University of St.Gallen
Institute of Management and Strategy

Swiss Private Banks in the Age of AI

Deep Dive as Part of KPMG's Private Banking Study 2026

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Executive summary

Swiss private banking is entering the age of artificial intelligence from a position of both strength and structural conservatism. The sector's traditional model has been built around trust, discretion, and relationship-driven advice – strengths that remain central to its value proposition, yet that also make the adoption of AI a more delicate strategic challenge than in many other financial services businesses. Drawing on a Spring 2026 survey of Swiss private banks, an AI Advancement Index covering 73 institutions, and an analysis of roughly 4,700 job postings across six major banks, this deep dive points to a sector that is moving in earnest but unevenly. Three findings stand out: AI deployment is already widespread but shallow; its value is concentrated in cost efficiency rather than revenue; and the gains are beginning to separate a leading cohort from the rest.

First, AI adoption is widespread, but only a few Swiss private banks have so far developed leading-edge capabilities. AI has moved beyond experimentation for most of the sector. Among surveyed banks, 79.5% have deployed AI in at least one operational setting, and nearly 59% report deployment across multiple areas. Yet, 76.5% of respondents remain at a developing or ad hoc stage, and only a small minority have built the formal programs, dedicated budgets, and operating models required for scale and continuous improvement of AI deployments. Our AI Advancement Index places just four of 73 banks in the Leading category, with advanced capability concentrated among a small group of frontrunners with explicit AI strategies and dedicated governance.

Second, the value creation through AI is expected to come mainly from productivity gains. AI deployment in Swiss private banks is mostly concentrated on everyday productivity use cases, led by employee productivity and document automation, while more sensitive applications in investment, portfolio management, and client advisory remain comparatively marginal. The financial figures tell the same story. In our survey, 38% of banks reported AI-driven cost savings, and that share is expected to continue growing. In contrast, 94% report no AI-attributable revenue effects in 2025. Thus, banks seem to be deploying AI mainly to improve productivity rather than to generate new revenue sources.

Third, digital maturity and scale are beginning to separate the leading institutions from the rest. Banks with stronger AI scores are generally larger and tend to also be more advanced in digitalization, suggesting that digital infrastructure, data availability, cybersecurity, automation, and technology governance provide an enabling layer for AI. Yet the relationship is not automatic. Some mid-sized banks are only moderately advanced in AI, while some of the small subsidiaries of larger international banks exhibit high levels of AI activity due to their parent organizations' capabilities.

In summary, AI seems to diffuse faster than the organizational capability required to turn it into true competitive advantage. Lasting advantage will accrue to banks that combine governance, data, talent, and disciplined use-case selection with the trust-based advisory model at the heart of private banking. AI will therefore benefit the institutions that either build it as a real competence or use it selectively to reinforce a focused client proposition. **Hence, while cost efficiency seems to be the current shared baseline, the longer-term competitive advantage will belong to the banks that build the governance, talent, and data foundations to move AI from the back office into client-facing value before the leaders pull away.**

Introduction

The landscape of Swiss private banking in 2026 is defined by technological acceleration, persistent pressure on operating efficiency, and the continuing need to preserve the trust-based client relationships on which the sector has historically depended. Over the last decade, Swiss private banks have navigated a more transparent, more regulated, and more competitive environment. The arrival of generative AI and related enterprise technologies adds a further strategic challenge: banks must modernize their operating models without weakening the human judgment, discretion, and fiduciary orientation that remain central to their legitimacy.



AI is not simply another digital tool. When used well, it can increase the productivity of relationship managers and support staff, improve the quality and speed of document-intensive processes, strengthen compliance and monitoring, and enable new forms of analytical support in investment and advisory work. Used in an ad hoc manner, it can create data leakage, reputational exposure, and a proliferation of disconnected tools that increase complexity without delivering meaningful performance improvements. For Swiss private banks, this duality is particularly important: the sector has traditionally been slow to invest in new technologies, especially where the "high-end, high-touch" approach, client confidentiality, and reputational considerations are involved, while the competitive environment simultaneously pushes banks to improve efficiency and meet client expectations for digital access and faster service.

This deep dive examines how Swiss private banks are responding to this challenge. It asks four main questions:
(1) How advanced are Swiss private banks in AI adoption and maturity?
(2) Where are AI use cases currently concentrated?
(3) What measurable value is AI creating?
(4) How do digital maturity, scale, and financial performance shape the emerging AI landscape?

Our analysis combines survey evidence collected in Spring 2026, an AI Advancement Index covering 73 institutions, public information on digital and AI initiatives, and job-posting data from 2022–2026.

Swiss private banks have moved past the question of whether to adopt AI. The harder question is whether they can turn fragmented tool adoption into a well-governed, scalable, and strategically meaningful capability.



