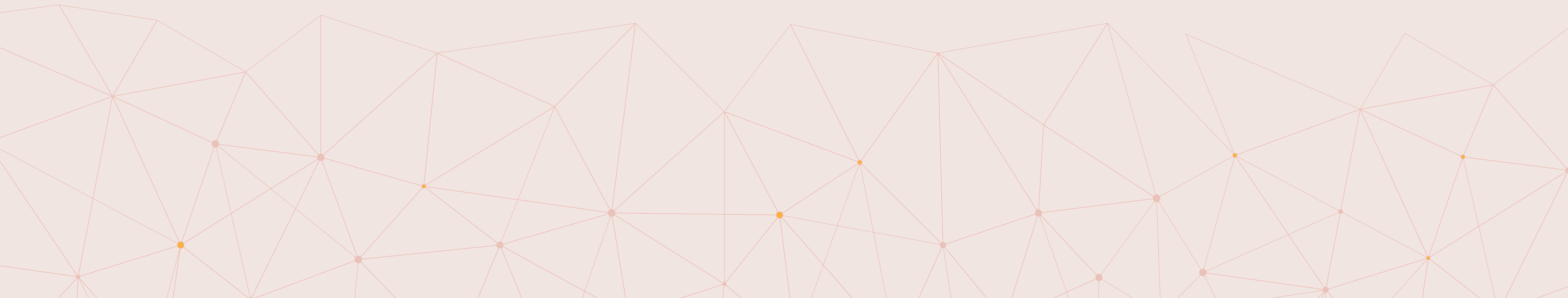
AI is changing how we develop and scale customer propositions by helping us learn continuously from customer behavior, test ideas faster, and build on what works. This creates a feedback loop between customer engagement and product development, enabling us to deepen existing relationships while experimenting with new journeys and propositions. We are already seeing this translate into scale, with AI handling ~90% of our support chats, up from ~10%, as transacting customers have grown nearly fourfold.

**Virender Bisht • Co-founder and CTO • Niyo**



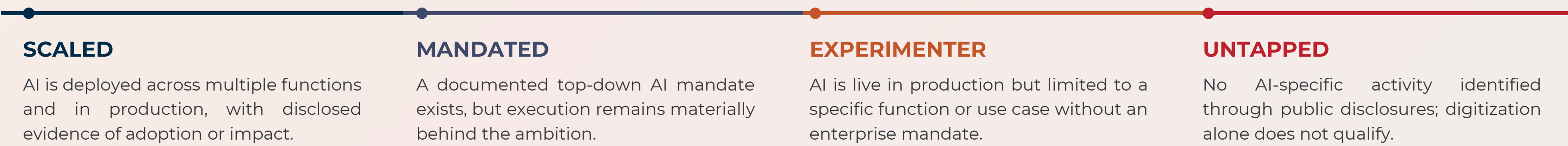
# 03

**How BFSI is Building,  
Buying, and scaling  
AI**



# Financial institutions are progressing along different AI trajectories, shaped by capability and ambition.

From scaled deployment to no identified activity, FIs are at different points in the AI adoption spectrum.



## Defining Signals

- |                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• In-house engineering capability with AI infrastructure shared across business lines.</li><li>• Strong digital and data foundations from prior technology cycles.</li><li>• High transaction volumes create clear economics for enterprise AI investment.</li><li>• Leadership tracks AI through operating metrics and measurable business impact.</li></ul> | <ul style="list-style-type: none"><li>• AI agenda driven by government, regulator, reform program, or new promoter.</li><li>• Legacy systems and institutional processes constrain deployment depth and speed.</li><li>• Procurement, talent, and governance constraints slow capability build-out.</li><li>• Public targets and timelines are ahead of demonstrated production-scale execution.</li></ul> | <ul style="list-style-type: none"><li>• AI adoption is function-led, with budgets typically sitting below the enterprise level.</li><li>• Vendor-led point solutions dominate over proprietary platform development.</li><li>• Deployment focuses on visible, contained use cases with clear standalone ROI.</li><li>• Mid-tier scale and competing priorities limit the case for enterprise-wide investment.</li></ul> | <ul style="list-style-type: none"><li>• Business models remain centered on relationships, physical distribution, collateral, or proprietary judgement.</li><li>• Firms are still prioritizing foundational digitization and regulatory/operational transformation.</li><li>• Fragmented data and limited technology infrastructure constrain AI readiness.</li><li>• Large firms may reflect deliberate prioritization elsewhere; smaller firms may simply have limited disclosure.</li></ul> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Evidence in Practice

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• <b>Razorpay:</b> Agent Studio and the Agentic Experience Platform launched, with agents across merchant onboarding, disputes, and payment recovery.</li><li>• <b>Bajaj Finance:</b> FINAI demonstrates measurable business impact, INR 21 Bn disbursed through voice agents in Q1 FY27 and AI jewelry classification live across 1,663 of 1,700 gold-loan branches</li><li>• <b>Paytm:</b> AI is embedded across fraud detection, merchant onboarding, payments intelligence, and collections, with management linking it to operating improvement.</li></ul> | <ul style="list-style-type: none"><li>• <b>HDB Financial Services:</b> "Shikhar" program sets board-level FY27–FY29 AI targets, but disclosed metrics are still forward targets, not run-rate.</li><li>• <b>LIC:</b> Project DIVE provides a board-level transformation framework, with the MarTech layer operational and the broader platform being developed.</li><li>• <b>Sammaan Capital:</b> New promoter IHC has established a structured AI agenda—53 use cases across 16 departments, 35 targeted live within FY27, weighted toward risk and compliance.</li></ul> | <ul style="list-style-type: none"><li>• <b>SBI Life:</b> Datamatics' TruAI deployed for complex medical underwriting; no named AI deployment in claims, servicing, or fraud.</li><li>• <b>RBL Bank:</b> Fluid AI branch avatar piloted at one branch; GenAI positioned for fraud and identity with no named production deployment.</li><li>• <b>Aadhar Housing Finance:</b> Scorecard-led underwriting with GenAI/RPA cockpits on a third-party vendor stack; own roadmap targets cognitive maturity only by FY30.</li></ul> | <ul style="list-style-type: none"><li>• <b>A leading asset manager:</b> Relationship and mandate-led model with limited process volumes suitable for enterprise AI.</li><li>• <b>A leading gold financier:</b> Branch-led, collateral-based model where physical distribution remains the primary moat.</li><li>• <b>A mid-sized domestic BFSI group:</b> No material AI-specific deployment has been identified in recent public reporting, reflecting relatively limited disclosure across traditional capital markets.</li></ul> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# The right AI sourcing model depends on what the institution can build, should own, and needs to control.

The sourcing decision is driven by build feasibility, ownership economics, and strategic control.

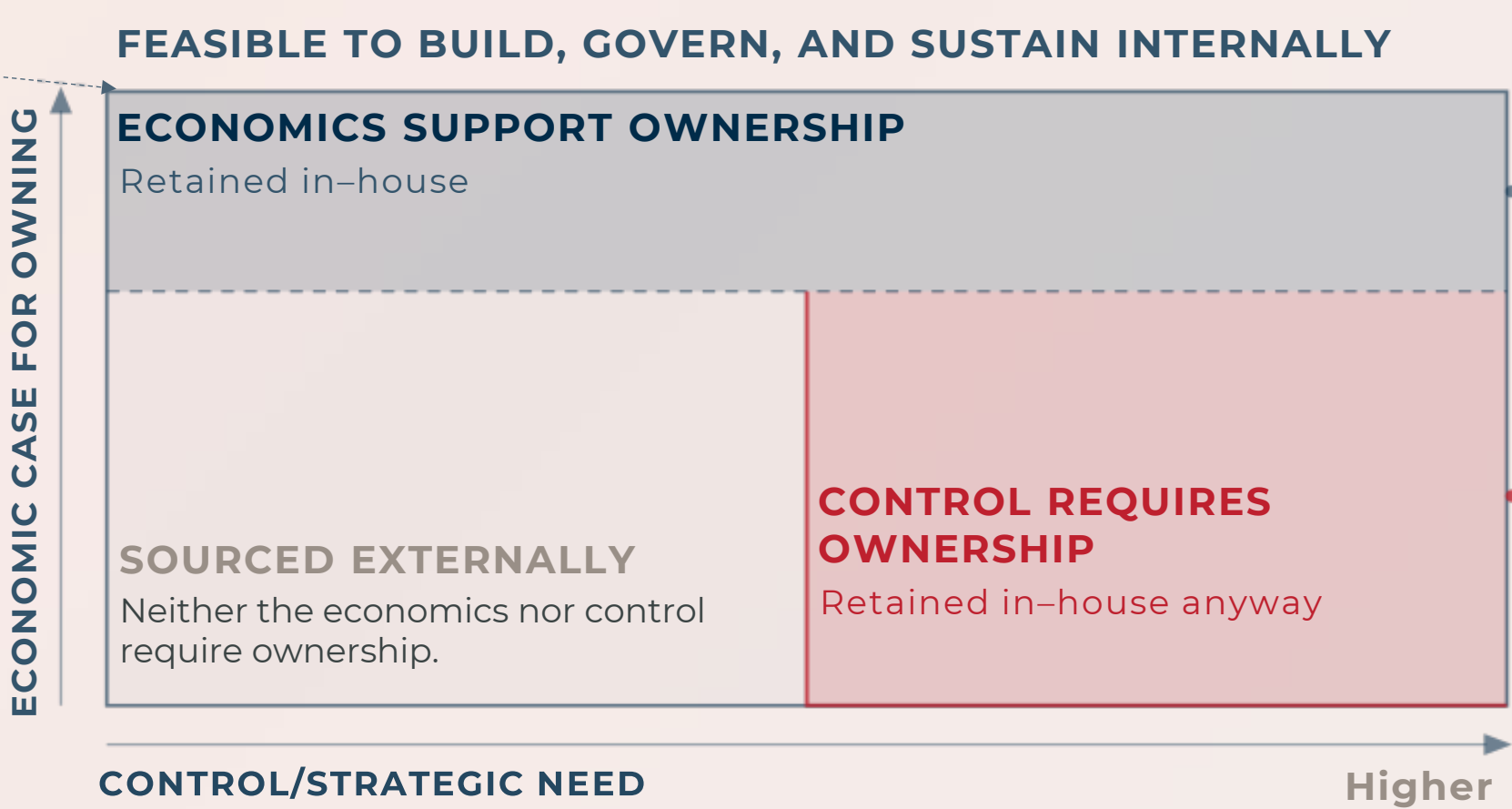
01 Can they build it?

