

Banking Identity 2026



Invisible, Agentic,
Always-on



Sculpting a New Identity

Which side of the AI-led transformation bridge are you on? On one side, there are banks that are investing in pilot projects and technology upgrades with trepidation, testing one function at a time. The other side has financial institutions focused on precision, performance, and personalization, adopting AI/ML with a clear roadmap and seizing sizable returns. The latter is steadily moving toward a future-proof identity.

Here's why banking CXOs should be wary of delays in scaling technology initiatives. It can keep you away from your top-line goals, cause a loss of market share, and compromise operational efficiency that could've transformed competitive positioning. But most essentially, it keeps you stuck to the traditional banking image that customers today just don't relate to.

A recent **BCG report** revealed that only 25% of financial institutions have successfully integrated AI capabilities into their core strategic operations. The remaining 75% continue to conduct isolated pilots and proof-of-concept. The shift in tech stack must be well-directed to maximize ROI. This strategy will be based on the priority areas for bankers across the globe – going beyond Fintech, fraud, and frameworks.



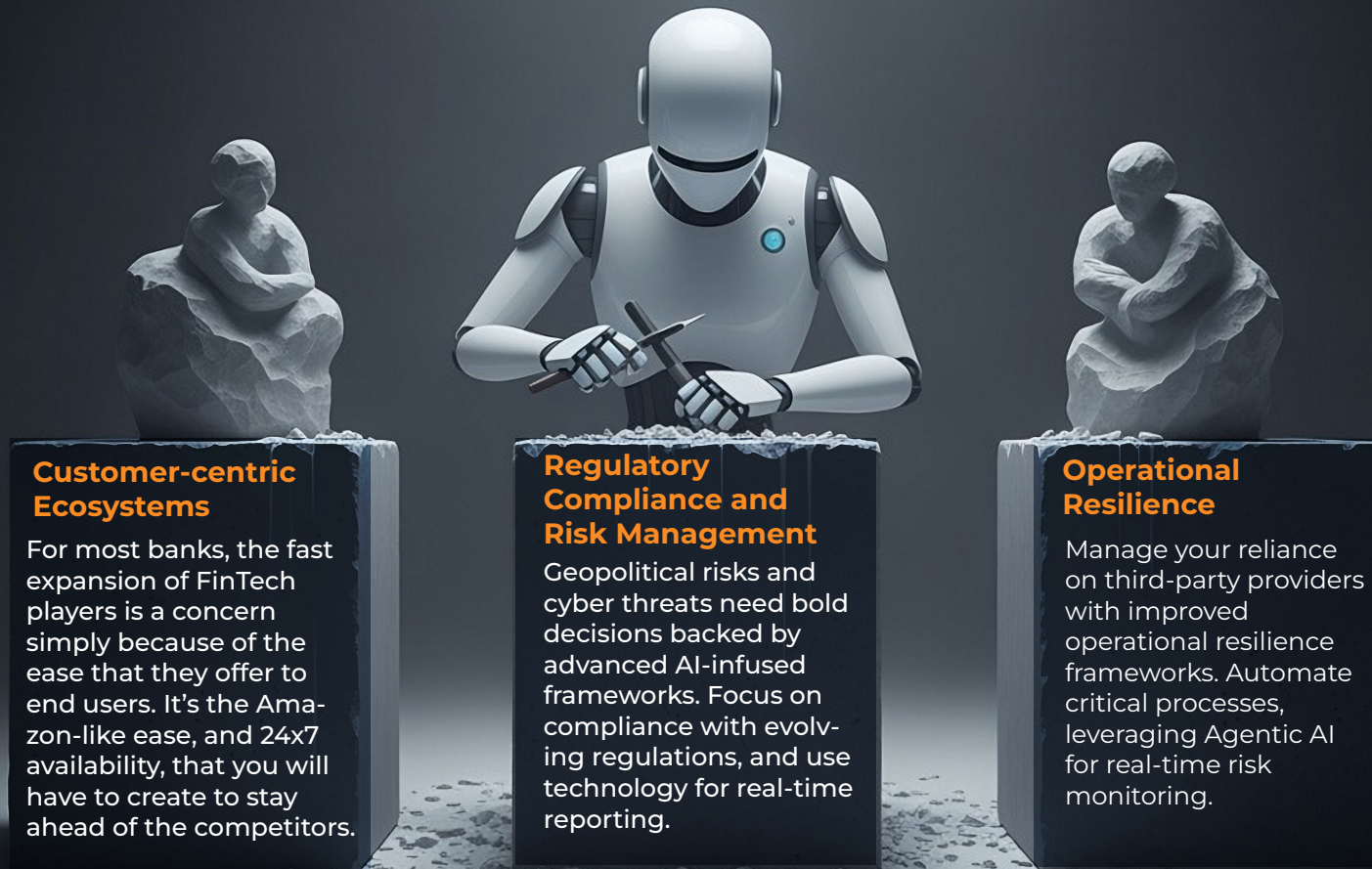


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Strategic Hotspots: Customer, Compliance, and Cost