AI Maturity of Swiss Private Banks

The Swiss private banking industry is characterized by a conservative operating model built around trust, discretion, and relationship-driven advisory services. While digitalization initiatives have been underway for more than a decade, the period since 2022 has marked a noticeable increase in AI-related initiatives and capabilities. Nevertheless, the pace and depth of adoption vary considerably across the sector. The evidence points to a sector in transition, with a small group of private banks actively embedding AI into operations and strategic decision-making, while most banks continue to approach AI cautiously, often prioritizing risk management, governance, and incremental efficiency improvements over more fundamental value creation.

Based on the AI Advancement Index, the 73 Swiss private banks in our sample range from Traditional (10 banks) and Aware (27 banks) to Modernizing (20 banks), Advanced (12 banks), and Leading institutions (4 banks), as shown in Figure 1. The distribution suggests that Swiss private banking remains in the early stages of AI maturity overall, although a growing cohort of institutions is progressing towards more structured implementation. **Advanced AI capabilities remain concentrated among a relatively small group of frontrunners that have established explicit AI strategies, formal governance structures, transformation programs, and targeted technology investments.**

The AI Advancement Index was constructed using evidence from three complementary sources: annual report disclosures, public information collected through LLM-assisted web analysis, and survey responses where available. Based on this assessment, the 73 Swiss private banks in our sample were grouped into five maturity categories: Traditional, Aware, Modernizing, Advanced, and Leading.

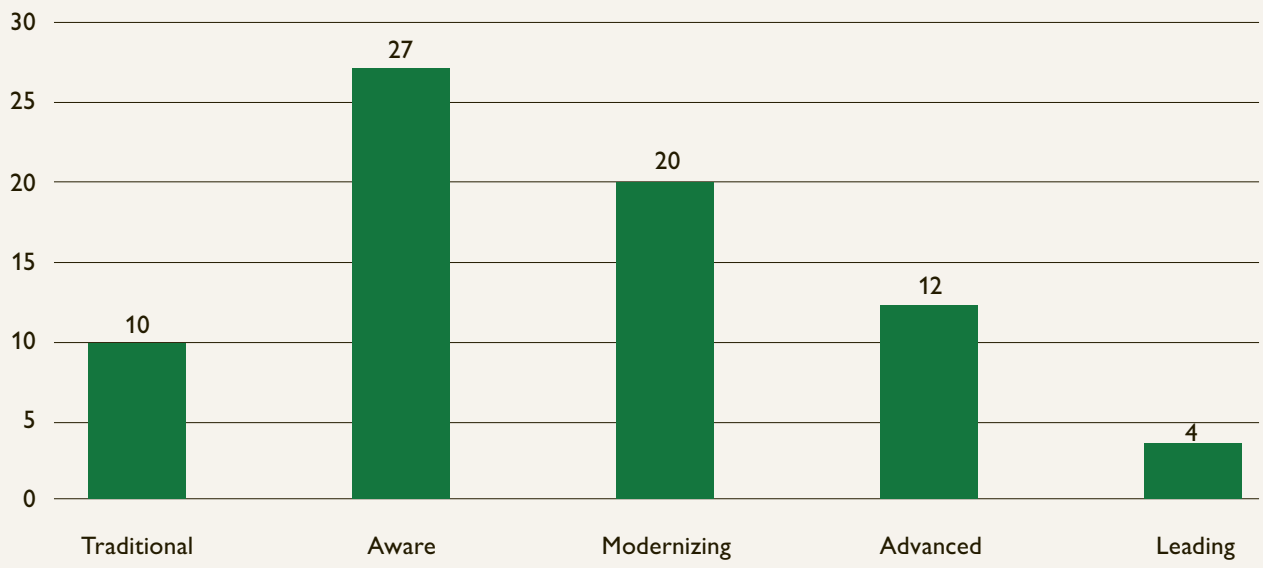


Figure 1. AI Advancement Index categories among Swiss private banks (N=73)

This observation is supported by job-posting data. An analysis of approximately 4,700 positions across six major Swiss private banks reveals a noticeable shift since 2022 from generic digital and IT roles towards specialized AI-related positions spanning strategy, governance, architecture, and engineering. The growing importance of these roles reflects a growing recognition of AI as a distinct strategic capability that requires dedicated talent, governance, and organizational structures. Yet most AI deployments across banks still concentrate on internal operations – process automation, productivity enhancement, risk management, compliance, and cybersecurity – rather than client-facing advisory activities. This indicates that AI is currently being deployed primarily as a tool for operational excellence and productivity, while more transformative client-facing applications remain limited and comparatively less mature.