FIRM-LEVEL FEASIBILITY

Does the institution have the capability and operating foundation required to build, govern, and sustain AI internally?

FRAMES THE FIELD

What the institution cannot build, govern, or sustain never enters the field—it is sourced externally by default, whatever the economics or the strategic case.



Each AI Capability, Per Use Case

02 Does it pay to own it?

PER-USE-CASE ECONOMICS

Where building is feasible, does ownership make economic sense for this specific use case?

03 Should they own it?

PER-USE-CASE STRATEGIC/CONTROL RATIONALE

Even where sourcing appears economically attractive, is there a strategic, regulatory, or control reason to retain ownership?

Can re-open ownership where the economics point outward.

← INSOURCE SIGNAL    THE ELEVEN FACTORS UNDERNEATH    OUTSOURCE SIGNAL →

01 Can they build it?

|                                                     |                          |                                                           |
|-----------------------------------------------------|--------------------------|-----------------------------------------------------------|
| Strong in-house tech team and governance capability | 01 Internal Capability   | Capability, governance, or specialist talent gaps         |
| Modern, API-led architecture supports deployment    | 02 Technology Foundation | Legacy, integration-heavy stack constrains internal build |
| Proprietary data is unified, accessible, and usable | 03 Data Readiness        | Data is fragmented, siloed, or not AI-ready               |
| Volume can absorb the fixed cost of ownership       | 04 Scale Economics       | Volume remains below break-even                           |

If the institution cannot build and sustain the capability, the decision shifts from whether to build to how best to source it.

02 Does it pay to own it?

|                                                        |                     |                                          |
|--------------------------------------------------------|---------------------|------------------------------------------|
| Core, continuously used workflow                       | 05 Frequency of Use | Occasional or low-frequency requirement  |
| Ownership delivers stronger lifecycle economics        | 06 Expected ROI     | Vendor economics are materially superior |
| Capability can be reused across workflows or functions | 07 Reuse Potential  | Need is narrow and use-case specific     |

High frequency and reuse strengthen the economics of ownership; narrow or infrequent capabilities generally favor external sourcing.

03 Should they own it?

|                                                      |                              |                                                         |
|------------------------------------------------------|------------------------------|---------------------------------------------------------|
| Capability is a source of competitive advantage      | 08 Strategic Differentiation | Capability is commoditized and widely available         |
| High governance needs favour internal control        | 09 Explainability Burden     | External model can be governed sufficiently             |
| Sensitive data or decision logic must stay in-house  | 10 IP Sensitivity            | Limited IP or data-egress concern                       |
| Directly influences consequential customer decisions | 11 Customer Impact           | Primarily supports internal or low-consequence activity |

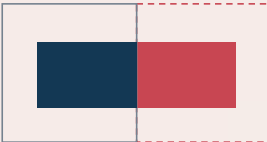
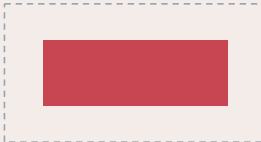
The closer a capability sits to the FI’s competitive moat, proprietary information, and accountable customer decisions, the stronger the rationale for ownership even where standalone economics are marginal.

# As FIs progress from experimentation to scaled AI, the playbook shifts from ‘buy’ to ‘co-build’ or ‘build’.

Different FI maturity archetypes favour different routes to AI capability.

SOURCING MODELS

OUTLINE — THE FI’S OWN BOUNDARY • NAVY- BUILT INSIDE • CRIMSON - BUILT OUTSIDE

|                                                                                   |                                                                                                |                                                                                                           |                                                                                     |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|  |               |                        |  |
| <b>BUILD</b><br>The FI develops and owns the AI capability internally.            | <b>ASSEMBLE</b><br>The FI combines external AI components into an internally controlled stack. | <b>CO-BUILD</b><br>The FI develops the capability with a partner, sharing build, and capability-building. | <b>BUY</b><br>The FI acquires a ready-to-deploy external AI capability or solution. |

WHICH QUESTION BINDS - AND THE RANGE IT PRODUCES

|                                                                      | 01<br>CAN THEY<br>BUILD?                     | 02<br>DOES IT PAY<br>TO OWN?               | 03<br>SHOULD THEY<br>OWN?                                          | BUILD                                                                                 | ASSEMBLE                                                                              | CO-BUILD                                                                              | BUY                                                                                   |
|----------------------------------------------------------------------|----------------------------------------------|--------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>01 Scaled</b><br>Assembles by default; builds on the moat.        | Yes, capability exists.                      | Yes, reuse supports ownership.             | <b>Selectively, own what differentiates and based on use case.</b> |  |                                                                                       |  |  |
| <b>02 Mandated</b><br>Co-builds until it manufactures capability.    | <b>Partially, capability is constrained.</b> | Often, at sufficient volume.               | Often, where control matters.                                      |  |  |                                                                                       |  |
| <b>03 Experimenter</b><br>Buys by default; assembles as reuse grows. | Selective, depends on the use case.          | <b>Usually not yet, scale is unproven.</b> | Selective, for critical/sensitive use cases.                       |  |  |                                                                                       |                                                                                       |
| <b>04 Untapped</b><br>Would buy, but has not yet arrived.            | <b>Not yet, readiness is the constraint.</b> | Not yet testable.                          | Not yet testable.                                                  |                                                                                       |                                                                                       |  |  |
|                                                                      |                                              |                                            |                                                                    |                                                                                       |                                                                                       | Potential Entry Routes                                                                |                                                                                       |

AND THEREFORE, WHAT EACH ARCHETYPE LOOKS TO SOURCE

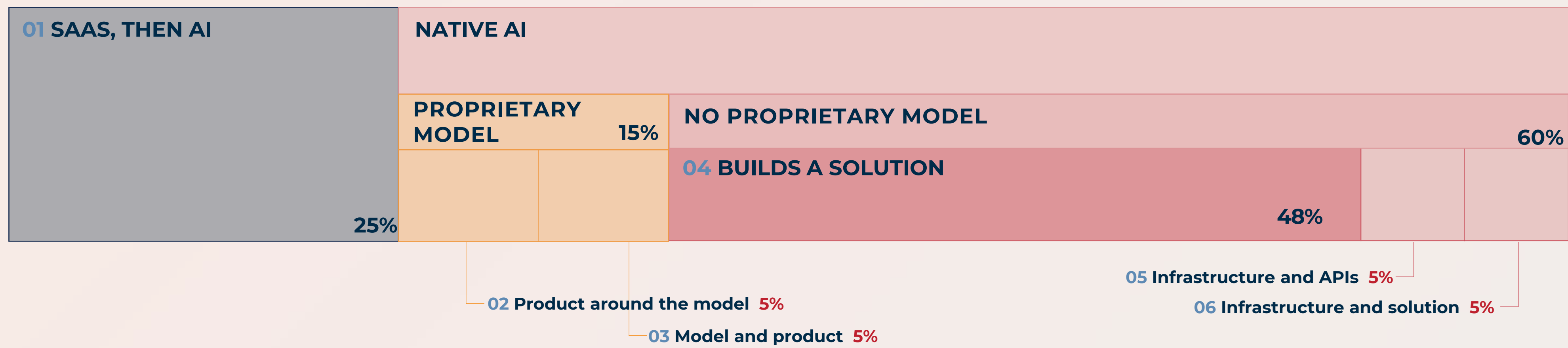
| SCALED<br>ASSEMBLE → BUILD                                                        | MANDATED<br>CO-BUILD → ASSEMBLE                                      | EXPERIMENTER<br>BUY → ASSEMBLE                       | UNTAPPED<br>BUY                                          |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------|
| <b>LOOKING FOR</b><br>Building blocks they can assemble into their own AI stack.  | Enterprise AI capability they can shape and govern with a partner.   | Ready-to-deploy AI that solves a defined problem.    | A low-friction way to enter AI.                          |
| <b>PRODUCT DEMAND</b><br>Models, APIs, AI infrastructure, specialist intelligence | Configurable platforms, co-developed solutions, governed AI modules. | AI applications, workflow solutions, copilots/agents | Turnkey solutions, managed AI, embedded AI capabilities. |

FI maturity does not dictate a single sourcing model—it changes the balance of building, partnering, and buying, and with it what each institution looks to source.

# The AI provider ecosystem is evolving to support FIs on every path—from build to buy.

The growing AI solution provider ecosystem lets FIs combine in-house strengths with external capabilities where they add greater value.

THE MAPPED UNIVERSE – 100+ AI VENDORS ACTIVE IN OR ADJACENT TO INDIAN BFSI



## WHAT EACH CATEGORY IS

### SAAS, THEN AI

Existing software/tech businesses that added AI to an established product, platform, or workflow.

#### 01 SaaS, then AI

- The business **predates AI**: Core product and workflow were established before AI became central to the proposition.
- Sells software into established BFSI workflows: lending, onboarding, compliance, data, and servicing.
- AI is **layered onto** the existing software proposition rather than being the foundation of the business.

### NATIVE AI • PROPRIETARY MODEL

Players that own the underlying AI model.

