

# Banking CIO Outlook

DECEMBER 26, 2017 BANKINGCIOOUTLOOK.COM

## Top 10 KYC Solution Providers - 2017

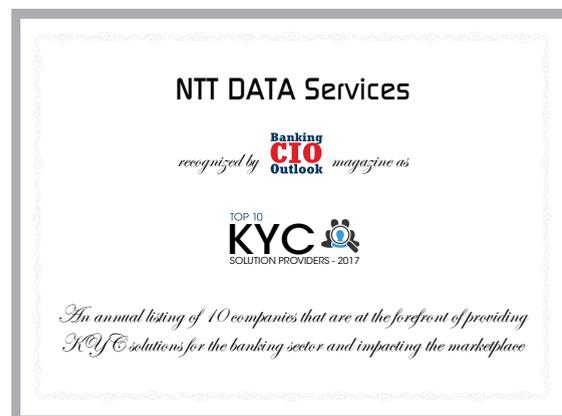
In recent years the banking industry has recorded impressive growth rates due to Know Your Customer (KYC). KYC processes are helping ensnare suspicious banking activity, reduce risk through the analysis of data and pattern identification, the execution of a three-part AML approach to detect, prioritize, and evaluate predetermined indicators found in various data sources by means of trends like artificial intelligence (AI), social biometrics, blockchain and many others. Technology trends such as AI, blockchain, machine learning, and social biometrics have swept through the banking vertical and radically changed Know Your Customer (KYC) solutions by gradually automating banking procedures.

AI is the base to many new technologies for KYC in the banking sector. Advanced analytics solutions incorporating AI significantly improves the effectiveness of anti-money-laundering (AML) case management and KYC screening processes. Machine

learning (ML) allows systems to automatically train and enhance its outcome prediction accuracy. Blockchain helps validate customer identity through parameters such as the source of funds, business interests, history of credit score and also tracks their financial progress. Social biometrics has the added benefit of capturing information about users who have a little credit history but often have a social presence as it uses big data, state-of-the-art transaction monitoring and KYC methods.

In the existing banking landscape, it proves to be a cumbersome task for CIOs to zero down on an apt KYC solution provider. To make this task easier, our distinguished panel comprising of CEOs, CIOs, analysts and the Banking CIO Outlook editorial board have evaluated firms that can provide efficient and robust KYC solutions.

We present to you Banking CIO Outlook's "Top 10 KYC Solution Providers - 2017."



**Company:**  
NTT DATA Services

**Description:**  
Provides technology solutions and services to automate KYC and AML processes

**Key Person:**  
Edmund Tribue,  
NA Risk & Regulatory  
Practice Leader  
Niraj Singhal,  
VP & Head of International  
Banking Practice

**Website:**  
[us.nttdata.com](http://us.nttdata.com)

### NTT DATA Services

#### Tackling KYC and AML from a Workflow Perspective

Know your customer (KYC) and anti-money laundering (AML) practices have turned indispensable for banking and financial institutions in the wake of an increase in pecuniary crimes, beneficial ownership requirements and the number of politically exposed persons (PEPs). However, financial institutions have adopted a fragmented approach to addressing KYC and AML related issues by deploying additional manpower and using platforms that are inflexible toward the new sources of data available today. Manual operations create information silos pertaining to KYC and AML, preventing KYC rechecks on customers with suspicious transactions.

With a policy-, advanced analytics- and workflow-based view of KYC and AML, NTT DATA Services sets a new benchmark with its end-to-end solutions to combat financial crimes. The company's product-agnostic approach essentially reconfigures a client's existing workflow by automating KYC processes to improve operational efficiency and reduce costs. "We work with almost every third-party vendor application available for KYC execution and AML monitoring," mentions Edmund Tribue, Sr. Director and NA leader of the risk and regulatory practice at NTT DATA. The company's state-of-the-art facilities in the U.S., APAC, and EU regions simplify the risk of outsourcing customer data offshore for KYC and AML operations.

Robotics-powered automation forms the crux of NTT DATA's KYC and AML initiatives. The company begins by performing a proof-of-concept to demonstrate certain tangible benefits such as a significant reduction in customer onboarding time or lowering of relationship managers' bandwidth, allowing them to focus more on building relationships rather than KYC documentation. "We have automated even the smallest of functions such as identity and verification, thereby eliminating manual operations to a large extent," says Niraj Singhal, VP and head of international banking practice at NTT DATA. The company deploys bots to perform activities such as verifying information from the register and rerouting that to due diligence or even "Googling" for PEPs, thereby hastening the process significantly.

The starting point of NTT DATA's services for KYC process automation is its proprietary KYC maturity model (KMM) that categorizes an institution's maturity with respect to KYC operations into three stages. A financial organization is

in the Provisional stage when KYC processes are non-standard and redundant due to low technology adoption. "The Proactive stage is when the first phase of automation is introduced to streamline operations based on workflows, besides providing well-defined processes with measurable outcomes," adds Singhal. Finally, the Proficient stage is when



Edmund Tribue

**“We have automated even the smallest of functions such as identity and verification, thereby eliminating manual operations to a large extent**

an integrated workflow model is defined through automation and robotics along with business metrics that reveal business performance. Parameters such as governance model, the skill level of staff, data analytics, and automation help in assessing an institution's maturity, based on which an optimum solution is designed to transition clients from a reactive stage to the proficient stage.

Among the organizations leveraging NTT DATA's services is a European bank where back books had not been remediated for three years and the deadline was around the corner. An internal analysis revealed a requirement for a 1,200-member team working in three shifts, which was unfeasible. When brought onboard, NTT DATA viewed the issue from a workflow perspective and deployed a KYC platform that brought down the time taken to onboard corporate and retail customers from seven days to six hours by leveraging automation. The cost of performing KYC was significantly reduced and customer satisfaction reached an all-time high.

Moving forward, NTT DATA is developing an app to accelerate the onboarding process and help relationship managers scan books of accounts, proxy signatories and nested hierarchies. The company is also gearing up to facilitate information sharing between financial institutions and law enforcement agencies to combat finance-related crimes. Tribue and Singhal are prepping NTT DATA for the next phase of KYC, which will enable banks to look beyond customers and include third parties in their KYC and AML practices. **BC**



Niraj Singhal