In this playbook to create a fresh Banking Identity in 2026, we examined the top three areas that can present radical opportunities for sustainable growth. The rules are changing rapidly as banking CEOs, CFOs, and CTOs strive to overcome legacy systems, anticipate security risks, and remain agile to adapt to evolving regulatory frameworks.



To achieve these goals, banks will need a fresh identity; one that revolves around
Agentic systems, Invisible banking and being Always present.

Invisible, Always-on Banking with AI and Agentic AI

To fulfill the promise of anytime and invisible banking, reliability is non-negotiable, especially online. But the next leap isn't just about uptime. It's about banking that quietly blends into everyday activities. Invisible banking doesn't wait for you to act - it anticipates, adapts, and empowers.

AI, analytics, IoT, and fintech innovation is transforming banking into a hyper-personalized, embedded experience. When customers shop, you can auto-adjust their budget. Before they can think about how to manage their income, you can split it up for bills, savings, and investments.

Agentic AI – the engine behind invisible banking – is marking a shift from reactive support to proactive financial action. The global **agentic AI market in financial services** is likely to grow from \$2.1 billion in 2024 to \$81 billion by 2034, as per a market.us report.

Gear up for a scenario where a team of intelligent agents will assist, decide, initiate, and optimize shopping, payments, and investing. In the back office, they streamline loan approvals, automate compliance, and accelerate workflows. On the customer side, they personalize experiences such as spotting issues like overdrafts and resolving them instantly. And in fraud detection, they study behavior in real time and act before threats escalate.

A survey involving financial leaders and banking CFOs showed Agentic AI can lead to significant impact by 2027:

- 23% improvement in touchless continuous close processes
- Over 30% better cycle time for accounts payable and accounts receivable



Embracing AI and Agentic Systems Across Banking Functions

Faster, Safer, Personalized Lending

Is the old way of managing loans still creditable when AI agents can autonomously review applications, generate insights, and deliver compliant credit decisions in seconds? Industry experts say that financial institutions that adopt AI-first credit decisioning systems can *increase automated approvals by nearly 50% and overall decisioning by 70-90%*.

Multiple agents, embedded into your system, will work together to enable autonomous, goal-driven systems that enhance speed, accuracy, and hyper-personalization. Agents can continuously **analyze non-traditional data sources**, including transaction patterns, digital footprints, behavioral trends, social signals, mobile usage, etc., to supplement traditional credit data.

An extension to the agentic action in lending is the Unified Lending Interface (ULI), where AI agents interacting across the ULI can autonomously **match borrowers with lenders** based on dynamic parameters. Loans become seamlessly embedded in digital journeys, including e-commerce checkouts, bill payments, ride-sharing apps, or housing platforms.



Customer-friendly and Compliant Collections

Collection management, as you know it, has ceased to exist. With analytics and agentic AI, you know which accounts are in the risk zone; your system can trigger automated messages to borrowers, and teams can ensure timely payments. Agentic AI can simulate multiple repayment and risk scenarios in real time, then customize repayment terms (tenure, rate, repayment schedule) for each borrower's financial behavior and risk tolerance.

Unlike rule-based scoring models, agentic AI systems can dynamically adjust their evaluation criteria based on context, such as borrower type, economic conditions, or product category. So, you can reassess the credit score for a customer whose instalments are delayed and notify her in real time.



Security with AI Agents on the Frontline

Be more secure with Agentic AI systems that can independently monitor networks, user behavior, and transaction patterns to detect anomalies and respond without human intervention. As scams get smarter, you need to employ an agentic team for protection.

The **MAESTRO** (Multi-Agent Environment, Security, Threat, Risk, Outcome) framework, introduced by the Cloud Security Alliance, provides a **layered, agentic-defense approach**, enabling AI agents to coordinate across monitoring, assessment, execution, simulation, testing, response, and optimization, ensuring no single failure compromises the system.

