

An Overview of Applications of Artificial Intelligence in Banking Sector

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Abstract: Banks play a major role in all the economic and banking activities in modern society. Implementation of Artificial Intelligence creates a digital transformation in banks. This paper describes the current and emerging applications of Artificial Intelligence in banking sector. Its major applications in the field of banking are AML, Chabot's, Fraud detection, Algorithmic trading, and digitization.

Keywords: Artificial intelligence, technology and back end

1. Introduction

Artificial Intelligence has been discovered valuable in pretty much every field of work and study. It is being utilized in each field makes it in the following huge thing and leap forward for a computerized future. Artificial Intelligence is a zone of computer science that accentuates the making of intelligent machines that work and respond like people. Artificial Intelligence is expert by concentrate how human brain thinks, and how people learn, choose, and work while endeavoring to take care of an issue, and after that utilizing the results of this investigation as a premise of creating intelligent software and systems. Most of the significant banks over the world are moving from rule based programming framework to Artificial intelligence based technologies. Such innovations are being executed for front-end and back-end processes-offering answers for both financial and business administration tasks. As indicated by a review directed by Narrative Science related to the National Business Research Institute, 32% of financial services executives overviewed affirmed utilizing AI advancements such as AML, chatbots ,fraud detection, algorithmic trading, Digitization.

2. Applications

A. AML

Over the past few years, money laundering has become a serious issue in banking sector. The term money laundering refers to the generation of cash by illegal activities. In response, regulatory bodies have implemented anti-money laundering (AML) technique to spot and avert such activities. Anti-money laundering is a software handled by financial institutions to examine customer data, organize it as indicated by level of doubt and review it for peculiarities. Such inconsistencies would incorporate any sudden and generous increment in assets

or substantial withdrawal. Over the coming years, these frameworks are just set to wind up increasingly exact and quick with the constant developments and enhancement in the field of Artificial Intelligence.

B. Chatbots

In banking industry, it is hard to offer answer to all client inquiries by a client benefit official. Chatbots are Artificial Intelligence based automated chat systems which solves this difficulty by simulating human chats without any human mediations.

C. Features of Chatbots in banking:

- *Basic information provider:* Chatbots will help customers with any basic information like account balance and any other enquiries immediately. In this case, chatbots can assist customer service personals dealing with any frequently asked questions and help them improve customer centric approach.
- *Solution provider:* Chatbots can give customized solutions for a unique problem caused by customers. This way, it is easy to increase the speed and decrease the manual errors.
- *Effective sales personal:* Chatbots can create an environment to strategically pitch various banking services by understanding the requirements of the client.
- *Financial Advisor:* Chatbots can offer lucidity to clients related to different banking operations and help them take better decision.

D. Fraud detection

The zone in managing an account where AI made its presentation and had a wonderful effect is in misrepresentation discovery. Man-made intelligence frameworks have exceeded expectations the most in the field of extortion identification. The FICO Falcon Fraud Management Solution is the most punctual and best model where a product made utilization of man-made brainpower to battle the issue of value-based misrepresentation and security dangers. The AI models learn through huge amounts of value-based information and find unconventional or fake patterns and exercises.

E. Algorithmic trading

A lot of multifaceted investments today make utilization of refined frameworks to convey computerized reasoning models. These models take in by acquiring contributions from different wellsprings of vacillation in money related markets and feelings about the element to settle on choices with respect to venture on the fly. Computerized AI frameworks are in charge of about 70% of the exchanging today. High-Frequency Trades are made when an exchanging opportunity is distinguished dependent on the information sources acquired by the AI models. Diverse systems are trailed by various flexible investments to make exchanges like these. The AI show sent must be to a great degree exact with the end goal to construct your exchanges light of the contributions from these models.

F. Digitization

Artificial Intelligence applications include digitization for simplified banking experiences and improved efficiency. Digitization is the transformation of information into digital format with the reception of innovation. Adoption of digitalization is essential for the banking sector.

3. Conclusion

The purpose of this paper is to provide an overview regarding various applications of AI and its benefits in banking sector. AI

would have a low error rate compared to people, if coded properly. They would have incredible precision, accuracy, and speed. Artificial Intelligence will help to enhance banking sector. Most of the technologies based on artificial intelligence used in different areas of banking to improve decision making capability, customer satisfaction, problem solving potential, document digitization services, fraud detection etc. It also assist to boost the productivity and increase profitability in banking industry. The main focus of using Artificial intelligence in banking is to minimize human efforts, processing time and provide maximum security in all banking transactions.

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