

Nothing artificial about AI – it brings value to wealth management

Krzysztof Maurer, Managing Director of Comarch (Thailand), is an arch proponent of AI, which has become the household name for Artificial Intelligence. Maurer believes AI has a world of relevance and applicability to the global wealth management industry.

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[Link to Event Homepage](#)
[Link to Content Summary page](#)
[Link to Photos](#)
[Link to Video Highlights](#)

“ I AIM TO PROVIDE YOU WITH SOME INSIGHTS into what value Artificial Intelligence, or AI, can bring to wealth management,” Maurer said to open his presentation.

“Some might argue that AI will destroy mankind. As Elon Musk reportedly said of his friend Larry Page, a Google co-founder: he could have perfectly good intentions but still ‘produce something evil by accident’ - including, possibly ‘a fleet of artificial intelligence-enhanced robots capable of destroying mankind’. And others believe that it is a revolutionary technology that can be compared to the invention of the printing press or it is a new industrial revolution.”



[KRZYSZTOF MAURER](#)
Comarch

The future arrives... finally

And Maurer said there are some who argue that it is all hype, that AI has been the future of tech for more than half a century but has made little progress and that it has not yet been successfully or universally monetised.

“Leaving aside the contrarian views, we would argue that only now, given the massive advances in computing power and therefore the speed and volume of data analysis possible, can AI achieve the goals people imagined for it. AI not only uncovers patterns that humans cannot possibly decipher from the vastness of the data, but AI can also continuously learn, from everything.”

As data grows, almost exponentially - we will produce as much data this year as in the entire history of mankind - only AI can process it. Accordingly, we can see that it is AI that gives us a chance to understand relations between things and better adjust to them.

And this is possible because of machine learning. Instead of human-designed algorithms to be executed by computers, the computer is designing the algorithms. “It is still artificial, narrow intelligence, not general intelligence,” Maurer elucidated, “because it is bound by data and goals given to it by humans, but machine learning, as I see it, is nowadays meaningfully different from before.”

New horizons enabled by AI

Maurer then focused on the implications of machine learning, especially for the wealth management industry. First, he pointed to new communication potential with the customer and new possibilities in customer support.

Knowledge of the customer, their preferences, their behaviour,

and continually updating that knowledge will also be crucial. And back-office automation can be upgraded and accelerated.

“The deep-learning AI techniques can for example be applied to finding patterns that might help with anti-money laundering detection, or fraud detection, credit risk assessment or general risk assessment, business decision support or product recommendations,” he observed.

How AI can add value

Maurer said wealth firms would like to be able to transfer the type of customer experience of private banking clients to other segments of customers.

These main values are personalisation, knowledge about customers, building trust and understanding the client needs and values. Then, there is the implied confidence that whatever market situation might be relevant to a client portfolio, the client’s interests will be assessed, and rapid action will be taken, if required.

“AI might be able to produce recommendations to clients that meets the needs of savings, spending, and investment habits,” Maurer added. “AI can assess information stored, as well as a vast universe of other information on the internet, as well as seeing patterns in social media interface and therefore being able to tailor ideas to lifestyle and preferences. Moreover, by analysing a client’s current portfolio, AI can prepare recommendations that are adjusted to his financial goals, and his risk profiles.”

And AI never sleeps, never tires, it is continually re-learning and reacting to market changes and numerous other events and new information. “Will chatbots therefore become the new customer

experience and the alternative to personal interaction? We believe this will take place and over the past few years, Comarch has invested heavily in neuro-linguistic programming, with the result being the Comarch Virtual Assistant.”

Comarch: AI in tune with new realities

He explained that this is a type of server which, independent of channel, can understand client requests and provide responses. It supports voice and text communication of the customer and many different channels, starting from smartphone, connected car, Alexa, private bots, or even virtual or augmented reality. The main part of the system consists of voice recognition, and the most important part is deep learning framework, where there are two elements: conversational AI, which is responsible for ‘natural’ communication with the client and gets smarter over time.

And the other part is competent AI, which is responsible for giving requested information to the customer and prepare recommendations. Maurer then noted that while the role of banks has been weakening due to competition from many fronts, the banks do have millions of customer relationships.

“So, they look across to the phenomenon of companies like Google, Apple, Facebook, or Amazon and begin to think in a new, innovative way, understanding that if they do not they risk becoming relegated to a back-office utility. They re-focus on important values that can help them to retain a vital role in the financial services industry.”

Accordingly, Maurer believes they must - and hopefully will - combine these core values and core customer bases with innovation, and the front-runner there is AI. ■