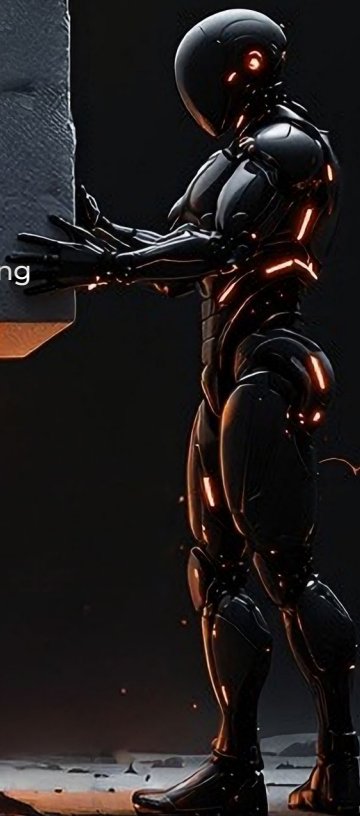
Insightful Wealth Management with Self-Optimizing Portfolios

The emergence of agentic AI is reshaping wealth management by transitioning it from a suite of automated tools into a proactive, collaborative partnership. This advanced system achieves true autonomous orchestration by handling tasks like allocating excess cash, managing debt, and dynamically rebalancing investments in real-time.

In an industry survey, 48% of respondents placed a high value on Portfolio Rebalancing, with **GenAI helping to adjust portfolios in real-time** to ensure they align with client goals. This elevates the client from the role of a daily portfolio manager to a strategic goal-setter, promising a future of deeply personalized, perpetually optimized, and resilient financial management that operates with a level of strategic foresight and precision previously unattainable.

Expected Outcomes for Banks

- Reduce operational cost by **29%** through intelligent automation
- Increase automated decisioning by **70-90%** for faster credit and risk assessments
- Improve automated approvals by up to **50%**, driving **15-40%** higher approval rates and cutting loss rates by **10-25%**
- Boost forecast accuracy by **24%** with predictive financial modeling



Your Ever-ready Security Team: Crypto and Zero Trust

With a background score of scams and cyber threats playing in the banking ecosystem, how do you keep your customers, transactions, and data safe?

Frauds in payments could rise by an astonishing **153% between 2025 and 2030**, giving banking leaders like yourself sleepless nights. Apart from machine learning algorithms and analysis of large datasets, you need future-proof techniques to instantly spot minute deviations in customer behavior, create user profiles and assign risk scores to each, and even notify users of potential threats.

Post-Quantum Cryptography

While quantum computers are still in development and cannot break traditional encryption, it is still important for risk and cybersecurity managers to start preparing today. Banks depend extensively on encryption to secure online transactions, digital signatures, and payment gateways, but quantum computers could soon decrypt existing security protocols and expose sensitive customer data and digital identities.

Post-Quantum Cryptography (PQC) offers the answer. It delivers quantum-resistant encryption to protect critical banking information. Forward-looking financial institutions are already working to become crypto-agile, ready to adopt PQC algorithms as standards are established.

According to Deloitte's **Global Future of Cyber survey**, 52% of organizations are currently assessing their exposure and developing quantum-related risk strategies. PQC will strengthen the security of authentication systems, interbank communication networks, payment channels, and cloud-based platforms.

Globally, regulators are taking action. **National Institute of Standards and Technology (NIST)** in the U.S has selected PQC algorithms for standardization, while the European Central Bank (ECB) and **European Union Agency for Cyber security (ENISA)** are guiding European banks toward readiness. In Japan, the **Financial Services Agency (FSA)** is urging financial institutions to fast-track PQC adoption through oversight and collaboration.



The Zero Trust Model

Continuous authentication is an advanced security approach that verifies a user's identity continuously rather than only at login or during a transaction. It is a foundational element of Zero Trust, a security model that assumes no user or device should be automatically trusted. Hence, AI agents continuously monitor **biometric and behavioral patterns**, such as typing rhythm, touch patterns, gait, voice, and device interaction, to instantly detect anomalies that differ from a user's usual behavior.

For banks, this represents a shift from static, point-in-time verification to a **dynamic and adaptive trust model**, where authentication becomes seamless, personalized, and far more resistant to fraud or identity theft.

This AI-first approach, comprising crypto-agility, continuous authentication, and PQC-readiness, ensures protection even against future quantum threats.