Digital Transformation as an Enabling Layer

The uneven pattern of AI maturity raises the question of what enables some banks to move ahead more quickly than others. Prior investment in digitalization provides at least a partial answer. The scatter plot in Figure 2 shows a positive correlation. This indicates that AI advancement is enabled by a certain level of digital maturity. The relationship is, however, not deterministic. Several banks with relatively high Digitalization Index values also have only low or moderate AI scores. This suggests that being digitally advanced does not necessarily mean being advanced in AI. Some institutions may have invested in digital platforms or operational modernization without yet making AI a strategic priority. Others may also be cautious because of regulatory considerations, reputational risks, data limitations, or a lack of internal expertise.

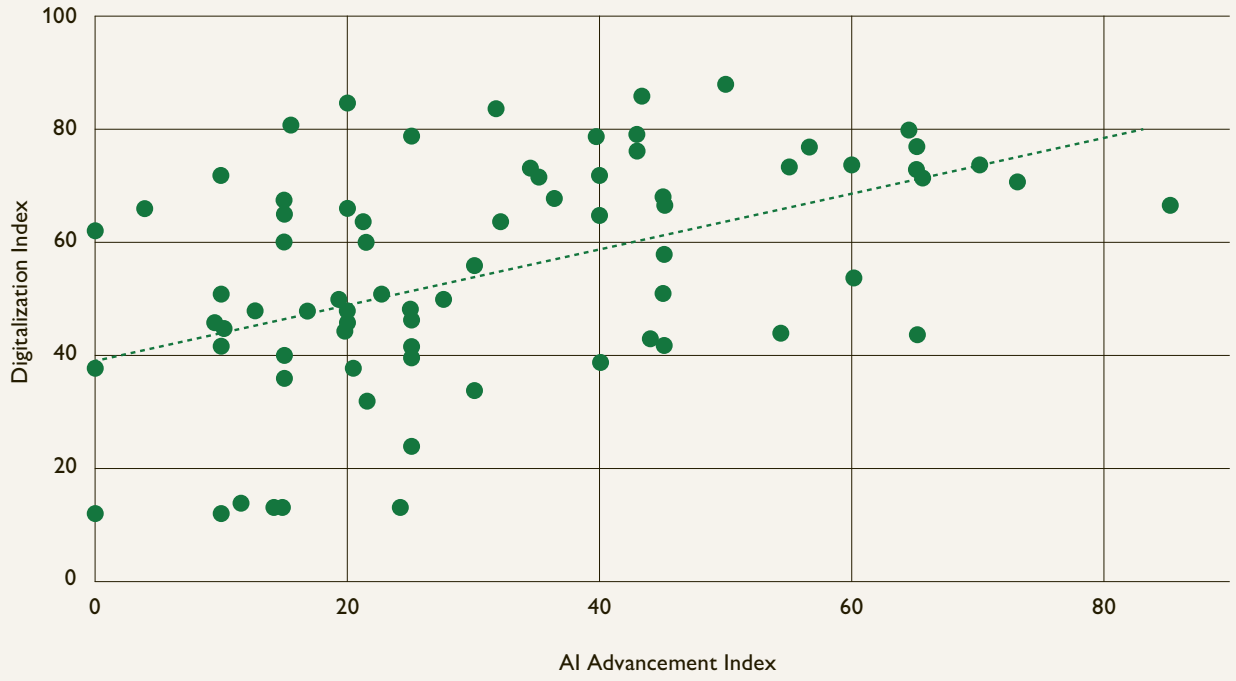


Figure 2. Relationship between the AI Advancement Index and Digitalization Index among Swiss private banks (N=73)

Digitalization should therefore be interpreted as an enabling condition rather than a direct measure of AI maturity. It provides a foundation for AI adoption, but further progress depends on whether banks actively convert these capabilities into AI strategies, governance structures, dedicated teams, and concrete use cases.

AI Adoption in Practice: Survey Evidence

The survey underlying this section was conducted among Swiss private banks in Spring 2026 and focused on four topic areas: current AI adoption, realized financial impact, forward-looking expectations, and AI strategy and governance.

