HOW HAS MACHINE LEARNING AND AI CHANGED AND CONTINUE TO CHANGE THE FINANCE INDUSTRY?

A**rtificial intelligence** together with its most talked about subcategory **machine learning** are probably the biggest two factors impacting the entire business world and transforming it. We may not always realize how these technologies are involved in our day-to-day life, but in reality, they're present in a lot of aspects.

In a business context, almost every industry leverages the power of **artificial intelligence** and **machine learning** — from traveling industry to transportation industry to the healthcare industry and many more. In this article, we're going to explore the impacts of these two technologies on the finance industry.

Here're the major ways through which the finance industry is leveraging the power of **artificial intelligence** and **machine learning**.

1- Better risk management

Probably the biggest impact of **artificial intelligence** and **machine learning** on the finance industry can be found when it comes to risk management. While traditional software applications can predict creditworthiness based on the static information obtained from financial reports and loan applications, implementation of **machine learning** technologies can help financial institutions to go much further.

Algorithms identify the signs of probable future issues and analyze a client's history of risk cases to help the authorities make an informed decision. They're also able to identify present market trends together with relevant news items which can affect the ability of a client to pay.

2- Improved data security

Data security has always been at the top of the list of concerns for any financial institution. And if we consider the number of data breaches occurred during recent years, there're reasons to be concerned. Traditional security tools aren't capable of identifying modern sophisticated cyberattacks. To mitigate security risks, financial institutions implement advanced technologies like **machine learning**. Security solutions powered by **machine learning** are come with unique

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abilities to secure the financial data. The combined power of big data capabilities and intelligent pattern analysis gives **machine learning** security technology a robust advantage over traditional tools.

3- Enhanced customer experience

Like all other industries, the financial industry is also focusing on developing the top line by implementing advanced methods to offer custom services and better experience to customers. Many financial institutions have already introduced chatbots powered by **artificial intelligence** abilities that can analyze the voice of a customer and converse accordingly.

With the help of **machine learning** and big data, these chatbots understand how to respond to the questions of customers' — from transaction-specific questions to onboarding concerns. Additionally, technologies backed by **artificial intelligence** and **machine learning** are capable of making product recommendations and handling customer requests.

Parting Thoughts

In the finance industry, the disruption triggered by **artificial intelligence** and **machine learning** is increasing exponentially and toward greater economic impact than ever, both on the customers and the industry. By addressing all the major operational aspects and adding advanced features, these technologies are not only revolutionizing the entire industry but also improving the financial health millions of customers involved in the process. And from a business perspective, these technologies are driving a more fundamental and deeper shift in the finance industry.

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