

Artificial Intelligence and Financial Services — overview and summary

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The last chapter of this book addresses a technology whose effects on finance are still unfolding. Artificial intelligence has been used in banks and insurers for decades in the form of statistical models, scoring systems and rule-based alerts. What changed after 2022 was the public arrival of large language models, which can read, summarise, translate and draft text at a level that earlier systems never reached. Within three years, almost every financial institution in Switzerland had begun to test such models, while supervisors, central banks and legislators had begun to write rules for them.¹ For Basel, the subject has a double significance. The city hosts institutions that use artificial intelligence as clients and employers, such as its banks, insurers and pharmaceutical groups, while the Bank for International Settlements and the committees housed there study the technology on behalf of the world's central banks and supervisors.

The chapter follows the method of Part K. It first describes the present use of artificial intelligence in Basel's banks, insurers and life sciences groups, together with the work of the BIS and the regulatory framework that FINMA, the Federal Council and the European Union have built since 2024. It then turns to data protection and professional secrecy, to language technology, to legal advice and to the risks that the technology creates for clients, institutions and financial stability. The final sections identify the drivers and uncertainties of the coming decade and develop four scenarios for 2035. As in the preceding chapters, these scenarios are the author's analytical constructs. They describe plausible paths that can help institutions and advisers test their strategies. None of them should be read as a forecast.²

1 Notes

1. On the spread of generative AI in the financial sector after the public release of large language models in late 2022, see FINMA, Risk Monitor 2023 and Risk Monitor 2024; Financial Stability Board, The Financial Stability Implications of Artificial Intelligence, 14 November 2024. Status to be verified. ↩
2. On the scenario method used in this Part, see Pierre Wack, "Scenarios: Uncharted Waters Ahead", Harvard Business Review 63 (1985), no. 5, pp. 73–89; Peter Schwartz, The Art of the Long View, New York 1991. To be verified. ↩

2 Conclusion of the chapter

Artificial intelligence has become part of the daily work of Basel's banks, insurers and pharmaceutical groups, from transaction monitoring and claims processing to drug discovery and translation. FINMA has applied its existing principles to the technology, the Federal Council has chosen a sectoral approach based on the Council of Europe convention, and the European Union's AI Act reaches Basel's firms through its extraterritorial scope. The BIS and the committees in Basel analyse the technology for central banks and supervisors worldwide, while data protection law and professional secrecy set limits to the use of client data.

The four scenarios outlined in this chapter show how differently the coming decade could unfold. An augmented centre would strengthen Basel's role, automated compliance would transform its back offices, concentration would test its sovereignty and a trust shock would reward its tradition of caution. In each case, the qualities that have served Basel in earlier transformations, its institutions, its discretion and its capacity to combine science with finance, will remain the decisive assets.

3 Conclusion of Part K

Part K has examined five fields in which the Basel of 2035 will be shaped. Chapter I considered digital money, the projects of the BIS Innovation Hub from Helvetia to Agorá, the tokenisation of financial instruments and the regulation of crypto-assets and digital assets, showing how Basel serves as laboratory and forum for the future of payments. Chapter II turned to the pharmaceutical industry, its exposure to geopolitics and trade policy, the pressure on prices and the question of foreign ownership raised by the Syngenta case. Chapter III asked how the Swiss banking model can adapt

after the end of banking secrecy for foreign clients and the collapse of Credit Suisse, with attention to sustainable finance and access to the European market.

Chapter IV examined Switzerland's relations with the European Union, the package of agreements negotiated after 2024 and its significance for a border city whose economy and labour market extend into Germany and France. The present chapter has considered artificial intelligence in financial services, from the use of models in banks and insurers to the regulatory frameworks and risks of the technology. Taken together, these chapters show that Basel's future will depend on developments that it cannot control alone. The city's institutions and its long experience of openness, caution and cooperation give it the means to respond to them.

4 In five sentences

1.Digital money places Basel at the centre of global experiments, since the BIS Innovation Hub tests tokenisation and central bank money in projects from Helvetia to Agorá while regulators frame crypto-assets and digital assets for banks and clients.

2.The pharmaceutical groups that anchor Basel's economy face pressure on prices, tariffs and supply chains, so that geopolitics and trade policy, together with questions of foreign ownership raised by Syngenta, will decide much of their presence in the city.

3.The Swiss banking model must prove itself after the end of banking secrecy for foreign clients and the fall of Credit Suisse through quality of advice, stability, sustainable finance and secure access to the markets of the European Union.

4.Switzerland's relations with the European Union, shaped by the package of agreements negotiated after 2024 and the domestic process for approving it, matter especially for Basel, whose labour market, research and trade extend across two national borders.

5. Artificial intelligence is changing compliance, advice and research in Basel's banks, insurers and pharmaceutical groups, while FINMA, the Federal Council, the European Union and the BIS shape the rules that will determine whether the technology strengthens or tests the financial centre.

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

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