AI Deployment: From Proof-of-Concept to Scaled Adoption

The survey results suggest that AI adoption among Swiss private banks is already moving beyond the early evaluation stage. Among the 34 banks responding to this question, seven banks reported that they are still evaluating AI or remain in the proof-of-concept phase. Another seven banks have already deployed AI in one pilot or production area. The largest group, however, comprises 20 banks that have deployed AI across multiple areas. This means that 27 out of 34 respondents (79.5%) are already using AI in at least one operational setting. More importantly, nearly 59% of respondents reported deployment across multiple areas. **Hence, AI is no longer only a marginal or experimental topic – for many Swiss private banks, it has already entered practical implementation and is beginning to scale across several business functions.**

Functional Areas: Productivity Use Cases Dominate Early Deployment

As shown in Figure 3, the deployment of AI solutions across Swiss private banks is currently concentrated in a few broad functional areas, with a clear emphasis on internal productivity and document-related use cases. The largest cluster is employee productivity and document automation, with 43 mentions. This includes drafting, summarizing, preparing documents, supporting communication, and other knowledge-work activities. This confirms that AI is most widely used where implementation is relatively accessible and where immediate efficiency gains can be achieved. The second-largest cluster is compliance, KYC, AML, and monitoring, with 24 mentions. This shows that AI is also being applied to important control and regulatory functions, including due diligence, compliance reporting, fraud detection, transaction monitoring, and alert triage. The strong presence of this cluster reflects the importance of operational discipline and risk control in private banking.

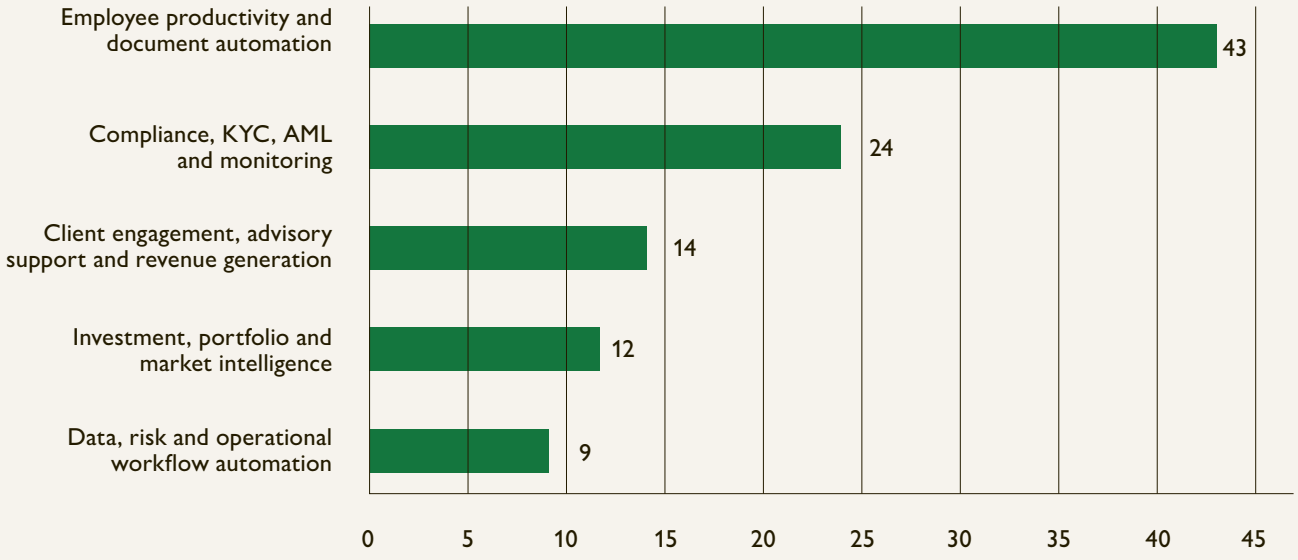


Figure 3. Functional areas of AI deployment across Swiss private banks (number of mentions; multiple responses possible)

Client-facing and revenue-related applications remain less widespread. Client engagement, advisory support, and revenue generation account for 14 mentions, including client insight generation, meeting preparation, personalized recommendations, chatbots, virtual assistants, and cross-selling or up-selling opportunities. These use cases indicate that AI is beginning to support the advisory and commercial side of private banking, but this area remains less developed than internal productivity and compliance-related applications. The investment, portfolio, and market-intelligence cluster and the data, risk, and operational-workflow-automation cluster are smaller, with 12 and 9 mentions, respectively. These include use cases such as investment idea generation, market forecasting, portfolio management, rebalancing, data entry, validation, risk assessment, and workflow automation. Their lower frequency suggests that more complex or decision-sensitive AI applications remain at an earlier stage of adoption.

Overall, these results show that AI adoption in Swiss private banking is still primarily focused on productivity enhancement, document automation, compliance, and operational support. More advanced applications in client advisory, investment decision-making, portfolio management, and revenue generation are present, but less widespread. Private banks appear to be adopting AI first in areas where benefits are visible, implementation is manageable, and governance risks are contained, while deeper integration into advisory and investment processes is done more gradually.

