ROBOTIC PROCESS AUTOMATION FOR BANKING
At Pyramid Solutions, we guide organizations on the path to operational efficiency with the latest in intelligent automation solutions featuring RPA and hyperautomation.

We pride ourselves on our relationships with leading automation providers to offer the best solutions possible.

Our focus on extensive training, diverse experience, and vast knowledge have made us masters of our craft, which we bring over when we partner with clients like you.

Whether you’re taking the first steps of your RPA journey or looking to accelerate your automation even further, we’re here for you every step of the way.
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Traditionally, banking institutions have depended on legacy core systems that require complex, multi-step processes full of manual tasks, which affect many important banking operations including customer onboarding, mortgage lending and fraud detection. While performing these tasks are simple, they are tedious, taking employees’ time away from value-added work and hurting their ability to gain new customers and keep current customers happy. As a result, banks are held back by the limitations of their legacy systems, which can’t compete as a standalone in a world of digital transformation.

With the rise of Fintechs, customers are seeing that banks can be faster, give greater insights and offer better customer service. Because these online bankers can serve consumers faster and more efficiently, traditional banks are having a very hard time competing with their legacy infrastructure and are facing a slew of new challenges.

Challenges in the Rise of Digital Transformation

Technological innovations in the banking sector, paired with the rise of Fintechs, have led customers to expect personalized and meaningful experiences on any device, anywhere, and at any time. Customer service drives customer retention, and banks that haven’t pushed for a digital transformation of their operations are falling short of customer demands. As a result, customer retention is a major pain point for banks that continue to rely on legacy systems.
Outdated systems result in long wait times for customers, leading banks to inadvertently drive customers away at a time when they need to be focusing on making the customer experience better.

In addition to working constantly to create better experiences for the customer, banks and financial institutions must also remain compliant with the growing number of regulations. Compliance can significantly strain resources and is often dependent on the ability to correlate data from disparate sources. Faced with severe consequences for non-compliance, banks have incurred additional cost and risk to stay up to date on the latest regulatory changes and to implement the controls necessary to satisfy those requirements.

**10% of a banks operating costs relate to compliance costs.**

**RPA: Your First Step to Hyperautomation**

Automation is nothing new — the concept of using technology to undertake and execute tasks without manual intervention has been successfully implemented to improve business process efficiency across many industries for decades. But what makes RPA different from traditional automation and how can this benefit the financial services industry?
RPA: YOUR FIRST STEP TO HYPERAUTOMATION
The first difference is development. Traditional automation requires extensive programming and development, which creates a dependency on technical experience and makes every project a long one. Comparatively, RPA uses a low-code development approach and does not require programming.

RPA performs tasks in the same manner as a human operator, allowing employees to focus on higher-value activities. Take manual data entry, for example, one of the most tedious and monotonous tasks in the banking sector. By automating this manual procedure with RPA, the process of data entry is simplified and fast, without the possibility of human error. With its intuitive, component-based drag-and-drop visual interface, RPA software can rapidly be used by non-technical business users without needing to write unending lines of code.

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<tr>
<th>Traditional</th>
<th>RPA</th>
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<tr>
<td>Extensive development and programming</td>
<td>Low-code approach</td>
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<td>Increased costs to scale as needed</td>
<td>On-demand scalability</td>
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<td>Long project timelines</td>
<td>Very short project timelines</td>
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RPA is known for many advantages including scalability, as it enables businesses to quickly adjust the number of bots deployed on demand to manage spikes in workload and can also be deployed across regions to be adopted by all branches of a bank. RPA bots can also integrate with internal enterprise applications using third-party APIs to automate back-end processes. This means RPA bridges the gap between antiquated technologies and modernized applications, making it an ideal solution for extending the life of legacy systems.

RPA makes it possible for complex processes to be designed, tested and deployed in just a matter of weeks, resulting in increased operational efficiency and faster results for both clients and stakeholders. This makes an RPA implementation suitable for banks and financial institutions, as its low-code approach, coupled with moderate infrastructure requirements, results in an immediate return on investment as compared to traditional automation, which requires a sufficient length of time and capital to design, test and deploy.
RPA in Banking Mortgage Underwriting

For mortgage loan approval, underwriters determine whether an applicant meets the borrowing requirements by assessing risk and authenticating all documentation as it pertains to the loan. This process of approval goes through various checkpoints to evaluate an applicant's risk level. Because this is time-consuming and predominately handled by human operators, there is an increased risk of human error which can slow down the underwriting process.