Expected Outcomes for Banks

- Reduce false positives by **70-80%** with continuous authentication
- Achieve fraud detection rate of close to **98%** with advanced neural networks
- Enhance productivity with 50% saving in security management time
- Future-proof your bank's foundation with quantum-resistant encryption to ensure **trust across offerings**



Invisible and Agile Payments

*Cash, card, or digital currency? That's the choice that your customers are expecting with the transformation that's unfolding worldwide across the payment ecosystem. The primary catalyst for this change is the rise of non-cash transactions, anticipated to reach **3.540 billion** by 2029. This growth is supported by these four pillars:*

Customer-centric Payments with Agentic AI

In the next few years, your teams will be able to offer consumers in-the-moment guidance on choices like what type of payment methods to use, when to make the payments, and how to split expenses. Such micro-decisions powered by agents can collectively drive smarter spending and add up to the financial wellness of customers. Experts believe that **agentic commerce** could create nearly \$17.5 trillion for financial institutions, making it a critical factor for payments and consumer engagement.

Within the **embedded payments ecosystem**, **AI** agents can handle contextual payments in smart ecosystems, including voice commands, connected devices, or wearable-driven payments, ensuring security and compliance while maintaining user convenience.

Complementing this development is the **Agent Payments Protocol (AP2)**, a framework driven by Google's initiative. AP2 enables agents to conduct transactions securely and verifiably on a user's behalf. By creating cryptographically signed mandates, AP2 provides an unbreakable audit trail for AI-driven transactions, eliminating disputes and chargebacks while unlocking new revenue through "set-and-forget" commerce.

This isn't just another payment method; it's the infrastructure for the next wave of automated business, where AI agents continuously optimize spending and execute standing orders at scale.

Value Add for Banks:

Agents can forecast short-term liquidity needs, automate recurring transactions and optimize cash flows, guiding users towards long-term financial health, better budgeting, and improved credit utilization habits.



Sovereign Tokens, Borderless Networks

Central Bank Digital Currency (CBDC) serves as sovereign digital money to enable instant settlement and lower intermediary dependency. Its use supports smart contracts and targets policy implementation, while promoting financial inclusion through accessible digital payment options. Over **90% of central banks** are now actively exploring CBDC initiatives.

Stablecoins, on the other hand, have introduced the stability of fiat currency to the efficiency and speed of blockchain networks. It functions as block-chain-based tokens pegged to traditional currencies. The sector is projected to reach **\$2.8 trillion** in market capitalization by 2028. Operating 24/7 on global networks, they facilitate fast, low-cost cross-border transactions. Retail adoption remains limited, however, with stablecoins finding more traction in B2B and cross-border use cases.

Consumer Identity Under Control

Decentralized Digital Identity (DDID) is advancing payment security by giving back control to users through verified credentials managed in secure digital wallets. The framework allows users to authenticate eligibility and preserve privacy through technologies like distributed ledger, cryptographic keys, and zero-knowledge proofs. The digital identity services market is projected to reach **USD 86,541 million by 2035**, with steady adoption across BFSI and government services. The logic for its projected growth? DDID trims down fraud, simplifies KYC/AML compliance, and creates frictionless customer experiences while maintaining rigorous security standards.



Biometric Authentication: Bigger, Better, Bolder

After a temporary slowdown due to privacy concerns and deepfake risks, biometric authentication is staging a comeback in 2026, led by next-generation solutions from Big Tech players like Apple and Google. These systems combine liveness detection, behavioral biometrics, and deepfake-resistant algorithms to differentiate real users from synthetic identities with unprecedented precision.

This resurgence isn't just about security; it's about trust restoration in digital payments. As regulators tighten strong customer authentication (SCA) norms and consumers demand frictionless yet foolproof verification, banks and PayTechs are rapidly embedding these enhanced biometric layers into mobile wallets, payment gateways, and in-store acceptance systems. The result? A new standard of **"identity integrity"** that fortifies transactions against synthetic fraud while streamlining user experience across channels.



Expected Outcomes for Banks

- Reduce customer churn by up to 40% through **hyper-personalized engagement**
- Boost **KYC productivity** by up to 40% with GenAI, driving higher capture rates and stronger risk management
- Lower net fraud loss by **up to 30%** by leveraging advanced prediction models

From Net Zero to Nature Positive

Banks have a larger role to play in today's economy, from funding a net-zero future to building a nature-positive one. Are you geared for the change? Going past conventional sustainable finance offerings, banks are now exploring broader value-adding strategies. It is about becoming proactive partners supporting customers throughout the decarbonization journey, while delivering innovative financial products backed by consistent and transparent performance metrics.