AI Maturity: Most Banks Remain in the Development Phase

Consistent with our analysis of the broader Swiss private bank population, the survey also shows that the level of AI maturity in Swiss private banks remains relatively low. The largest group, comprising 15 banks, categorizes itself as "Developing", according to which an AI strategy exists and initial pilots are running, but not yet at full operational scale. This suggests that many of our surveyed banks have moved beyond the evaluation stage but are still in the process of building structured capabilities. A further 11 banks remain at an ad hoc stage, where individual AI tools have been adopted without a formal strategy. Jointly, the developing and ad hoc categories account for 26 out of 34 respondents, or 76.5% of the sample. Only 6 banks report having reached a defined maturity level, with a formal AI program, dedicated budget, and team in place. Even fewer, just 2 banks, describe themselves as optimizing, with multiple production use cases and continuous improvement already established.

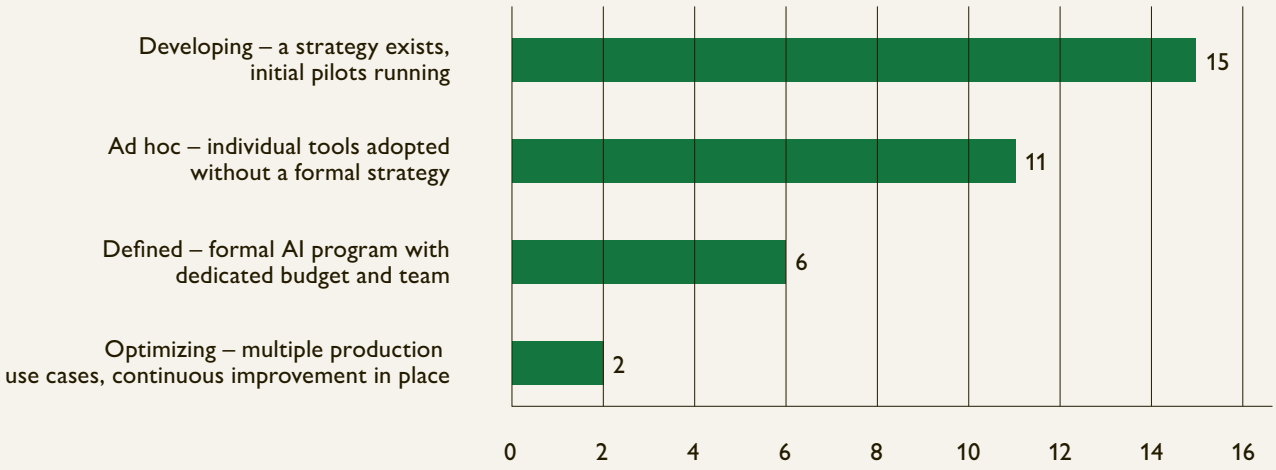


Figure 4. Self-reported AI maturity among survey respondents (N=34)

AI Sourcing: Reliance on External Vendor Solutions

Swiss private banks rely mostly on external providers for their AI capabilities. The dominant sourcing model is off-the-shelf vendor solutions, such as ChatGPT, Microsoft Copilot, or Bloomberg AI. This suggests that most institutions are prioritizing speed, ease of implementation, and access to established tools rather than building proprietary AI systems from scratch. There are, however, also banks that use customized vendor solutions, where external models are fine-tuned / configured for the bank's specific needs.

As familiarity with AI grows, more advanced banks are moving beyond standardized tools and are beginning to adapt AI solutions more closely to their own operating models, data environments, and business requirements. However, fully internal AI development remains limited. Only four banks report using in-house developed models built by internal data science or machine learning teams. A further four banks rely on outsourced third-party managed services, while direct integration of cloud AI APIs is the least common model, cited by only three banks. This shows that deep internal AI capability-building remains concentrated among a relatively small group of institutions.

