

# FINANCE TRANSFORMED BY AI

## AI in Fraud Detection

AI enhances fraud detection by analyzing vast amounts of transaction data in real-time, identifying patterns that indicate fraudulent activities.

## AI in Risk Assessment

- **Credit Scoring Beyond Traditional Metrics**

AI assesses alternative data (e.g., spending habits, utility bill payments, even social media behavior) for credit decisions.



## AI in Algorithmic Trading

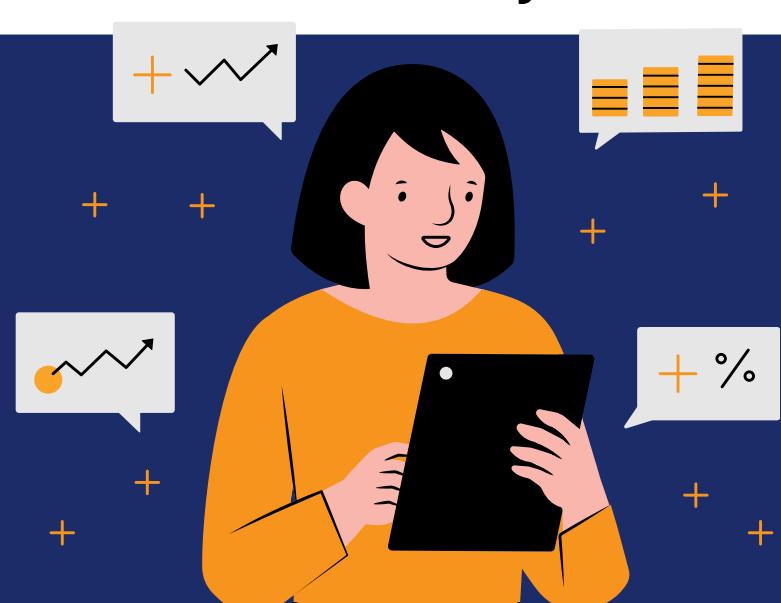
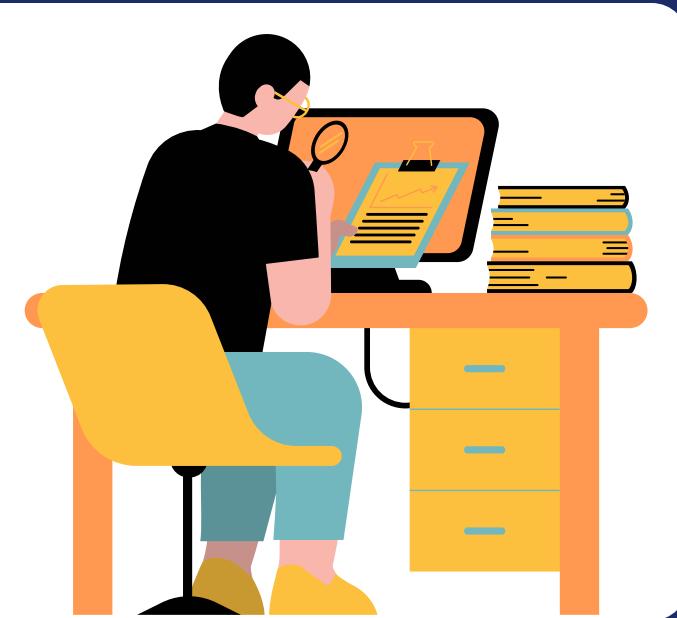
- **Algo-Trading**

AI-driven algorithmic trading involves the use of AI models to execute trades at high speed and optimize investment strategies.



## The Future of AI in Finance

AI is reducing fraud, improving credit assessments, and making trading more efficient in finance. As AI models continue to evolve, they will reshape risk management and investment strategies, creating safer and more profitable financial systems.



## FINANCE AND BANKING TRANSFORMED BY AI

### Bias and Discrimination

AI models are trained on historical data, which may contain biases against certain groups. If the data used to train AI includes historical discrimination (e.g., racial or gender biases in loan approvals), the AI may reinforce and amplify these biases.

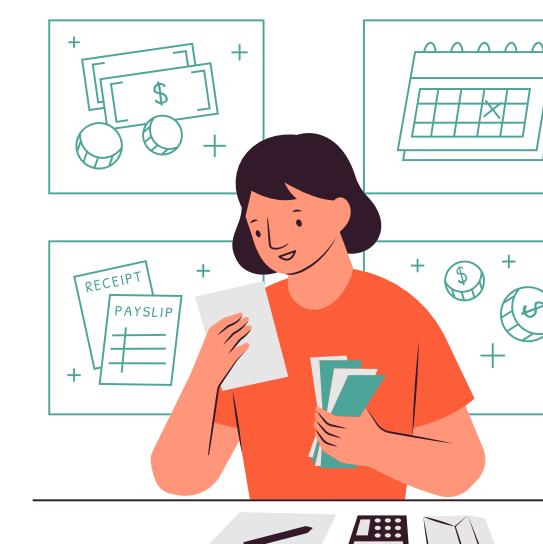
### Job Displacement

AI automates many tasks that were traditionally done by humans, leading to job losses in banking, trading, and risk assessment.



### AI-Powered Fraud

AI models can analyze non-public data and execute trades that give unfair advantages, violating market regulations which can result in: increased financial fraud, loss of investor trust, and need for stronger cybersecurity.



### The Risks of AI in Finance

While AI is transforming finance, it also presents serious risks that need careful regulation and human oversight. Implementing stronger AI regulations and hybrid AI-Human oversight can reduce the risks of using AI in Finance.

