Impact of Artificial Intelligence in Financial Sector

Mr. Dhruv Kirit Gohil[1] and Dr. Balram Gowda[2]
Research Scholar[1] and Assistant Professor[2]
The Byramjee Jeejeebhoy College of Commerce, Mumbai, Maharashtra, India

Abstract: *A true artificial intelligence (AI) system is something that "learns" from the data it stores, in order to perform tasks and solve problems that typically require human intelligence - either with the help of a human expert or independently. The area of AI is an interdisciplinary field, which has been designated as a strategic area in the European Union (EU) approach and a key driver of economic development that can bring solutions to many social challenges and problems. Due to its nature and its tendency to be digitally advanced and smarter with analytics, the financial sector is one of the early adopters of AI and expects multiple benefits from its application, that is, the ability to provide better service in the shortest time possible and at a lower cost. AI in the financial sector is based on an understanding of the business needs of financial organizations, institutions and markets and the ability to connect with technological capabilities. They are powerful tools that completely transform this sector. The basic idea of this paper is to consider where the real value of AI in the financial sector is, i.e. what are the practical aspects and business implications of AI in the financial sector globally. It is common knowledge that evolving technologies have always had a strong impact on the sectors in which they are applied because they give them the opportunity to improve existing manufacturing processes, services, customer experiences, operate more efficiently, achieve cost savings, etc. The aim of this paper is to identify areas of application of AI in the financial sector, and to explore leading AI applications that are changing the financial ecosystem, transforming the financial sector and that have the potential to significantly improve many of its functions. The paper further highlights other implications of AI implementation in the financial sector such as employment - job creation and termination of existing AI-influenced employment, the scope and potential of application in developing countries, the problem of regulation and use in the best interests of man, and the importance of properly managing specific AI risks.*

Keywords: artificial intelligence