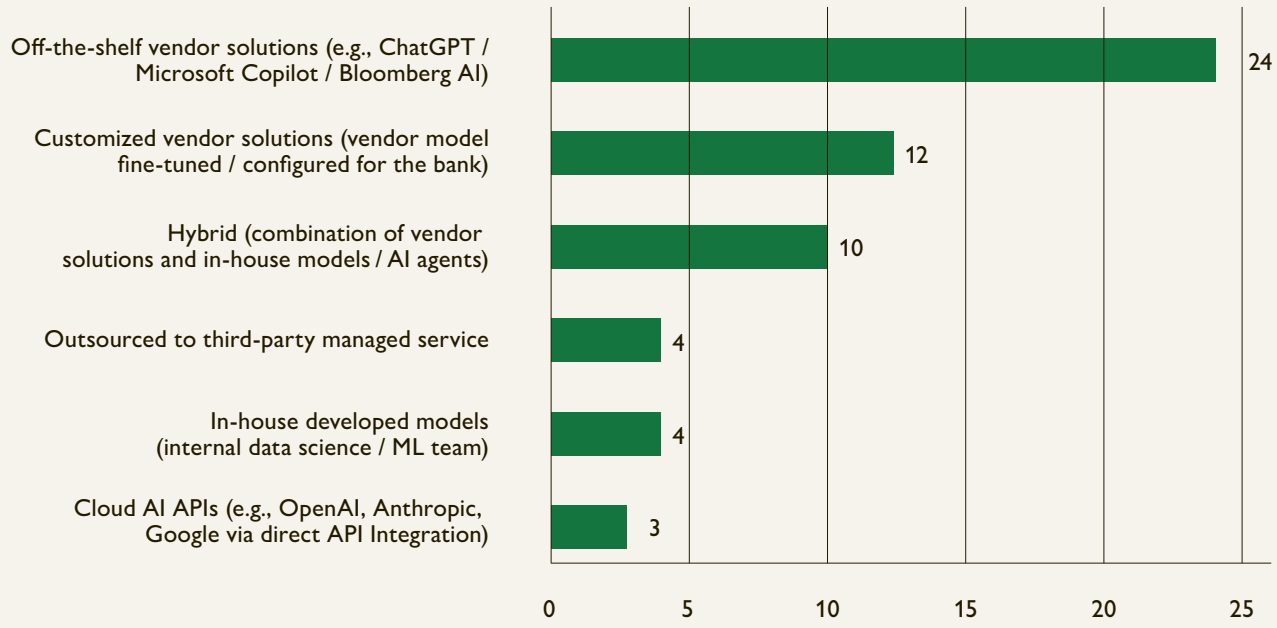


Figure 5. AI sourcing models used by Swiss private banks (multiple responses possible)

The results of our survey indicate that Swiss private banks are taking a pragmatic and risk-conscious approach to AI sourcing. Rather than investing immediately in extensive proprietary AI infrastructure, most banks are leveraging existing vendor ecosystems and only selectively customizing AI solutions. This is consistent with the sector's current AI maturity level. The adoption is advancing, but the internal technical capabilities required for more complex and differentiated AI deployment are still less widespread.

The Financial Impact of AI

Cost Efficiency: Traction Is Real, but Nascent

Despite the early stages of AI adoption, AI-driven cost reductions are already beginning to show in the private banking sector, although the distribution of realized gains remains heavily skewed. In 2025, 62% of our surveyed private banks reported no measurable cost savings attributable to AI. While still a majority, this figure masks a directionally important shift underway. The remaining 38% report concrete operational impact, with cost savings estimated at 1–2% of total operating costs. Future expectations are even more positive. By 2026, the share of banks reporting no cost impact is expected to fall to 29%, while the proportion of banks expecting to achieve cost savings of 2% or more is expected to rise from 15% to 45%.

