AI-BASED MONEY LENDING

Nazim, Ying

INTRODUCTION

The news discussed the challenges and risks associated with the use of AI in banking, particularly focusing on the potential for discrimination and bias in AI algorithms

01 CONTEXT

02 TECHNOLOGY

03 IMPLICATIONS FOR PRIVACY

04 FAIRNESS

CONTEXT

KEY ACTORS

- Financial institutions leveraging AI for decision-making

- Oversight entities like Deloitte and tech executives

- Marginalized communities that may be affected by AI bias

CONTEXT

● Financial institutions focus on artificial intelligence efficiency and data-driven decision-making.

● More concerns about the ability of AI algorithms to amplify existing human biases, adversely impacting marginalized communities

TECHONOLOGY

AI and ML algorithms are increasingly employed in banking for credit scoring, risk assessment, and other decision-making processes.

CHATBOTS

AI-powered chatbots incorporated with Natural Language Processing (NLP)

CUSTOMER RELATIONSHIP MANAGEMENT

Provide facial recognition and voice command features to log in to financial apps

PREDICTIVE ANALYTICS

Revenue forecasting, risk monitoring and case management

CREDIT RISK MANAGEMENT

The use of AI in credit risk management become more popular especially in the Fintech and the Digital Banking market

PRIVACY IMPLICATIONS IN AI-BASED LENDING

-AI-based lending relies on extensive personal data.

-Risks of data breaches and unauthorized access.
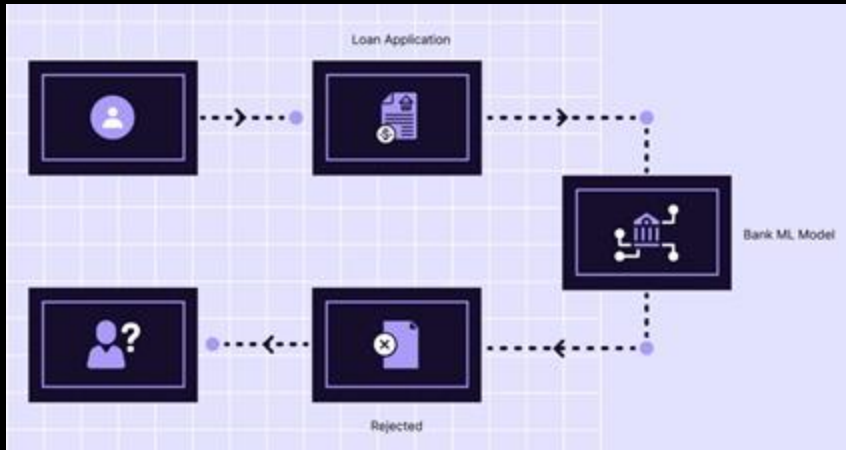
-Lack of transparency in data usage.

COMPANY AND INSTITUTION

ACCURACY

Data handling
Continuous learning
Risk management

EFFICIENCY

Automated cross-referencing
replaces manual document
verification

PRIVACY RISKS AND FAIRNESS CONCERNS

PRIVACY

-Data privacy and consent.
-Data breaches.
-Transparency and regulatory
oversight.

FAIRNESS

-Algorithmic bias.
-Disadvantaged groups.
-Transparency and ethical
decision-making.