#### 02 Product around the model

- Owns the underlying model but **sells product built around it** rather than model itself.
- Plays in specialized workflows, conversational AI, contact centers, and domain-specific intelligence.
- The model is **embedded within the product** and forms part of the solution delivered.

#### 03 Model and product

- Owns **both the model and the products** built around it, operating across the intelligence, and application layers.
- Serves both model users and end customers, model access for developers alongside ready-made solutions for institutions.
- The same underlying intelligence supports both routes to market.

### NATIVE AI • NO PROPRIETARY MODEL

Players that use available models and AI capabilities to provide infra, APIs or end solutions.

#### 04 Builds a solution

- AI-native but does not own the model, builds **solutions using external AI capabilities**.
- Plays inside specific BFSI workflows such as underwriting, collections, and property risk.
- Combines AI with domain expertise, proprietary data, and workflow to create the solution.

#### 05 Infrastructure and APIs

- Provides AI capabilities through **APIs, SDKs, or infrastructure** rather than complete workflow.
- Plays across existing BFSI tech stacks, specific capability is embedded into the institution's own application.
- Designed to be integrated and consumed as a **component** of a broader solution.

#### 06 Infrastructure and solution

- Provides an AI capability **both as infrastructure and as a finished solution**.
- Plays across reusable BFSI capabilities such as credit decisioning, document intelligence, and data infrastructure.
- The same capability is consumable as an **integrated component or a ready-to-deploy solution**.

The supply side is concentrated where the barrier to entry is lowest, solution builders, not model owners, make up the bulk of the AI landscape serving Indian BFSI today.

# AI providers anchor FI outreach strategies across vertical focus, model ownership, and solution depth.

The ecosystem is not one homogeneous pool. Providers occupy different layers of the stack and what an FI consumes from each is fundamentally different.

OUTSIDE THE AI STACK

01 • SAAS, THEN AI

The software and workflow proposition would exist without AI. AI was layered on afterwards, so these players sit beside the stack rather than within it.

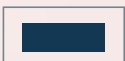
**Perfios** - Established financial-data platform, AI layered onto existing lending workflows.

**TrackWizz** - Established KYC, AML, and compliance platform that later added AI.

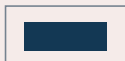
**Lentra** - Established lending platform where AI enhances existing origination.

**Yubi** - Established debt marketplace whose core proposition does not depend on AI.

**Idfy** - Long-standing identity verification with newer AI layered on.



**Existing software with AI layered on**



**BUILD**



**ASSEMBLE**



**CO-BUILD**



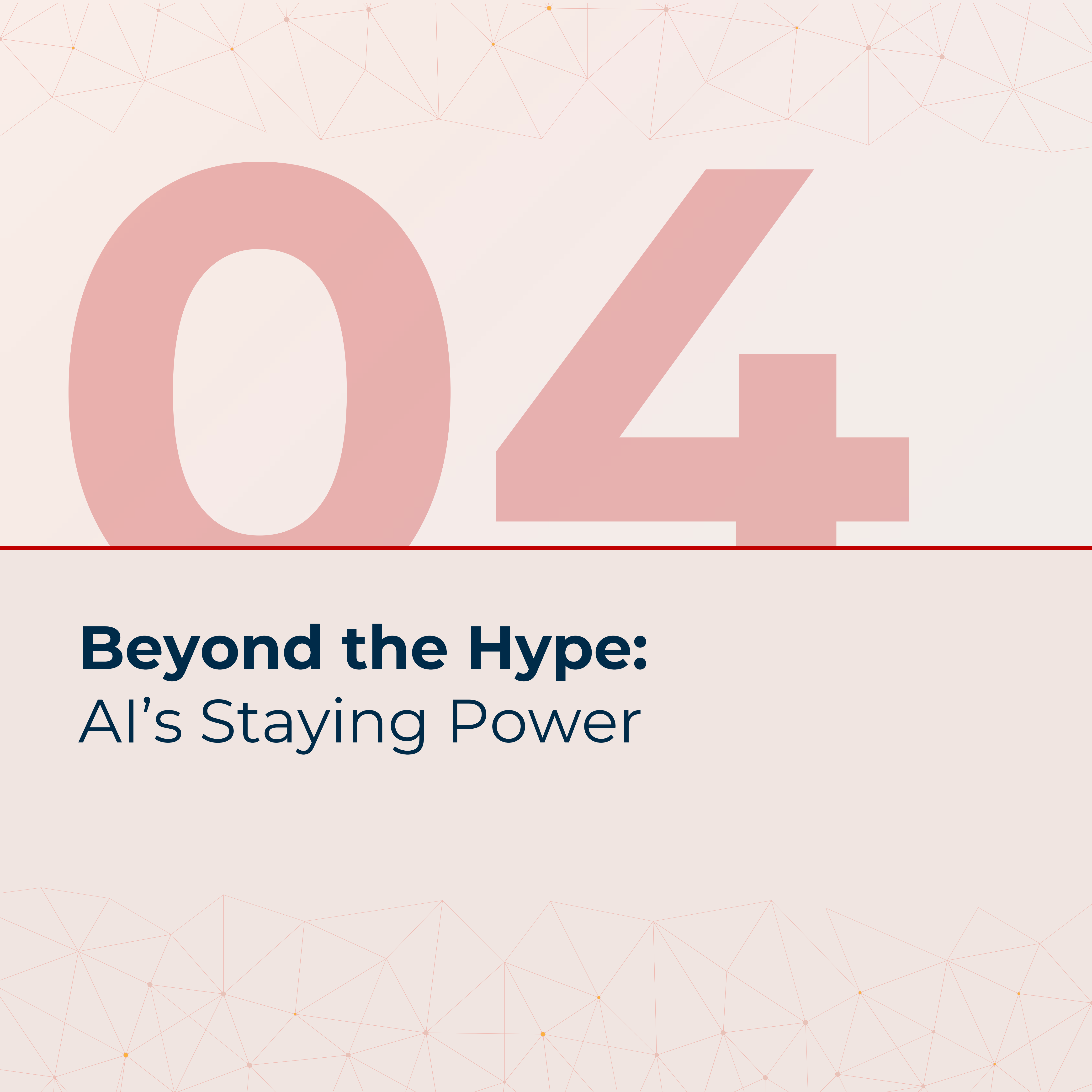
**BUY**

CORE AI STACK: WHAT THE FI CONSUMES, FROM UNDERLYING INTELLIGENCE DOWN TO EMBEDDED CAPABILITY

|                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRODUCT LAYER</b><br>AI embedded in a user-facing product or workflow.                  | <b>02 • PRODUCT AROUND THE MODEL</b><br><b>Uniphore</b> - Proprietary conversational intelligence sold inside contact-center products.<br><b>Kentrix</b> - Building-level consumer and location intelligence for BFSI go-to-market.<br><b>Yellow.ai</b> - Proprietary conversational AI inside service and sales products, not sold as a model.<br><b>Darwix</b> - Sales conversation intelligence for BFSI contact centers and branches.                                                                                                            | <b>Finished product, ready to consume</b><br>                                                                                                                                                                                                                                                                                                                                                                          |
| <b>INTELLIGENCE /MODEL LAYER</b><br>Proprietary models or AI engines powering the product. | <b>03 • MODEL AND PRODUCT</b><br><b>Sarvam</b> - Indian-language foundation models, consumer app, and packaged agent products.<br><b>Gnani</b> - Full voice stack: telephony, recognition, language models, and synthesis.<br><b>OpenAI</b> - Proprietary foundation models accessed directly as the AI capability.<br><b>Smallest.ai</b> - Low-latency text-to-speech and speech models for voice applications.                                                                                                                                     | <b>Model component or finished product</b><br>                                                                                                                                                                                                                                                                                                                                                                         |
| <b>WORKFLOW AND SOLUTION LAYER</b><br>AI built to solve a specific BFSI use case.          | <b>04 • BUILDS A SOLUTION</b><br><b>Brikby</b> - Property and title-diligence solutions built on third-party AI models.<br><b>Credgenics</b> - Collections and recovery across prediction, outreach, and legal workflow.<br><b>Inferedge</b> - Agentic research and portfolio analytics delivered as finished outputs, not tools.<br><b>Navanc</b> - Property valuation and credit decisions built on proprietary analytics, not a model.<br><b>Newron</b> - Fine-tuned open-weight models sold as pre-disbursement lending modules, never licensed. | <b>Jointly shaped or ready-made solution</b><br>                                                                                                                                                                                                                                                                                                                                                                       |
| <b>EMBEDDED COMPONENT LAYER</b><br>Reusable AI capabilities delivered for integration.     | <b>05 • INFRASTRUCTURE AND APIs</b><br><b>Tartan</b> - Income and employment verification delivered through APIs.<br><b>Ignosis</b> - Alternative-data and underwriting capabilities that plug into a decisioning stack.<br><b>Sign3</b> - Fraud and device intelligence embedded inside another application.<br><b>Protecto</b> - AI data-protection capabilities embedded into enterprise AI workflows.                                                                                                                                            | <div><b>06 • INFRASTRUCTURE AND SOLUTION</b><br/><b>Lyzzr</b> - AI infrastructure for developers alongside pre-built agents.<br/><b>Bureau.id</b> - Fraud, identity, and risk decisioning across APIs and no-code workflows.<br/><b>FinBox</b> - Underwriting offered as APIs and as broader lending solutions.<br/><b>Component or finished solution</b><br/></div><br><b>Components integrated into FI stack</b><br> |

EXAMPLES ARE NON-EXHAUSTIVE

OWNS THE MODEL ■ BUILDS ON OTHERS' MODELS ■



# 04

## **Beyond the Hype:** AI's Staying Power

# What are FIs really buying AI for?

For financial institutions, AI is not an end. Its value is ultimately judged by whether it can change the economics and experience of running the business—processing more with the same capacity, taking cost out of operations, creating incremental growth, improving risk outcomes, and serving customers better.