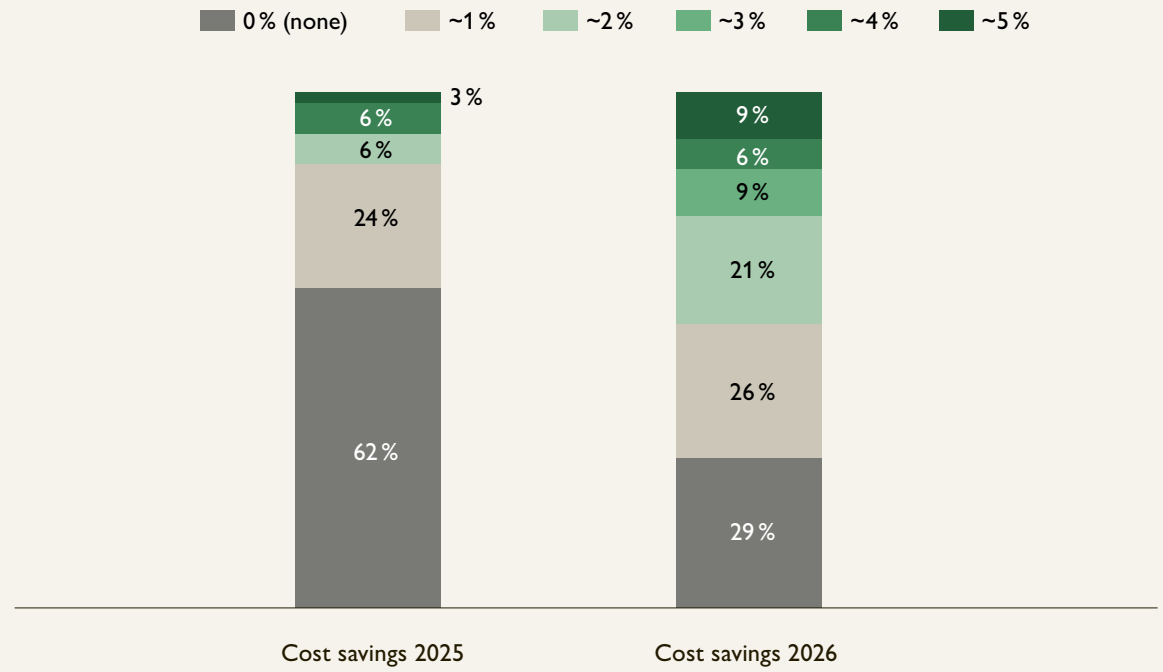


Figure 6. Reported AI-driven cost savings in 2025 and expected savings in 2026 (share of respondents)

Revenue Generation: The Harder Problem

The revenue picture tells a different story. In 2025, AI's contribution to revenue growth is, according to our survey respondents, practically non-existent: 94% of private banks report zero revenue impact, with only 6% attributing any incremental revenue to AI, and even then, only at the level of ~1%. This near-universal absence of AI-driven revenue lift is not surprising given the relationship-intensive, advice-driven nature of private banking, where client trust and human judgment remain primary drivers of competitive advantage. It does, however, show that current AI deployments are overwhelmingly oriented toward internal process optimization rather than client-facing value creation.

The expected trajectory for 2026 is somewhat more optimistic. The share of banks projecting zero revenue contribution from AI falls to 44%, while 56% now anticipate some measurable lift. Unlike cost efficiency, where convergence toward common productivity gains seems to be emerging, revenue generation via AI remains highly firm-specific and contingent on client model, product mix, and digital maturity.

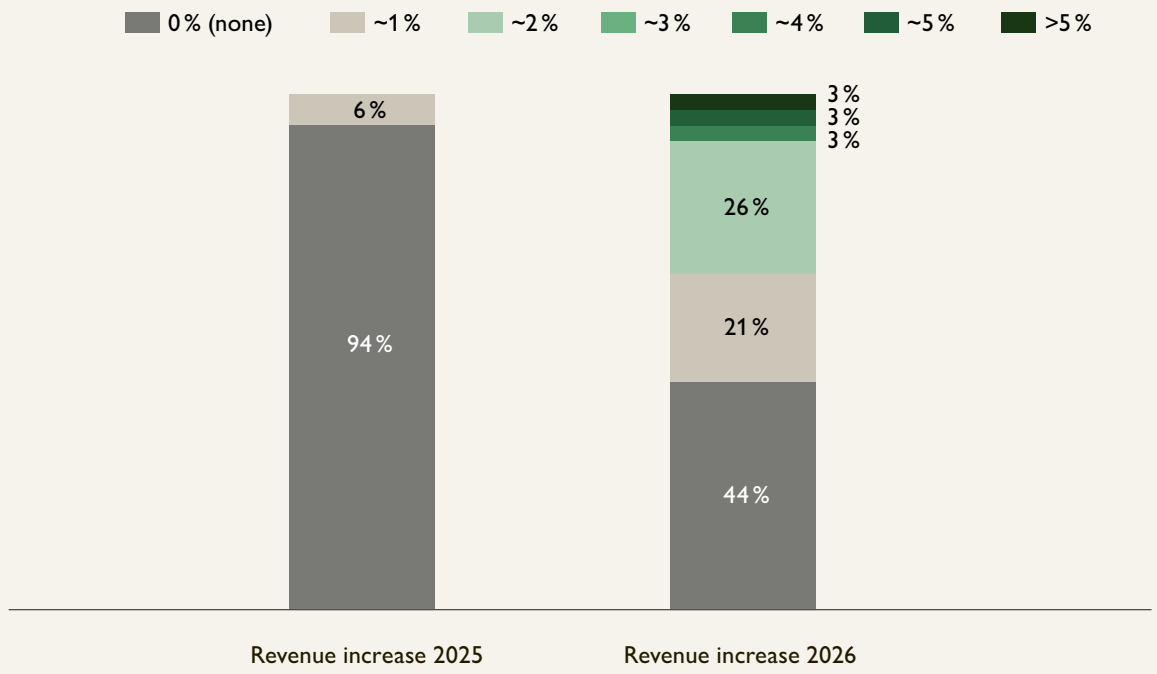


Figure 7. Reported AI-driven revenue increase in 2025 and expected increase in 2026 (share of respondents)

The Three-Year Horizon: Expectations on Longer-Term Cost and Revenue Impact

Extending the time horizon to three years (2026-2028) shows the scale of ambition in the Swiss private banking sector. On the cost side, 85% of the respondents anticipate a measurable impact. The largest single group, 32%, expects cumulative cost savings in the 3–5% range, while 26% project 6–10%, 9% anticipate 11–15%, and a further 3% expect cumulative cost savings even exceeding 15%. Taken together, 70% of respondents expect cumulative cost savings of 3% or more – a level that, if realized, would represent a significant improvement in cost efficiency in an industry where cost-income ratios frequently exceed 70–80%.

