

Press Release

CFS survey on “AI in the financial industry”

German financial sector expects artificial intelligence to shape the financial industry in the coming years

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Background:

The impacts of artificial intelligence (AI) on various areas of the economy and society have been discussed for some time. Now the release of text-based bots ChatGPT and Bard has brought the conversation about the opportunities and risks of AI to a new level. The CFS took this as an opportunity to conduct a survey on the prospects of AI in the financial industry.

Approximately 31% of the respondents state that their company is already using AI; nearly another 40% report that pilot projects for the use of AI are already underway. “AI has already arrived in the financial world,” comments Professor Volker Brühl, Managing Director of the Center for Financial Studies. Around 59% and 21% of the panel participants believe that AI will change the financial industry significantly or very significantly in the next 5 years. “AI will play a major role in shaping the financial industry over the next few years. The regulatory authorities must also prepare for this,” says Brühl.

Legislation to regulate AI in the EU has already been drafted (the “AI Act”). It divides AI applications into different risk classes. Around 83% of the survey respondents consider regulation of AI applications to be fundamentally necessary.

However, there is no consensus on whether AI will cost jobs or rather lead to new job creation. Around 53% tend to believe that AI will eliminate jobs. Roughly 44% take an opposing view. “A gratifyingly high number of companies are already using AI. This shows once again that the financial sector is one of the early adopters of new technology. This is now becoming more important than ever, because with AGI (Artificial General Intelligence) a chapter has now been opened that will cover the industry in its entire breadth and in a depth that was recently unimaginable. Blessed is he who has laid the foundations,” says Hubertus Väth, Managing Director of Frankfurt Main Finance.

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The results are based on a quarterly management survey in the German financial sector.

The Center for Financial Studies (CFS) conducts independent and internationally-oriented research in important areas of Financial and Monetary Economics, ranging from Monetary Policy and Financial Stability, Household Finance and Retail Banking to Corporate Finance and Financial Markets. The CFS is also a contributor to policy debates and policy analyses, building upon relevant findings in its research areas. In providing a platform for research and policy advice, the CFS relies on its international network among academics, the financial industry and central banks in Europe and beyond.

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In case of further questions, please contact:

Professor Dr. Volker Brühl
069/798 30050
volker.bruehl@hof.uni-frankfurt.de