## FIs ARE BUYING AI TO

### 01 | INCREASE EFFICIENCY

Process more financial journeys with the same capacity.

PRODUCTIVITY • THROUGHPUT • CAPACITY • TAT

### 02 | REDUCE COST

Take cost out of high-volume financial operations.

COST-TO-SERVE • OPEX • OUTSOURCED CAPACITY

### 03 | DRIVE SALES

Acquire, convert, and deepen customer relationships.

ACQUISITION • CONVERSION • CROSS-SELL

### 04 | MANAGE RISK AND FRAUD

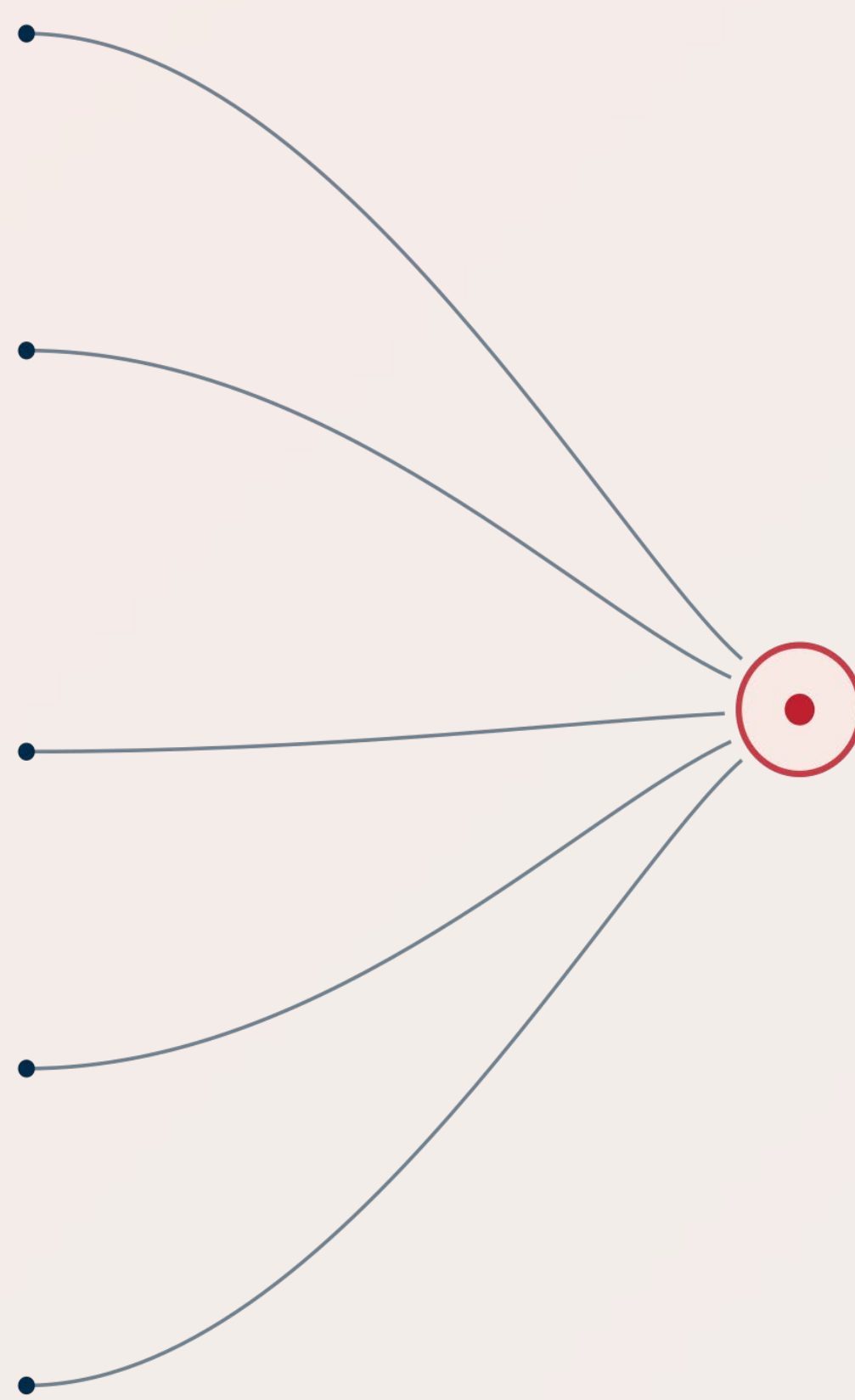
Make better financial decisions and reduce losses and exposure.

CREDIT • FRAUD • EARLY WARNING • COMPLIANCE

### 05 | IMPROVE CUSTOMER EXPERIENCE

Make financial journeys more responsive, relevant, and effortless.

RESOLUTION • RESPONSIVENESS • PERSONALISATION



## ONE INVESTMENT CASE

Beyond the AI hype, every AI investment must ultimately move something that matters to the institution—it's cost base, capacity, growth, risk, or customer relationship.

The question is whether AI is moving these five outcomes—and how strongly the evidence supports each?

“

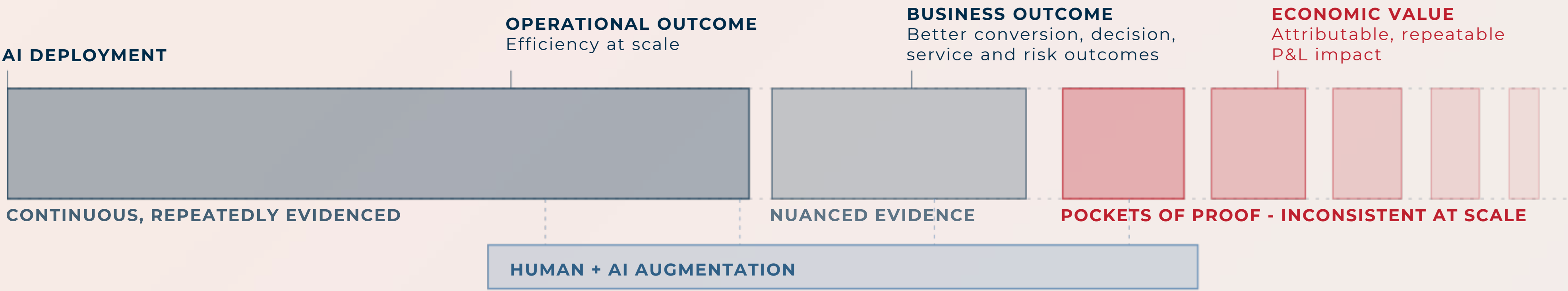
AI is now a core engine of transformation at SK Finance. We have moved beyond pilots to a scaled agentic AI platform with more than 200 agents for voice AI, chat, intelligent document processing, risk identification embedded across customer acquisition, onboarding, servicing, DSA partnerships, and operations, delivering 10–30% productivity gains, faster customer and partner onboarding, and greater execution efficiency across business.

SK in-house engineering is increasingly AI-led across software development lifecycle, from coding and testing to packaging and deployment, reducing technology delivery timelines by 20–40%. This enables faster deployment and value realization, while improving engineering productivity and allowing SK Finance to scale technology investments more efficiently and drive greater operating leverage

Lalit Patil • CTO • SK Finance

# While AI is already improving how work gets done, the P&L proof is still incomplete.

The evidence of AI impact is continuous at deployment, but fragments and fades as claims move towards economics.



AI increasingly supports rather than replaces—human judgement is consequential in workflows.

## 01 - WHAT WE KNOW

### Operational impact is proven.

AI is already changing how FI work gets done.

#### 12x

Hands-free collections

**PIRAMAL FINANCE**

#### 89%

Approved within 48 hours

**HOME FIRST**

#### +30%

Higher first-time-right

**KISSHT**

#### 10% → 90%

AI-handled support

**NIYO**

#### ~30%

Reduction in technology delivery timelines

**SK FINANCE**

#### ~5x

Function points delivered

**INSURANCEDEKHO**

## 02 - HOW AI IS BEING DEPLOYED

### Human augmentation is observed.

In judgement-intensive workflows, AI increasingly complements rather than replacing human judgement.

#### 5–6 hours → minutes

Claims adjudication turnaround

**INSURANCEDEKHO/ARTIVATIC**

#### +30%

Underwriting productivity

**TATA CAPITAL**

#### +2.5pp

AUC improvement in credit decisioning

**KISSHT**

AUC = Area Under the ROC Curve; a measure of model discrimination, not assets under control.

## 03 - WHAT IS HARDER TO PROVE

### Economic value remains harder to attribute and scale.

Operational gains do not automatically become attributable, repeatable P&L value.

#### COST

**GNANI** helped a lender achieve ~50% lower cost per contact than human.

**NIYO** leveraged AI to keep headcount flat despite ~4x customer growth.

**More work processed ≠ automatically lower cost.**

#### SALES

15% of direct PL business attributed to AI-generated marketing for **TATA CAPITAL**.

**KISSHT** witnessed ~10pp improvement in offer-selection conversion.

**AI-attributed activity ≠ automatically incremental sales.**

EXAMPLES ARE NON-EXHAUSTIVE

**THE CURRENT WAVE IS CONCENTRATED IN LENDING:** Most evidenced AI adoption and impact sits in lending, with early green-shoots across insurance, banking, payments, and other BFSI segments.

