

ARTIFICIAL INTELLIGENCE IN BANKING SECTOR

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Abstract

Today, the whole world is changing with the changing times, which is why artificial intelligence is developing. Today, artificial intelligence is becoming very useful in the banking sector. By using artificial intelligence, banks are seen providing loans to their customers easily. Artificial intelligence is also being used in the banking sector to solve customer problems and provide solutions to them, as well as provide 24/7 services.

Keywords: Artificial Intelligence, Banking Sector, Customer Problems.

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Introduction

Today's era is known as the modern era, in an era where artificial intelligence has found its place in every field, today AI is revolutionizing the banking sector, changing everything from customer service to risk management. Some of the major uses of AI in banking are to identify if customers are being cheated, provide 24/7 customer service, and accurately manage customer risk. Artificial intelligence (AI) is a branch of technology that enables computer systems to perform tasks similar to human intelligence. In the banking sector, AI is being widely used for customer service, risk management, loan processing, fraud detection, and automation. In India, State Bank of India, HDFC Bank, and some renowned banks globally have also started effective use of AI.

Using artificial intelligence, it has become easy for any bank to review future opportunities. Also, bank customers get immediate response to their complaints and queries. Along with this, personalized banking services have become possible using artificial intelligence. Also, Fraud Detection in bank transactions, real-time analysis of bank transactions. Instant identification of suspicious transactions in the bank. Artificial intelligence is working more effectively to reduce cybercrime.

A) Use of Artificial Intelligence in Banking Sector

1. Loan Processing

In the lending process, AI helps in assessing the creditworthiness of the customers and making lending decisions. AI can be used to automate the loan assessment, document verification, and loan approval process, saving time and labor. AI systems can identify irregular transactions and prevent such transactions, thereby helping banks avoid financial losses. AI helps banks in risk management and helps them identify potential risks and take measures against them. It also makes it easier to analyze the customer's credit score and financial history.

2. Risk Management

The use of artificial intelligence in risk management is increasing in the banking sector. AI systems analyze banking data to identify potential risks, such as loan defaults, fraud, and market risks. AI algorithms assess such risks and suggest measures to banks to mitigate the risks. AI also automates the risk management process, saving time and labor.

3. Automation

In the banking sector, artificial intelligence is used for automation such as automated loan processing, automated transaction processing, automated customer service, automated fraud prevention, automated reporting. All the tasks like bank loan estimation, document verification, loan approval, deposit, withdrawal, bill payment, providing 24/7 service to customers, preventing fraud by identifying irregular transactions and generating reports by analyzing banking data are easily done using artificial intelligence.

4. Customer Service

The banking sector is using artificial intelligence to enhance customer service. AI-powered chatbots provide 24/7 customer service, answer questions and solve problems, AI virtual assistants provide personalized service to customers, AI automated phone systems provide automated customer service, such as informing customers about their accounts and paying bills, and AI email and messaging systems provide automated customer service and analyze customer transactions to provide personalized offers, saving customers time and effort.

5. Fraud Prevention

In the banking sector, fraud in transactions is prevented by using artificial intelligence. AI systems prevent fraud by identifying irregular transactions, saving banks from financial losses. They also analyze all transactions to identify and prevent fraud signals and immediately issue automatic alerts when fraud signals are detected. This helps banks take immediate action. AI helps improve fraud prevention systems by using machine learning algorithms to identify new fraud patterns, which helps banks prevent fraud.

B) Positive results of AI

The use of artificial intelligence in the banking sector has made the service quality of the bank faster and more accurate, which is reflected in customer satisfaction. The use of artificial intelligence has reduced the cost and time spent on any task in the bank and has strengthened the security of bank transactions.

C) Challenges

The use of artificial intelligence in the banking sector is growing at a rapid pace and the following challenges are emerging in this regard.

1. When using artificial intelligence in banking, the models require high-quality data, but such data is not available in the banking sector.
2. In the banking sector, AI systems have to handle sensitive customer data, which poses security and privacy challenges for banks.
3. Integrating artificial intelligence into existing systems in the banking sector can be a challenge.

D) Conclusion

The use of artificial intelligence is being seen in the banking sector on a large scale today. Due to this, the banking sector has become more digital, secure and customer-centric. In the future, the use of artificial intelligence will increase day by day and a completely digital banking system will

develop, but it will also be necessary to focus on information protection in the banking sector as well as ethics and skill development.

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