ISSN: 2393-8048
International Conference of Education New Policy Relative to Computer
Venue: Sri Vinayak Mahavidhalya, Sri Vijaynagar, Rajasthan
23 May 2019

AI-Powered Risk Management: Safeguarding Corporate Finance

Faisal Khan, Research Scholar, Department of Electronics & Communication Engineering, Glocal School of Technology, Glocal University Saharanpur, (U.P.)

Abstract

Artificial Intelligence (AI) has emerged as a transformative technology in corporate finance, offering advanced capabilities for identifying, predicting, and mitigating financial risks. Traditional risk management methods often rely on historical information, manual processes, and predefined models, which may not adequately address rapidly evolving financial threats. AI-powered risk management uses machine learning, predictive analytics, natural language processing, and automated monitoring to analyse large volumes of structured and unstructured financial data in real time. These technologies can support organizations in detecting fraud, assessing credit and market risks, forecasting cash flows, monitoring liquidity, and identifying unusual financial activities. AI-driven predictive models can also help financial managers conduct scenario analysis and stress testing, enabling organizations to prepare for potential adverse events and strengthen financial resilience. Despite these advantages, the adoption of AI presents several challenges, including data privacy, cybersecurity, algorithmic bias, model interpretability, regulatory compliance, and the risk of excessive dependence on automated systems. Effective AI implementation therefore requires high-quality data, robust governance frameworks, continuous model validation, and appropriate human oversight. Organizations must also establish clear ethical and regulatory standards to ensure that AI-based financial decisions remain transparent, reliable, and accountable. Overall, AI-powered risk management can enhance the efficiency, accuracy, and responsiveness of corporate financial risk practices. When integrated with sound governance and human expertise, AI can serve as an important tool for safeguarding corporate finance against emerging risks and supporting sustainable organizational decision-making.

Keywords: Artificial Intelligence, Risk Management, Corporate Finance, Machine Learning, Predictive Analytics, Financial Risk, Fraud Detection, Cybersecurity, Financial Resilience