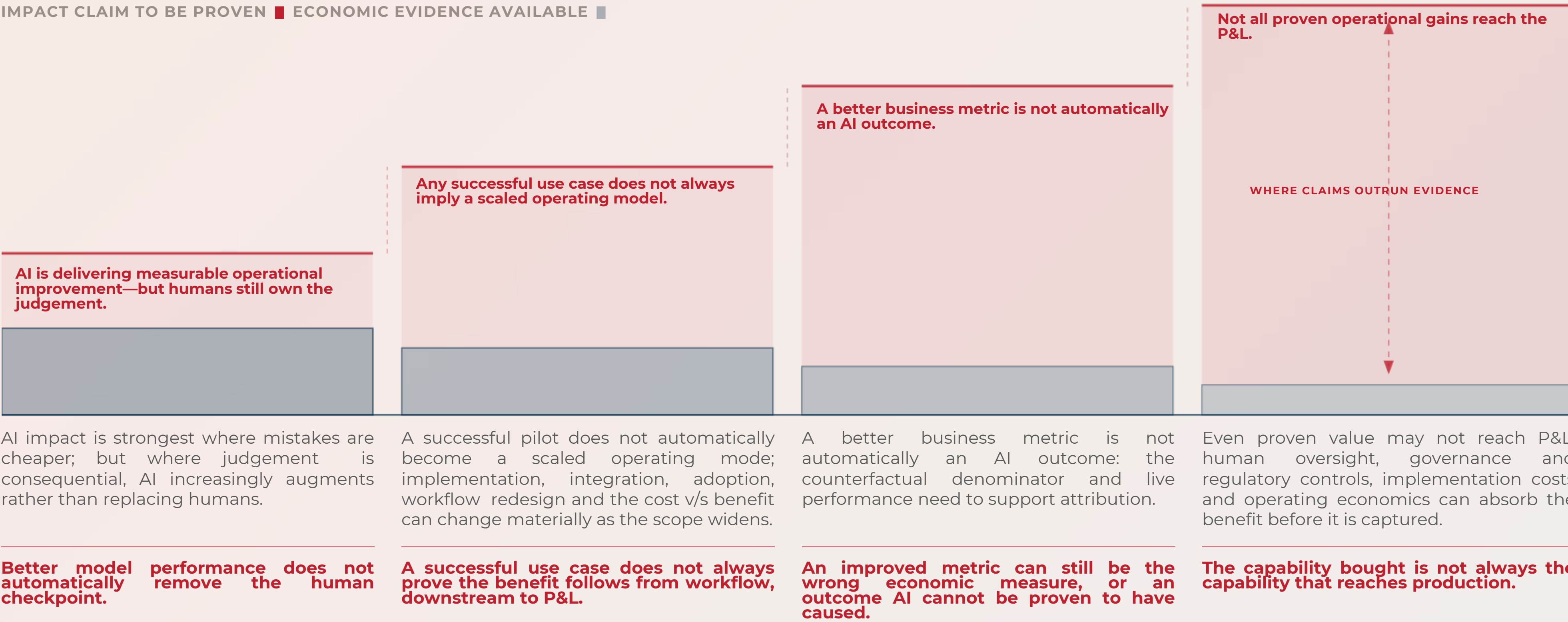
**AI impact is increasingly being proven, but the harder proof is whether it becomes attributable, repeatable P&L value at scale.**

# The hype starts where the evidence runs out.

As claims move closer to economics, the burden of proof rises, and the evidence begins to thin.

**DID AI IMPROVE THE TASK? → DID THE BUSINESS OUTCOME CHANGE? → CAN IT BE ATTRIBUTED TO AI? → CAN FIs BANK THE VALUE?**

| Delivered               | Representative                                         | Attributable                           | Banked                                          |
|-------------------------|--------------------------------------------------------|----------------------------------------|-------------------------------------------------|
| Did it actually happen? | Is the outcome representative and repeatable at scale? | Did AI actually cause the improvement? | Was the value captured and sustained by the FI? |



**The value gap widens as AI impact moves towards economics, with five potential leak points preventing operational gains from becoming banked value.**

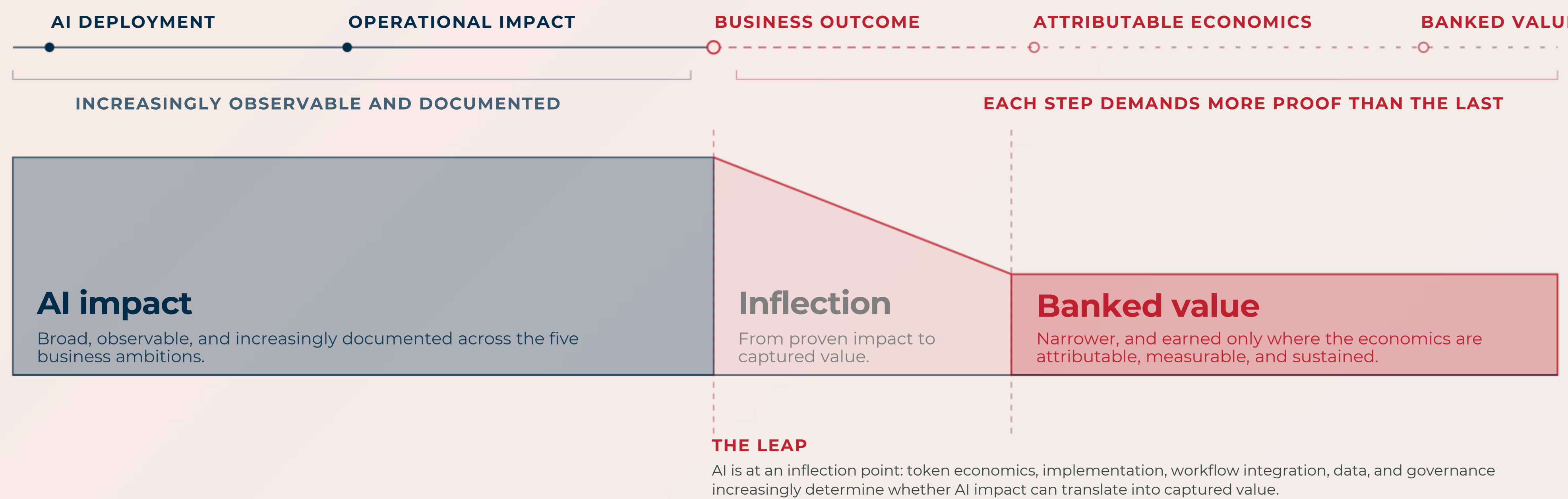
| HUMAN CHECKPOINT                   | WORKFLOW FRICTION                                              | ECONOMIC TRANSLATION                                           | PROOF AND CAPTURE                                 | GOVERNANCE DRAG                                 |
|------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------|
| ACCURACY CLIFF                     | SCOPE TRAP                                                     | METRIC MISMATCH                                                | UNPROVEN CLAIM                                    | COMPLIANCE TAX                                  |
| AI improves, but reviewer remains. | Pilot works, but integration and adoption don't always follow. | Time saved ≠ cost removed<br>Conversion ≠ incremental revenue. | Outcome improves, but causality remains unproven. | Controls, governance and production constrains. |

**AI impact is real. The harder proof is whether that impact survives the human, workflow, economic, and evidentiary hurdles to become banked P&L.**

# In conclusion, the AI fad isn’t in the technology, it’s in the leap from operational impact to banked value.

AI has crossed the threshold from promise to measurable operational impact. The market is far less consistent at proving that those gains translate into attributable, sustained, and banked value.

## FROM AI DEPLOYMENT TO BANKED VALUE



AI is not the fad. The fad is treating deployment, operational improvement, or theoretical ROI as equivalent to proven, attributable, and banked economic value.

### 01 IMPACT IS REAL

**AI is moving the operating metric**

Operational improvement is increasingly observable across BFSI.

### 02 THE GAP IS TRANSLATION

**Operational improvement does not automatically become P&L**

The harder step is converting operational improvement into attributable, repeatable, and captured economics.

### 03 THE INFLECTION IS INDUSTRIALISATION

**The differentiator is shifting from AI access to AI scale**

The question is increasingly how effectively FIs can embed, govern, and scale AI.

## WHAT WILL MAKE THE LEAP FROM OPERATIONAL IMPACT TO BANKED VALUE POSSIBLE

| TOKEN ECONOMICS                                                                                                                                                                                            | IMPLEMENTATION                                                                                                                                                             | WORKFLOW                                                                                                                                                                                    | DATA                                                                                                                                                                                                          | GOVERNANCE                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economics shape where AI scales</b><br>Economically viable token costs determine where AI can scale, enabling FIs to deploy use cases where the economics support sustained, repeatable value creation. | <b>Time-to-value shapes adoption</b><br>Rapid implementation converts successful pilots into repeatable production capabilities, accelerating enterprise-scale deployment. | <b>Workflow determines the ceiling</b><br>Workflow redesign converts task-level AI gains into broader productivity and business outcomes by changing processes, hand-offs, and human roles. | <b>Data determines what can scale safely</b><br>Accessible, secure, and governed data enables AI to scale safely, with privacy, consent, and DPDPA requirements embedded into how data is used in production. | <b>Governance determines what can reach production</b><br>Effective governance enables AI to reach production responsibly, with controls, architecture, and accountability designed to support scale across increasingly consequential workflows. |

The question is no longer whether AI can create impact—but whether FIs can industrialize the translation of that impact into banked value.



# 05

## **From Pilot to Scale:** What Holds AI Back?

# AI does not hit one wall on the way to scale; the constraint keeps moving.

What works in a controlled pilot must still navigate data, systems, controls, talent, and operating-model constraints.



“

At Newron.ai, we design for production and scale from day one. In our lending deployments, AI-led workflows have delivered 30–40% faster loan application processing and 60–80% faster underwriting turnaround times. That impact comes not from the model alone, but from integrating AI into existing workflows, governance, and human decision processes. When the use case, integration, and operating economics are designed together, AI can move from pilot to measurable enterprise value at scale.