Underwriting processes often involve routine, rule-based checks, which makes RPA the ideal candidate to streamline processing, mitigate risks and reduce the time it takes to close on the loan. RPA can collect and process information relating to the mortgage applicant including:

» Identification documents
» Assessment of income
» Tax return checks
» Credit reports

Automating the collection and process of this information significantly reduces the underwriting time required, resulting in faster processing and accurate reporting. In addition, RPA also accelerates other manual processes such as loan document indexing, borrower verification, quality assurance and audits. These improvements drive higher rates of customer satisfaction, providing them with a better experience due to reduced turnaround times on their loan application.

Know Your Customer (KYC) Compliance

As customers continue to shift from branch to online banking, now more than ever with the effects of COVID-19, financial institutions are expanding their digital offerings rapidly — online and on mobile devices alike. As a result, this increases the number of necessary regulations banks must contend with, leaving banks scrambling to integrate new compliance requirements, while keeping customer experience smooth and efficient. Should banks fail to meet compliance standards, they must deal with severe expense consequences which could lead to business restrictions, brand damage and lack of customer and investor trust.

Growing prices and increasing uncertainty of the Know Your Customer (KYC) or Anti-Money Laundering (AML) regulatory climates means companies and financial firms can — and should — insource the most mundane and tedious automation activities to automated bots to save labor costs and improve productivity. Let’s take a step back and put this into perspective.
Research shows that banks can save 40 - 60% in processing costs in just the first year of implementing RPA.
Banks made up of an entire human workforce will have compliance teams that can be staffed with anywhere from 150 to 1000 employees, each focusing on manual tasks such as:

- Setting up customer data
- Validating existing customer information
- Gathering customer information
- Compiling customer information
- Performing customer screening
- Servicing customers

Manual tasks take a huge amount of time and effort, and any errors in the process can cause further setbacks. With these tasks completely taken over by RPA, human error can be eliminated and processes can be streamlined to further help in compliance with the following advantages included:

**Overall Cost Reduction**

As aforementioned there are many manual tasks that take place in financial institutions. By allowing RPA to take over these processes, an ROI is achieved since RPA is able to do these tasks quickly and without error, helping to streamline onboarding processes and eliminate risk of money laundering as a result of removing human error.

**Monitorization of Regulatory Laws**

RPA can collect and process data from external and internal sources to monitor regulatory laws to help keep compliance with regulation standards.

**Efficient, Streamlined Communications**

With RPA, communication can be automated to send alerts quickly and automatically regarding everything from account openings to account closures. Information can be automatically sent to bank managers to keep track of any account status updates or investigations. This helps ensure that customers are being served and any deadlines are being met.

By restricting human decision-making in regulatory data collection and tracking, there is less space for uncertainty, which allows for greater accuracy. RPA bots process large amounts of data in extremely short timespans, which cannot be matched by employees. As bots provide high accuracy performance around the clock, the quality of the compliance process is greatly improved.
An average financial firm will spend over $600 million on KYC oversight.
- THOMSON REUTERS

Fraud Detection

As financial institutions begin to offer more online banking services, they of course become more susceptible to fraud due to the number of potential vulnerable areas hackers can try to penetrate. Each year, banks lose millions of dollars as a result of fraud and, in addition to financial losses, fail to mitigate the adverse effects of fraud, leading to client loss and reputational damage.

As fraudulent activity in the financial sector is on the rise, tracking transactions and flagging them for suspicious activity is becoming a difficult undertaking. RPA technologies operating in financial institutions can counter these attacks with artificial intelligence-powered, cognitive bots to identify complex transaction patterns and suspicious activity indicative of fraud. RPA helps prevent this by restricting unauthorized users from accessing or changing private information by:

- Allowing only individuals with login credentials to access sensitive data
- Adding encryption to protect against malicious attacks
- Having an RPA (Center of Excellence) CoE team regularly monitor and schedule tasks to protect against malware or Trojans while keeping on top of policies to eliminate business risk

Additionally, RPA eliminates another major safety hazard — human accessibility to sensitive information, which can lead to privacy risks such as data theft or accidental disclosure.