Beyond Green with Transition Finance

Given your exposure to carbon-intensive industries and increasing pressure from investors and regulators to align your portfolio to net-zero goals, Transition Finance must be a strategic imperative for your bank. This model protects the value of a bank's existing assets by aiding their customers with financial support to shift from high-carbon to low-carbon operations.

Nature-positive Finance

Consider investing in financial tools such as **transition credits**, designed to recognize and reward measurable progress toward sustainability, even for companies that have not yet become completely 'green.'

Nature-positive and biodiversity-linked finance are emerging as the new path to address the global ecosystem crisis and species loss. This approach involves directing capital toward projects that actively protect, restore, or sustainably manage vital natural capital, such as forests, wetlands, and coral reefs. The Task-force on Nature-related Financial Disclosures (TNFD), offering the first major framework for assessing nature-related risks, gave impetus to nature-positive initiatives. Nearly **\$20 trillion** in Assets Under Management (AUM) is represented by financial institutions that have committed to getting started with TNFD-aligned reporting.



Autonomous Green Portfolios

Autonomous AI agents automatically study massive datasets to measure corporate Environmental, Social, and Governance (ESG) performance and actively modify portfolios toward greener assets. This technological leap directly addresses core banking imperatives: it provides sophisticated tools to manage climate-related financial risks, meets escalating regulatory and investor demands for transparency, and seizes the commercial opportunity in high-growth areas like sustainability-linked loans and renewable energy financing.

Expected Outcomes for Banks

- **Reduce value loss** by nearly 5% by integrating nature-related risks into financial assessments and stress testing
- Tap into an estimated cost savings of over **\$100 billion** on a global scale by 2030
- Access new revenue streams and strengthen portfolios with wider **green banking market segments** including vehicle loans, home loans, and SME loans



