

ARTIFICIAL INTELLIGENCE REPORT

(PRE SUMMISION-REPORT)

AI IN BANKING

Artificial Intelligence (INT 404)

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|  | Sr. No | Registration No | Name of students | Section | Group |
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ARTIFICIAL INTELLIGENCE IN BANKING

ABSTRACT

Artificial Intelligence is the future of banking as it brings the power of advanced data analytics to combat fraudulent transactions and improve compliance. AI algorithm accomplishes anti-money laundering activities in few seconds, which otherwise take hours and days. AI also enables banks to manage huge volumes of data at record speed to derive valuable insights from it. Features such as AI bots, digital payment advisers and biometric fraud detection mechanisms lead to higher quality of services to a wider customer base. All this translates to increased revenue, reduced costs and boost in profits.

AI (Artificial Intelligence) is transforming the banking industry by improving efficiency, accuracy, and customer experience. Here are some examples of how AI is being used in banking:

1.Fraud Detection: AI algorithms can analyse large amounts of data in real-time to detect fraudulent activities such as unauthorized transactions, identity theft, and money laundering.

2.Customer Service: Chatbots and virtual assistants are being used to provide 24/7 customer support. These bots can understand customer queries and provide personalized responses.

3.Risk Management: AI algorithms can analyse vast amounts of financial data to identify potential risks and provide insights to make informed decisions.

4.Credit Scoring: AI algorithms can analyse a customer's credit history, spending habits, and financial data to generate a credit score. This helps banks to assess the risk associated with lending money to a customer.

5.Investment Management: AI algorithms can analyse financial data and market trends to help customers make informed investment decisions.

6.Personalized Marketing: AI algorithms can analyse customer data to provide personalized product recommendations and targeted marketing campaigns.

7.Chatbots: Undoubtedly, chatbots are one of the best examples of practical applications of artificial intelligence in banking. Once deployed, they can work 24\*7, unlike humans who have fixed working hours. Additionally, they keep on learning about the usage pattern of a particular customer. It helps them understand the requirements of a user in an efficient manner. By [integrating chatbots into banking apps](https://appinventiv.com/blog/chatbots-are-making-banks-smarter/), the banks can ensure that they are available for their customers round the clock. Moreover, by understanding customer behaviour, [chatbots are able to offer personalized customer support](https://appinventiv.com/blog/chatbots-building-customer-engagement/) and recommend suitable financial services and products accordingly.

### ****8.Regulatory compliance:**** Banking is one of the highly regulated sectors of the economy worldwide. Governments use their regulatory authority to ensure that banking customers are not using banks to perpetrate financial crimes and that banks have acceptable risk profiles to avoid large-scale defaults. In most cases, banks maintain an internal compliance team to deal with these problems, but these processes take a lot more time and require huge investment when done manually. The compliance regulations are also subject to frequent change, and banks need to update their processes and workflows following these regulations constantly.

Dataset Used

The dataset used in this project will be the dataset containing information on the credit history, employment status, income, and other financial information of borrowers. It is commonly used to develop AI models for credit risk assessment and loan approval. This project will also contain dataset information on customer demographics, banking behaviour, and other relevant information.

GROUP MEMBERS AND THEIR ROLES:

AJITA YADAV:

* Working on the research part of real world problem example for AI in Banking.
* Working on the coding part of the project.

ASHMIT GUPTA:

* Reviewer: will be responsible for overall development of the project. He will look after all the procedures with making the report.

GANESHWAR SAHOO:

* Designing the Content for project.
* Working with the coding part.

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| RESPONSIBILITY | TIME TAKEN |
| Preparing the Content | 5 days |
| Collecting the resources | 15 days |
| Testing | 5 days |
| Final preparation | 2 day |
| TOTAL | 27 days(4 weeks approx.) |

GANTT CHART

CHART:

