



1

# Artificial Intelligence-The Future of Banking Sector

– Syeda Zehra

Research Scholar, Indira Gandhi National Open University, New Delhi

 <https://orcid.org/0000-0002-6275-8496>  [syedazehraamatulkhadar@gmail.com](mailto:syedazehraamatulkhadar@gmail.com)

Banking business being the backbone of every country is essential for the development of the economy. Banking system ensures security and confidence in the economy as it shapes up the financial system of the country. The more efficient the banking system, the more it adds to the economic development of the country. Moreover, the banking sector is the key player in fostering savings, capital formation, balanced development, and facilitating national and international trade. Banks assist in implementation of the monetary policy of the country.

## Keywords

- Monetary
- Bank
- Banking
- Development
- Artificial Intelligence

## ARTICLE HISTORY

### Paper Nomenclature:

Argument Based Credentials (ABC)

**Paper Code:** CYBNMV2N6JUNE2020ABC1

**Submission Online:** 01-June-2020

**Manuscript Acknowledged:** 04-June-2020

**Originality Check:** 05-June-2020

**Originality Test Ratio:** 13% (Turnitin)

**Peer Reviewers Comment:** 10-June-2020

**Blind Reviewers Remarks:** 12-June-2020

**Author Revert:** 13-June-2020

**Camera-Ready-Copy:** 19-June-2020

**Editorial Board Citation:** 21-June-2020

**Published Online First:** 29-June-2020

## Introduction

In recent times, rapid development and innovations in technology has affected every sphere of life, and the banking sector is no exception. For decades, banks have been at the forefront of technological adoption and usage. And one of the biggest technological advancements of the time is artificial intelligence. It has spread its wings in all the sectors of the economy. And it is no surprise that banks are adopting the same in their operations to provide greater value to their ever growing customer base. Artificial intelligence is the by-product of the revolutionary feat of computer

science; it is all set to become a core component of all modern software in the times to come. Artificial intelligence basically is a set of computational tools that are able to substitute for human intelligence in performance of certain tasks; one of the major aims of artificial intelligence is to automate tasks that require human intelligence. Artificial intelligence mainly has to do with technologies like that of machine learning, pattern recognition, big data, algorithms etc.

Artificial intelligence uses codes and numbers around humans to understand their commands and predictive actions. We come across artificial intelligence in the form of facebook's list of suggested friends for its users, or a pop-up advertisement of a product or service we searched on a website etc while browsing.

According to a Canada based company's report, Global artificial intelligence report 2019. India stood at the 9<sup>th</sup> position in terms of the number of artificial intelligence specialists working in the field. Hence, every sector of the country is striving to create ways in which they can create value in a tech driven world.

So is the banking sector working to infuse in its system. Customers are increasingly becoming technology conscious and are constantly exposed to the sophisticated technology in their day to day life and expect the same technological advanced service from the banks. To meet the demand of tech-savvy customers the banking sector has expanded their horizons and adopted modern day technology to provide seamless experience to their customers. So that the customers

are enabled to access services like mobile banking and e-banking and real time money transfer anytime, anywhere just at their fingertips. But this advancement has come with a woe to the banking sector in terms of cost and security as adapting to the modern high level technology is a costly affair and banks need to maintain their capital adequacy ratio, and the national and international regulations.

Nevertheless, the cognitive technology along with artificial intelligence has brought the benefit of digitalization to the banking sector and helped to be at par with the prevailing technological standards. Banking technology cannot ignore artificial intelligence and the advantages and benefits it brings to the sector in the form of power of sophisticated data analytics, efficiency of services, dealing with fraudulent transactions and improvement in compliance. Security has always been a concern for the banking sector but with artificial intelligence into force, unusual behaviour, logs analysis and suspicious emails can be traced down and security breaches can be prevented. Artificial intelligence would further allow banks to improve the service they offer to their customers by better understanding their behaviour and needs. It enables

banks to tailor their financial products and services according to their customer's needs and preferences and thereby enhancing the customer engagement and building customer relationships. Artificial intelligence would help banks to predict the future scenario by analysing the past. Banks would be able to forecast the future financial environment and this can be a life saver for most of the banks. The most important cognitive process automation feature of artificial intelligence will enable banks to automate a variety of their information intensive, costly and error prone human services, further leading to secure return on investment, cost reduction and improving the accuracy of operation. Employees can reduce their paperwork loads to a certain extent. Example with the help of an artificial intelligence assistant can collect, classify and enter customer information directly from their contacts and forms.

Over the years artificial intelligence has evolved as the go-to-technology the business undertakings all over the globe and banking sector being one of the fastest adopters of this technology. artificial intelligence applications basically include bringing smarter chat-bots for customer services and personalising services and even

placing an artificial intelligence robot for self services of banks. Artificial intelligence has a lot of potential in the banking sector. The state bank of India, the largest bank in India, has conducted a "code for bank" hackathon to motivate developers to build IT solutions leveraging futuristic technologies into the banking sector. Canara bank has gone further and installed Mitra and Candi robots in some of its offices for rendering services to their customers.

To conclude, the banking sector is one of the booming sectors with a large and varied customer base. Banking sector must continuously innovate in order to provide efficient services to their customers and attain their customer satisfaction. Artificial intelligence will help them in a considerable way to improve and enhance their product offering. In this technological driven times where there is no brick and mortar banking system i.e majority of banking business taking place online on digital platforms, artificial intelligence helps banks provide more hyper personalised services to their customers. With the right work force and the right expertise at home, as well as access to data, artificial intelligence will prove to be a blessing in disguise to the whole banking sector.



**Syeda Zehra** has been working in the department of Commerce, St. Ann's college for women, Hyderabad. She has a teaching experience of 5 years. She has completed her Masters in Commerce with distinction from Nizam College, Osmania University and done her Masters in Business Administration from Osmania University. Her areas of specialisation are Accounting and Marketing. She is pursuing her PhD from IGNOU, New Delhi under the supervision of Dr. Subodh Kesharwani. She has 6 published research papers to her credit and presented several research articles in National and International Seminars and Conferences. She has attended diverse Workshops and Faculty development programmes at both National and International Level to enhance her skills. For her "Education is the sole mantra for excellence"

 [syedazehraamatulkhadar@gmail.com](mailto:syedazehraamatulkhadar@gmail.com)

Annexure I

Submission Date	Submission Id	Word Count	Character Count
05-June-2020	1379496952	1012	5658

13%	11%	0%	7%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS
<b>PRIMARY SOURCES</b>			
1	medium.com Internet Source		4%
2	Submitted to Saint Leo University Student Paper		3%
3	www.nishithdesai.com Internet Source		2%
4	www.cigionline.org Internet Source		2%
5	Submitted to Chandigarh University Student Paper		1%
6	www.i-scholar.in Internet Source		1%

Note: The Cybernomics had used the turnitin plagiarism [https://www.turnitin.com/] tool to check the originality.



Reviewers Comment

**Reviewer’s Comment 1:** Information technology has led the world to humongous heights. Its importance has been made clear in this pandemic era.

**Reviewer’s Comment 2:** The author has emphasized on the current scenario efficiently. Today, from primary education to surveys, exams and jobs have all found solace in the online forms.

**Reviewer’s Comment 3:** With the growing IT fever, today we need to realize some boundaries as well. The author has explained it very well in the article. A boon can become bane if not employed carefully.

The article is written very well, basic components, benefits and disadvantages of information technology is explained very well with a proper survey and problem statement. It is very significant in today’s time



Editorial Excerpt

The article has 13% plagiarism which is an acceptable percentage for publication. The comments related to this manuscript are noticeable related to Artificial Intelligence in the banking sector both subject-wise and research-wise. Banking sector is one of the crucial sectors having a large and varied customer base which is of continuous transformation because of technological changes. Artificial Intelligence is helping this sector in improving and enhancing their product offering and providing hyper personalized services to their customers as well. It has been earmarked and finalized under the “**Argument Based Credentials**” category.

Acknowledgement 

Author is highly indebted to Scholastic Seed Inc. a publisher of Cybernomics Magazine & entire editorial team including Resident Associate Editors (Ms. Sonakshi, Ms. Jyoti & Ms. Shailza) who have facilitated at each juncture during and after the publications of articles in a camera ready shape in a particular volume and issue of a magazine and nonetheless also grateful to reviewers for their valuable comments.

Disclaimer 

All views expressed in this article are my own. References for relevant sections can be cited for more understanding. I, as an author have cited my own work along with content from other referenced sources in this particular article. All contents are provided in good faith and make no representation Or warranty of any kind regarding validity and completeness of the content.



**Citation**  
Syeda Zehra  
“Artificial Intelligence-  
The Future of Banking Sector”  
Volume-2, Issue-6, June 2020.  
(www.cybernomics.in)

Frequency: Monthly, Published: 2020  
**Conflict of Interest:** Author of a Paper had no conflict neither financially nor academically.