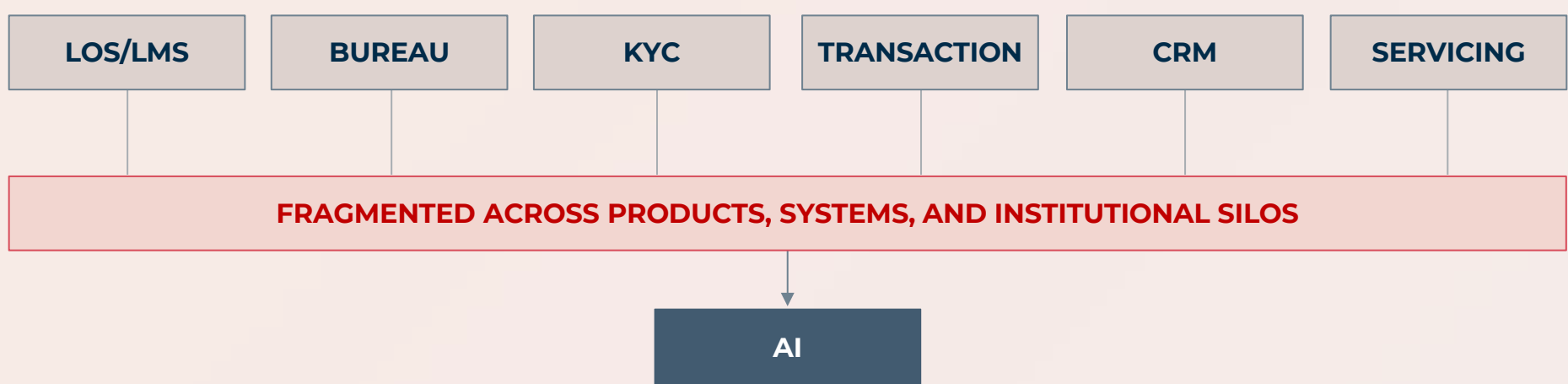
**Rajesh Kamra • Co-founder and CEO • Newron.ai**

# Moving from proof of concept to scaled production requires redesigning the institution around the model.

The barriers to scale are increasingly organizational, with data, workflows, talent, and governance determining how far AI can go.

## 01 DATA ACCESSIBILITY

**BFSI data is valuable but fragmented, limiting the ability to scale AI across use cases.**



**The data exists, but AI cannot always access it in the form or context required.**

AI scales best when data is available, structured, and accessible. Yet BFSI data often sits across products, systems, and silos. Even larger FIs with data lakes may lack a single source of truth, while smaller FIs often have only partially consolidated data, limiting the use cases AI can support.

**Example:**  
IDfy found that institutions often could not confidently identify what data they had or where it sat across systems, making data discovery a prerequisite to AI deployment. Its Data Compass was built to map and classify that data before implementation.

## 03 DEPLOYMENT AND GOVERNANCE

**In BFSI, production requires more than a working model, it requires integration, accountability, and trust.**



**A model is technically ready long before the institution is ready to deploy it.**

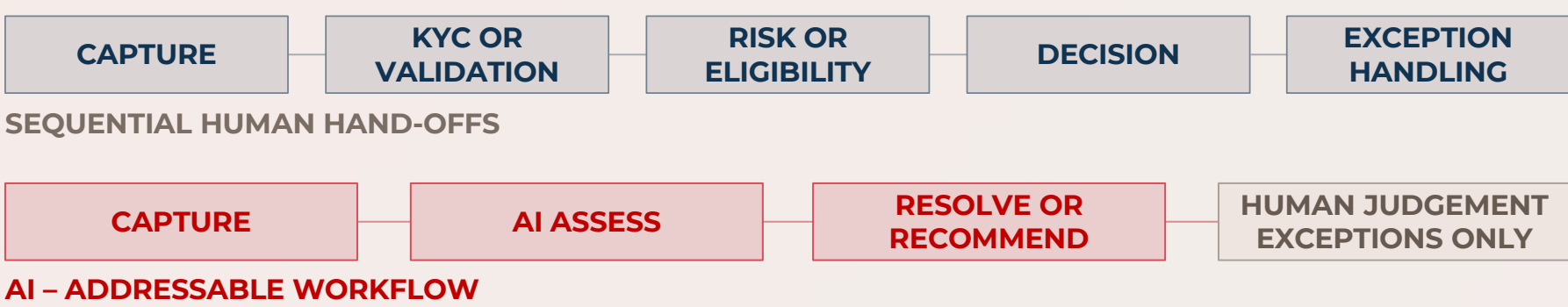
Production requires integration, security, risk controls, governance, and clear accountability. In BFSI, these requirements are especially high because AI failures can carry financial, regulatory, and reputational consequences.

**Example:**  
Gnani found that a solution could be technically ready while remaining undeployable for another 1–2 months because of bank-specific security clearance. Integration, InfoSec, and institutional approvals became a bottleneck, not AI.

**As technology becomes more accessible, the constraint shifts to talent: financial institutions cite skill shortages as the largest barrier to AI adoption.**

## 02 WORKFLOW REDESIGN

**AI cannot simply be inserted into workflows built around human hand-offs and judgement.**



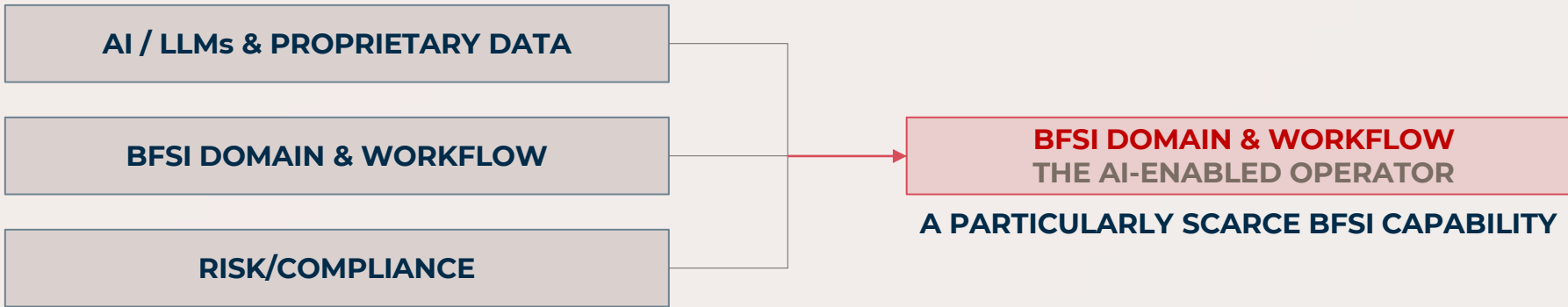
**Workflow redesign is itself an implementation cost.**

AI scales best where tasks are repeatable and workflows can be broken into discrete steps. Many BFSI processes still depend on human hand-offs, judgement, and exception handling. FIs must therefore redesign workflows around AI or split them into AI-addressable tasks, aligning processes, controls, and decision rights.

**Example:**  
A housing-finance company found that a single AI agent could not reliably replicate its multi-step collections workflow. The process had to be broken into narrower tasks, requiring changes to call routing and team processes.

## 04 TALENT & CAPABILITY

**The scarce capability is not just AI expertise; it is AI expertise applied inside financial workflows.**



**The scarce skill is translating AI capability into a regulated financial process.**

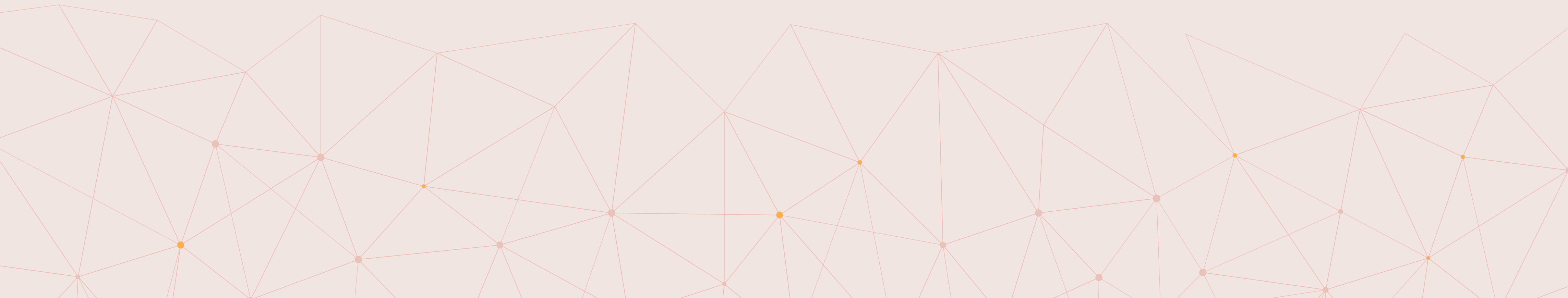
Scaling AI requires people who understand technology, BFSI workflows, and risk. Limited talent with this combination can slow adoption, while fragmented capability-building creates one-off use cases that are difficult to scale across the enterprise.

**Example:**  
Legal-operations teams found that document-processing skills alone were no longer enough. They had to validate AI outputs, catch errors, and feed corrections back, shifting the role toward domain judgement and AI oversight.



# 06

## **The Talent Imperative**



# AI is changing who owns the agenda and raising the skill bar across the organization.

As AI moves from experimentation to enterprise adoption, accountability is shifting upward while roles are broadening around AI, domain expertise and judgement.

## LEADERSHIP AND ACCOUNTABILITY: WHO OWNS AI?

From technology-led experimentation to explicit enterprise ownership

**MODEL A**  
**CTO/CIO**

AI typically sits within the CTO/CIO, with technology owning data, platforms, and deployment while business teams identify use cases and risk functions provide oversight.

**MODEL B**  
**CHIEF AI OFFICER (CAIO)**

A dedicated AI leader gives AI clearer enterprise ownership, setting priorities, governance, and scaling use cases across business functions.