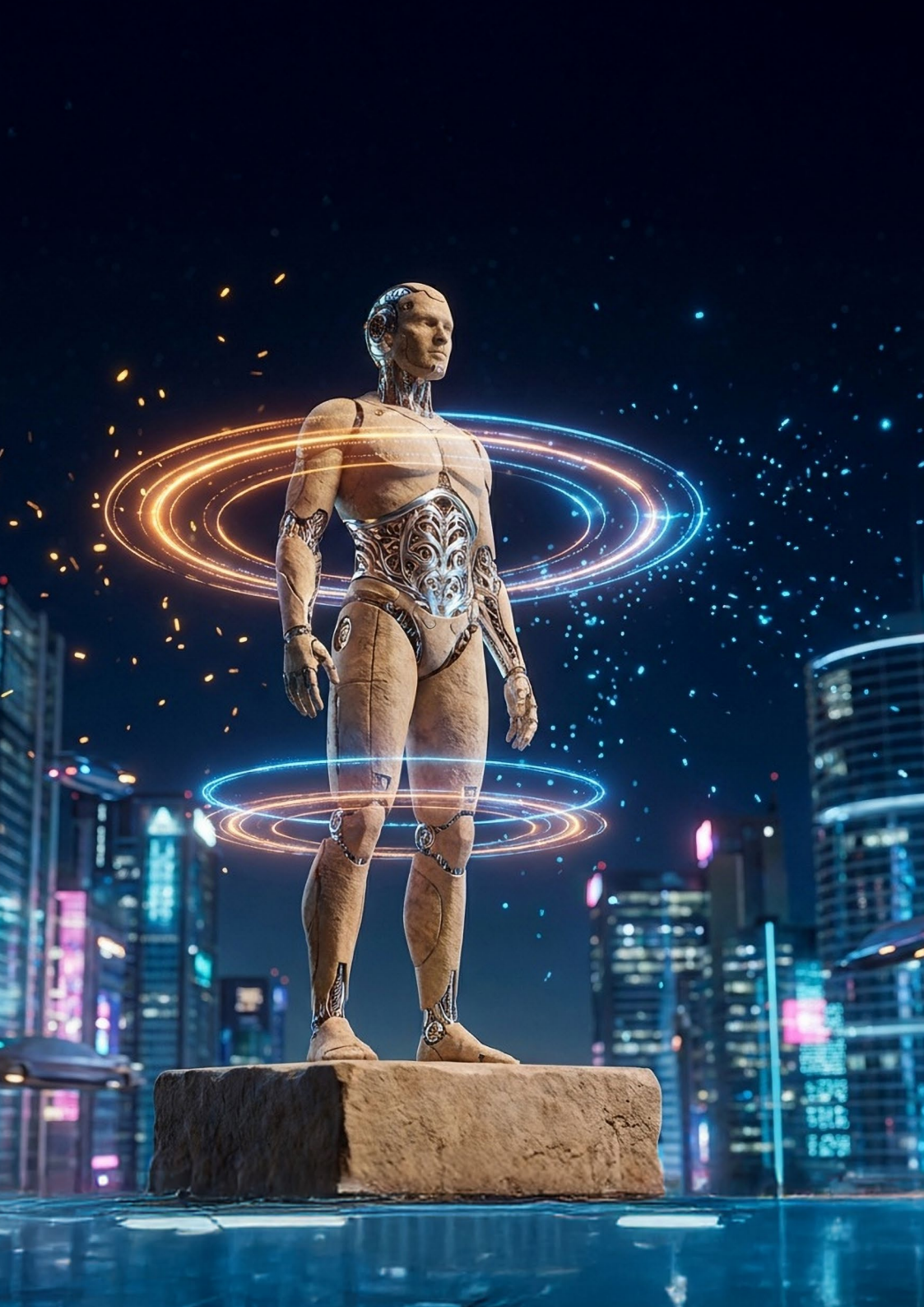
From Experiments to Scalability

The bridge to 2026 is being built today, not with incremental upgrades, but with a fundamental redefinition of what a bank is. The institutions that cross this bridge will be those that shed their traditional, transactional skin to adopt a new, resilient identity: **Invisible, Agentic, and Always-on.**

This is not a distant vision. It is the operational blueprint emerging from the convergence of today's most potent trends. Over the next few years, more than half of routine banking tasks will be handled by autonomous AI agents, while 70% of transactions will occur through invisible or embedded payment experiences. Security will be reinvented through **crypto-led frameworks** like PQC and ZKPs, making trust verifiable and breaches a relic of the past.

Many banks understand what needs to be done, but only a few possess the execution velocity to do it at scale. The underlying gap here isn't strategy but the technology infrastructure to support and accelerate the transformation.

Newgen is steadily helping global banks switch to a new, future-ready avatar. Intelligent low-code platforms like Newgen**ONE** are purpose-built for rapid deployment. By combining automation, AI-driven insights, and seamless integration, Newgen**ONE** enables financial institutions to move confidently from pilot to production, turning innovative potential into measurable business outcomes.





The platform delivers this value through four defining attributes:

- **Cognitive:** Banks must anticipate and adapt. Newgen's **contextual content service platform** weaves AI and ML directly into core banking processes, transforming raw data into actionable insight. Every process becomes smarter with each interaction, from risk-aware credit decisions to self-learning fraud detection.
- **Frictionless:** Customers expect experiences that flow, not falter. Newgen's unified platform removes internal silos, creating seamless, omnichannel journeys for onboarding, lending, and service.
- **Adaptive:** Agility is a must in today's dynamic market. Newgen's low-code architecture gives banks the agility to rapidly build, test, and deploy new products and processes, accelerating innovation and time-to-market.
- **Resilient:** Trust should be built into every transaction. Newgen **embeds governance and security** directly into the fabric of every operation with auditable process histories, policy-enforced communications, and secure, version-controlled records. This foundation turns risk and compliance into a competitive advantage.

Meet NewgenONE AI Agents for Banks

Intelligent Credit Decisioning Engine	Early Warning Signal	LumYn AI Agent for Hyper-personalization	AURA AI Agent for Trade Finance
AI Agents for Service Request Management			Loan Collections

The question is no longer when this future will arrive, but which side of the bridge will you occupy. Will you be among the 25% defining the new landscape, or the 75% anchored to it by isolated pilots?

The **'Banking Identity 2026'** is the ultimate competitive moat. It is built by leaders who turn intelligence into execution, data into foresight, and innovation into continuous value creation to rewrite the rules of the industry itself.



About Newgen

Newgen is the leading provider of an AI-first unified digital transformation platform with native **process automation**, **content services**, **customer engagement**, and **AI/ML** capabilities. Globally, successful enterprises rely on Newgen's industry-recognized low-code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. From onboarding to service requests, lending to underwriting, and for many more use cases across industries, Newgen unlocks simple with speed and agility.

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