RPA can also be used to keep fraud from happening later as well. Integrating RPA with advanced technologies, such as artificial intelligence (AI) and machine learning, makes fraud detection possible. With AI and predictive analytics, intelligent bots can anticipate attacks and take the offensive, while working independently without being thoroughly modified or checked.
Next Steps: Evolving from RPA to Achieve Hyperautomation

RPA can be easily integrated into a bank’s legacy systems and is one way of being able to implement more advanced automation technologies, such as AI and machine learning (ML), leading to hyperautomation.

This combination of RPA, ML and artificial intelligence working together to automate complex tasks — including tasks that once required skilled workers — means real digital transformation is obtainable.

What Is the Potential Impact of Hyperautomation?

Hyperautomation provides a high-speed route to engage everyone in transforming the business, supported by automating more and more complex work that relies on knowledge inputs from people. Upskilling RPA with intelligence creates intelligent Digital Workers that can take one repetitive task to augment employee performance. These Digital Workers are the change agents of hyperautomation, able to connect to various business applications, operate with structured and unstructured data, analyze data and make decisions, and discover processes and new automation opportunities.

AI is what differentiates Digital Workers from standard automation approaches — making RPA+AI the essential ingredients of hyperautomation.

By uncovering and automating previously inaccessible data and processes, hyperautomation offers another unique benefit: the creation of a digital twin of the organization (DTO). How does that help? A DTO makes visible the previously unseen interactions between processes, functions, and key performance indicators. Imagine seeing business value creation as it happens — or doesn’t happen — and leveraging the intelligence to rapidly respond as well as identify new opportunities.

-Automation Anywhere
When moving towards hyperautomation, there are three stages every bank will eventually go through. From simple website chat bots to sophisticated workflows that help employees make analytical decisions faster.

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<th>Stage One: Basic Tools and Processes</th>
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<td>At the first stage of automation, basic RPA is used to handle simple tasks like:</td>
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<td>Integrating interactive chat bots</td>
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<td>Automating bots that respond to email</td>
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<td>Data extraction from emails via character recognition</td>
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<td>We advise that every organization new to RPA start at stage one. Doing so will allow employees to become comfortable with RPA and its actual potential. Starting off by automating the “low-hanging fruit” aka quick wins, will give you and your teams more runway for advanced projects.</td>
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<th>Stage Two: Machine Learning</th>
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<td>At stage two, bots are given the capacity to make low-complexity decisions based on historical trends and data.</td>
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<td>At this level, RPA is more of a tool that works alongside your employees helping them make the complex decisions faster as compared to stage one where bots are doing the entire task.</td>
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<th>Stage Three: Hyperautomation</th>
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<td>At stage three, hyperautomation is achieved when your processes like lending are automated from end to end. While there are a number of processes that will always need the cognitive capabilities of a human, hyperautomation does take the burden off your employee shoulders around:</td>
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<td>Fraud detection</td>
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<td>Segmentation of customers</td>
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<td>Analysis of risk modeling</td>
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<td>Making regular compliance checks</td>
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<td>Regardless of the level of automation implemented, businesses will receive instant return on investment and improved customer satisfaction, without the enterprise software price tag.</td>
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MAKING YOUR MOVE TO HYPERAUTOMATION
Making Your Move Towards Hyperautomation

FinTechs aren’t going anywhere, and they are raising the bar to find more ways to automate internal processes. By starting your transition to hyperautomation through RPA, you’ll help bring your legacy systems up to speed to compete in today’s digital landscape and keep your customers happy, too.

Plus, RPA’s low-code software means it can be used in a number of departments across the organization, allowing employees to focus on high-priority tasks with improvements in productivity.

By adopting RPA, you’ll start seeing changes in your banking processes quickly and be well on your way to achieving hyperautomation.
Sources