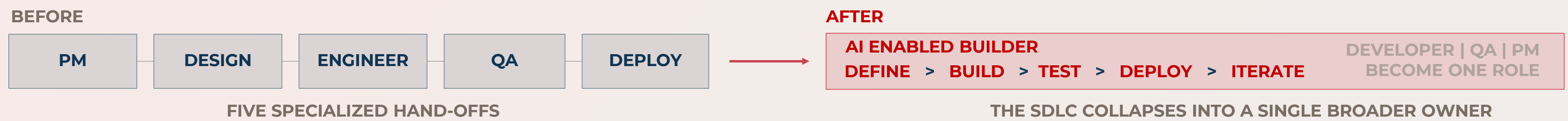
**MODEL C**  
**BUSINESS-/PRODUCT-LED**

AI is owned by the business or product team closest to the customer or decision workflow, with technology enabling deployment and scale.

AI is moving from bottom-up experimentation to a top-down enterprise priority. As productivity gains become visible, firms are appointing dedicated AI leadership and shifting focus from proving value to embedding AI across the organization.

## WORKFORCE AND SKILLS: WHO MAKES AI WORK?

From specialized hand-offs to broader roles requiring AI, domain, and judgement skills



### WHAT CAPABILITIES BECOME MORE IMPORTANT

**AI BUILDERS**

**Build, integrate, and evaluate AI systems**

Engineering roles increasingly span model integration, deployment, evaluation, and production monitoring rather than narrow development tasks.

**SUPERVISION AND EXCEPTION HANDLING**

**Connect AI capability to financial workflows**

The scarce skill is people who understand both AI and BFSI well enough to translate business problems, controls, and judgement into deployable use cases.

**BROADER END-TO-END OWNERSHIP**

**Manage exceptions and apply domain judgement**

As routine execution is automated, underwriters, RMs, operations, and risk teams increasingly review AI output, resolve exceptions, and make higher-order decisions.

The skill mix is shifting from routine execution toward AI deployment, supervision, and higher-order judgement. As AI automates more coding and implementation, business roles increasingly focus on interpreting AI output and managing exceptions. The scarce capability sits at the intersection of AI and financial expertise, particularly AI translators and AI-enabled business owners.

“

At Dodo Payments, six engineers merge over 1,200 pull requests a month, ~200 each. AI is enabling this by changing how engineering work is structured. They now direct multiple workstreams end to end, focusing on specifications, edge cases, review, and deployment rather than writing every line of code. As building becomes faster and cheaper, the bottleneck shifts from execution speed to decision quality. In payments, where correctness is critical, that judgement remains human.

**Rishabh Goel • Founder and CEO • Dodo Payments**



# Q7

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## What This Means For Investors

# The question has moved from ‘is there an AI company here’ to ‘is there a business here’.

For a fund underwriting AI-native fintech and enterprise software, deployment evidence – the kind this report has spent thirty pages assembling—answers only the first of five questions. The evidence proves AI works. It does not yet prove which of these companies are investable businesses. That is a different, and harder, test.

THE FIVE TESTS INVESTORS UNDERWRITE AGAINST

Every diligence conversation in this category eventually collapses into the same five questions, in roughly this order.

| IS THERE AN AI COMPANY HERE? |                                                                                       |             | IS THERE A BUSINESS HERE? |                  |                  |
|------------------------------|---------------------------------------------------------------------------------------|-------------|---------------------------|------------------|------------------|
| 01                           | <b>MOAT</b><br>Deep in the workflow, or a thin layer anyone can replicate.            | DEFENSIBLE? |                           |                  |                  |
| 02                           | <b>DEPTH</b><br>Owns an outcome or just offers an interface.                          |             | OWNS THE OUTCOME?         |                  |                  |
| 03                           | <b>DISTRIBUTION</b><br>A repeatable path to the customer, not just a working product. |             |                           | REPEATABLE PATH? |                  |
| 04                           | <b>ECONOMICS</b><br>Margin that survives token-cost inflation and scale.              |             |                           |                  | VIABLE AT SCALE? |
| 05                           | <b>PROOF</b><br>A customer who would pay if the free pilot ended tomorrow.            |             |                           |                  | PAYS FOR IT?     |

EQUAL WEIGHT — THE ORDER IS THE SEQUENCE OF DILIGENCE, NOT A RANKING OF IMPORTANCE

TOGETHER, THE FIVE ANSWER ONE QUESTION

Across all five, the underlying question is the same one FIs themselves are being asked in the earlier sections of this report: does the company’s value compound with usage and proprietary data, or does it commoditize the moment a better foundation model ships. The remaining pages in this section work through each test in turn, and close on where we currently see the strongest fit between the two.

# Depth beats a demo; investors are pricing switching cost, not feature count.

The most defensible AI businesses are not those with the most features, but those embedded deepest into workflows, proprietary data, and decision outcomes.

## WHAT ‘DEEP’ ACTUALLY MEANS IN DILIGENCE

|                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>01</b></p> <p><b>Embedded, not bolted on</b></p> <p>Sits inside underwriting, collections, or claims adjudication such that removing it breaks a live process—not a UI layer sitting on top of a workflow the client still owns end to end.</p> | <p><b>02</b></p> <p><b>Tied to a P&amp;L line, not an anecdote</b></p> <p>The buyer can name the exact metric it moves—bad-debt provisioning, claims leakage, TAT, CSAT, conversion, returns—not a vague ‘hours saved’ that never shows up in a budget review.</p> | <p><b>03</b></p> <p><b>Owns the outcome, not the interface</b></p> <p>A product-plus-service model where the company is accountable for the result—a loan correctly decisioned, a claim fairly settled—not merely a chat window over the client’s own workflow and data.</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## WHAT TO OWN, WHAT TO RENT?

|                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>COMMODITIZING • RENT IT</b></p> <p><b>Model access, compute, generic infrastructure</b></p> <p>Foundation models, embeddings, orchestration frameworks, and base infrastructure are converging on commodity economics—companies competing on model quality alone are racing OpenAI, Anthropic, and Google’s own roadmap.</p> | <p><b>DEFENSIBLE • OWN IT</b></p> <p><b>Workflow logic, proprietary data, the outcome layer</b></p> <p>The decisioning logic tuned to a workflow, the proprietary data that trains it, and the accountability for the outcome are what a buyer cannot re-prompt into existence—the layer where healthy margin should sit.</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>THE DATA QUESTION</b></p> <p>Companies with legitimate, consented access to proprietary transaction, behavioral, or underwriting data—and the ability to turn it into a decisioning edge under an explicit consent framework—hold a structurally different position than one reselling a foundation model wrapped in a prompt library. The moat is not the model; it is the right to the data the model runs on.</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

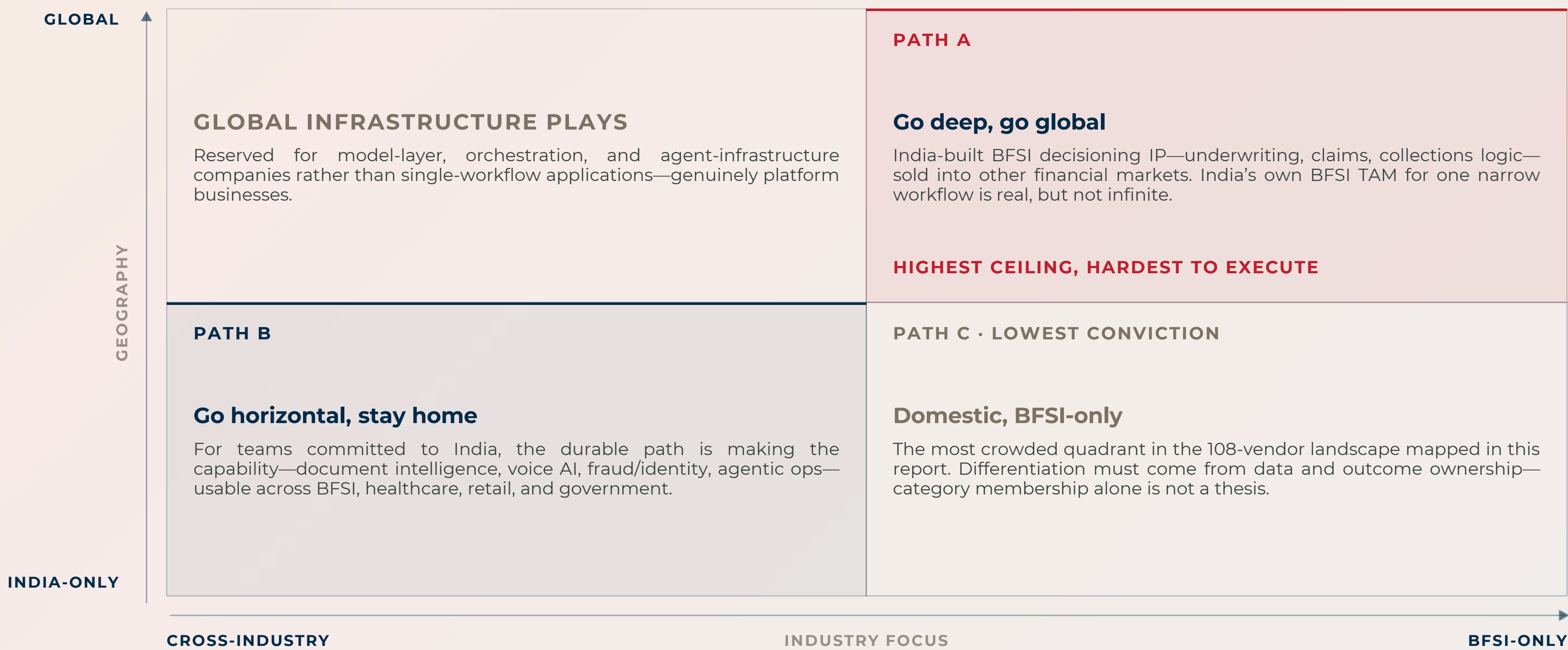
## A NOTE FROM SAAS AND FINTECH INVESTORS

The ‘is this just a wrapper’ question hasn’t gone away with familiarity—it has gotten more precise: if the foundation model shipped this capability natively tomorrow, what is left of the business? The answer matters: a defensible asset—data, distribution, regulatory position—is valued very differently from a roadmap.

