

The Promotion of AI Technology to Financial Development in China

Authors : Li Yong

Abstract : Using the data of 135 financial institutions in China from 2018 to 2022, this paper deeply analyzes the underlying theoretical mechanism of artificial intelligence (AI) technology promoting financial development and examines the impact of AI technology on the digital transformation performance of financial enterprises. It is found that the level of AI technology has a significant positive impact on the development of finance. Compared with the impact on the expansion of financial scale, AI technology plays a greater role in improving the performance of financial institutions, reflecting the trend characteristics of the current AI technology to promote the evolution of financial structure. By investigating the intermediary transmission effects, we found that AI technology plays a positive role in promoting the performance of financial institutions by reducing operating costs and improving customer satisfaction, but its function in innovating financial products and mitigating financial risks is relatively limited. In addition, the promotion of AI technology in financial development has significant heterogeneity in terms of the type, scale, and attributes of financial institutions.

Keywords : artificial intelligence technology, financial development, China, heterogeneity

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