# Distribution decides who scales – and India’s BFSI depth alone may not be enough.

This report has mapped 100+ AI vendors active in or adjacent to Indian BFSI, chasing largely the same six value-chain workflows. What separates the companies compounding fastest from the ones stuck in the same category is distribution—and a credible answer to where the next five years of growth comes from.

TWO CREDIBLE PATHS TO SCALE, AND ONE CROWDED MIDDLE



A NOTE ON TOKENOMICS

Enterprise pricing is being rebuilt around token and outcome economics rather than seat counts—the same shift reaching fintech AI. A durable model prices to a client outcome—claims settled, bad debt avoided, TAT reduced—not to compute consumed.

DISTRIBUTION-FIRST, NOT PRODUCT-FIRST

The companies attracting the most durable capital are rarely the ones with the best model performance in isolation. They are the ones that have solved distribution economics well enough to profitably serve customers the industry’s existing cost-to-serve made uneconomical—a new-to-credit MSME, a mass-affluent client an RM model can’t touch, a thin-file borrower a bureau-only model rejects outright. AI repriced who is economically servable at all.

In a market with over a hundred mapped AI vendors chasing the same six BFSI workflows, distribution and durable unit economics, not model quality are becoming the scarcer asset.

# Would a customer pay for this if it stopped being a free pilot and started being a bill?

Consumers pay for Claude, ChatGPT, and Perplexity not because they are impressive AI, but because each reliably does something the person could not do as well, as fast, or as cheaply alone. The same test applies inside a bank or insurer: an underwriter, a claims head, or a collections lead must actively prefer paying for the tool over reverting to the old process the moment a budget gets scrutinized.

## WHERE WE ARE CURRENTLY EXCITED

|    |                                                                                                                                                                                                                                                                                                               |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 01 | Agents that don't just recommend a payment action but execute, reconcile, and resolve disputes autonomously across rails—collapsing a multi-system workflow into one accountable agent.                                                                                                                       |
| 02 | AI-native execution and advisory layers replacing the analyst-plus-app model for high-frequency, lower-ticket retail investors—a segment human coverage economics never justified serving well.                                                                                                               |
| 03 | Portfolio and planning intelligence contextualized to an individual's actual holdings and life stage—extending advisory-grade servicing to the mass-affluent an RM-led model never reached profitably.                                                                                                        |
| 04 | Underwriting, pricing, and adjudication designed around AI from day one—with a cost-to-serve structure that can profitably underwrite risk pools legacy insurers price out of reach.                                                                                                                          |
| 05 | Vendors pricing to the client's realized outcome—claims leakage avoided, TAT compressed, bad debt averted—rather than to seats or tokens, and structurally defending margin as usage scales. This is the tokenomics shift discussed on the previous page, applied to product design rather than just pricing. |

GENUINE UTILITY

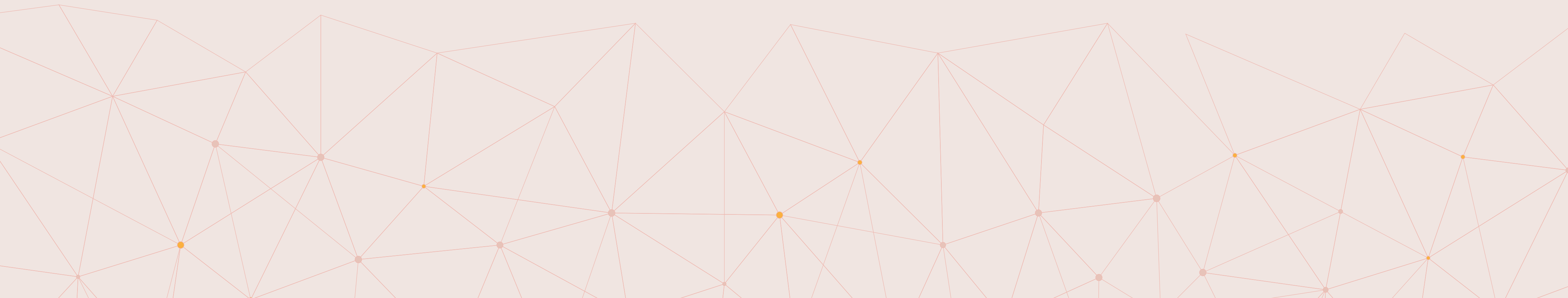
Every thesis on this page ultimately is a bet on the same thing: that the company has found a problem financial institutions, or their customers, experience as real pain—measured in provisioning, leakage, TAT, CSAT, or return rates—and that it can close that gap more cheaply than the customer's own cost of leaving it unsolved. Everything else in this section—the moat, the stack, the distribution path, the pricing model—is diligence on whether that gap is real and defensible. Where it is, this remains one of the more interesting places to be underwriting risk capital in Indian financial services today.



# 08

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## Appendix



# GLOSSARY (1/2)

| Term                | Definition                                                                                                                          |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| A/B testing         | Comparing journey, offer or workflow variants to identify which performs better.                                                    |
| Account Aggregator  | Consent-based framework for sharing financial data between regulated entities.                                                      |
| Agentic AI          | AI that can understand a goal, plan steps, and trigger actions across systems.                                                      |
| AI                  | Artificial Intelligence; systems that interpret data, generate outputs, or support decisions.                                       |
| AI translator       | Capability that converts BFSI workflows, controls, and judgement into AI use cases.                                                 |
| AI-enabled operator | Workflow where AI executes routine work while humans supervise exceptions.                                                          |
| AI-native           | Product or company built around AI from the start, not AI added later.                                                              |
| AI/ML               | Artificial Intelligence/Machine Learning; often used together in FI disclosures.                                                    |
| AML                 | Anti-Money Laundering; controls to detect and prevent suspicious financial activity.                                                |
| API                 | Application Programming Interface; lets systems exchange data or trigger actions.                                                   |
| AUC                 | Area Under the ROC Curve; model-discrimination metric, not assets under control.                                                    |
| BFSI                | Banking, Financial Services, and Insurance.                                                                                         |
| CAIO                | Chief AI Officer; enterprise owner for AI priorities, governance, and scaling.                                                      |
| CLTV                | Customer Lifetime Value; total expected value from a customer relationship.                                                         |
| Computer vision     | AI that interprets images or video for identity, documents, inspection, or claims.                                                  |
| Conversational AI   | AI that interacts through natural-language chat or voice conversations.                                                             |
| CRM                 | Customer Relationship Management system for tracking customer interactions.                                                         |
| DPDPA               | Digital Personal Data Protection Act; India’s privacy law for personal-data use.                                                    |
| e-KYC               | Electronic KYC; remote or digital customer identity verification.                                                                   |
| e-NACH              | Electronic mandate for automated recurring payments such as EMI collection.                                                         |
| EMI                 | Equated Monthly Instalment; fixed periodic loan repayment.                                                                          |
| FI                  | Financial Institution; bank, NBFC, insurer, wealth manager, or payments business.                                                   |
| FREE-AI             | RBI's Framework for Responsible and Ethical Enablement of Artificial; sets seven guiding principles for AI in the financial sector. |
| GenAI               | Generative AI; AI that creates text, images, code, summaries, or conversations.                                                     |
| Human-in-the-loop   | Human review retained for judgement-heavy, risky, or exception cases.                                                               |
| India Stack         | Digital public infrastructure for identity, consent, payments, and data flows.                                                      |

# GLOSSARY (2/2)

| Term                    | Definition                                                                             |
|-------------------------|----------------------------------------------------------------------------------------|
| Infosec                 | Information-security review and controls required before production deployment.        |
| Infrastructure and APIs | Reusable AI capabilities delivered as components for FI integration.                   |
| KYC                     | Know Your Customer; customer identity and verification process.                        |
| LLM                     | Large Language Model; AI model that understands and generates language.                |
| LMS                     | Loan Management System; manages loans after disbursement and during repayment.         |
| LOS                     | Loan Origination System; manages loan applications before approval or disbursement.    |
| MCP                     | Model Context Protocol; connector layer for AI assistants to access tools and data.    |
| ML                      | Machine Learning; models that learn patterns from data to score, classify, or predict. |
| NBFC                    | Non-Banking Financial Company.                                                         |
| NBFC-AA                 | NBFC Account Aggregator; consent-based financial-data sharing entity.                  |
| OCR                     | Optical Character Recognition; converts scanned or image text into usable data.        |
| OPEX                    | Operating Expenditure; recurring cost of running the business.                         |
| P&L                     | Profit and Loss; where sustained economic value ultimately needs to show up.           |
| PA/PQ offers            | Pre-approved/pre-qualified offers shown to eligible customers.                         |
| PD                      | Personal Discussion; borrower interview used in lending assessment                     |
| PEP                     | Politically Exposed Person; higher-risk customer category for screening.               |
| RAG                     | Red/Amber/Green status or score used to classify risk, readiness, or priority.         |
| RM                      | Relationship Manager; customer-facing banker, advisor, or service owner.               |
| ROI                     | Return on Investment; benefit generated relative to deployment cost.                   |
| RPA                     | Robotic Process Automation; rule-based software bots for repetitive tasks.             |
| SaaS                    | Software-as-a-Service; cloud software delivered as a subscription.                     |
| SDK                     | Software Development Kit; tools or libraries used to embed a capability.               |
| SDLC                    | Software Development Life Cycle; define, build, test, deploy, and iterate.             |
| STP                     | Straight-Through Processing; validated cases move without manual intervention.         |
| TAT                     | Turnaround Time; time taken to complete a workflow or decision.                        |
| Voice AI                | AI that understands or generates speech for customer workflows.                        |

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