The three-year revenue outlook is even more ambitious but is associated with higher uncertainty. The share of respondents who said that revenue impact is "too uncertain" to predict is 21%, the highest across all four survey dimensions, and a further 21% expect zero cumulative revenue impact. At the same time, however, optimists' expectations are high: 18% expect cumulative revenue growth of 1–2%, 15% of 3–5%, 18% of 6–10%, and even 9% of more than 15%. The resulting distribution is bimodal, with a large, uncertain or skeptical base on one end and a genuinely optimistic cohort on the other.

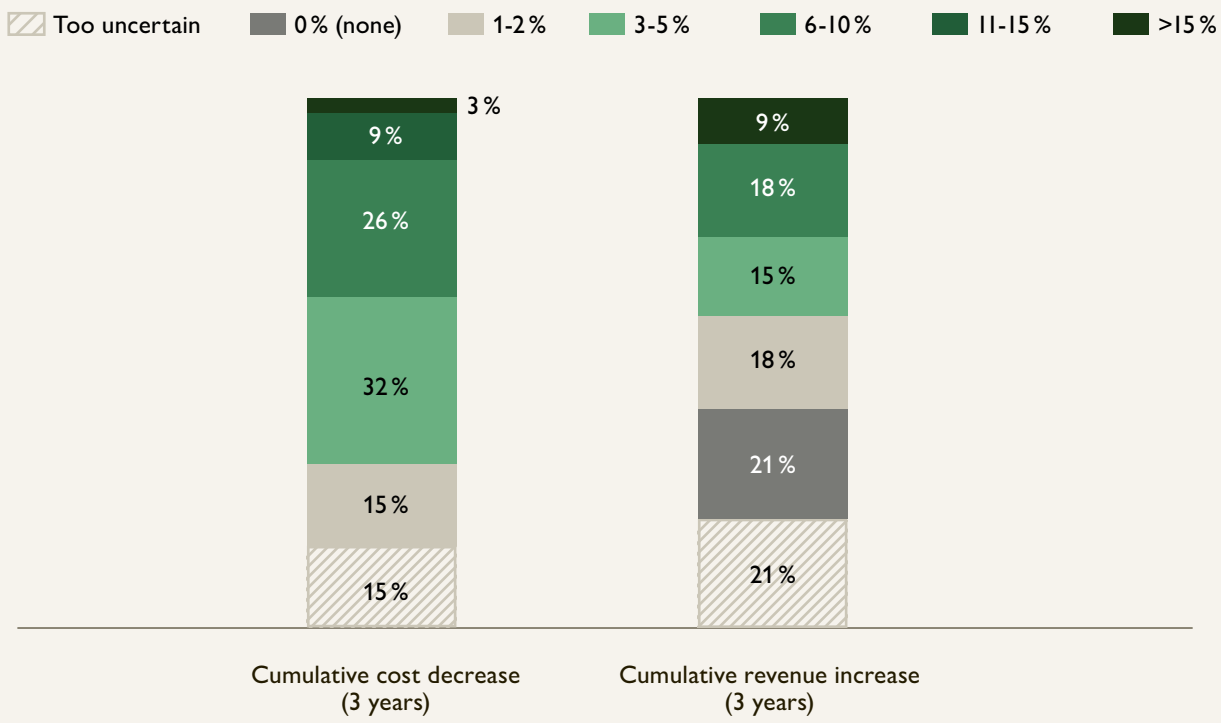


Figure 8. Expected cumulative AI impact on costs and revenues over a three-year horizon (share of respondents)

AI Investment: From Experimentation to Commitment

Investment plans show that the sector is preparing for a step-up in commitment, although not yet a broad shift to large-scale capital deployment. In 2025, the vast majority of respondents (82%) report an AI investment below CHF 500k, including technology, licenses, implementation, and internal FTE time. Only 6% reported that they had invested between CHF 500k and CHF 1 million, 9% between CHF 1 million and CHF 3 million, and 3% between CHF 3 million and CHF 5 million. In this respect, the investments planned for 2026 represent a major increase. The share of banks investing below CHF 500k is expected to decline to 68%, whereas the CHF 500k–1 million band triples from 6% to 18%, the CHF 3–5 million band doubles from 3% to 6%, and even 3% of the respondents say that they will invest between CHF 5-10 million into AI in 2026.

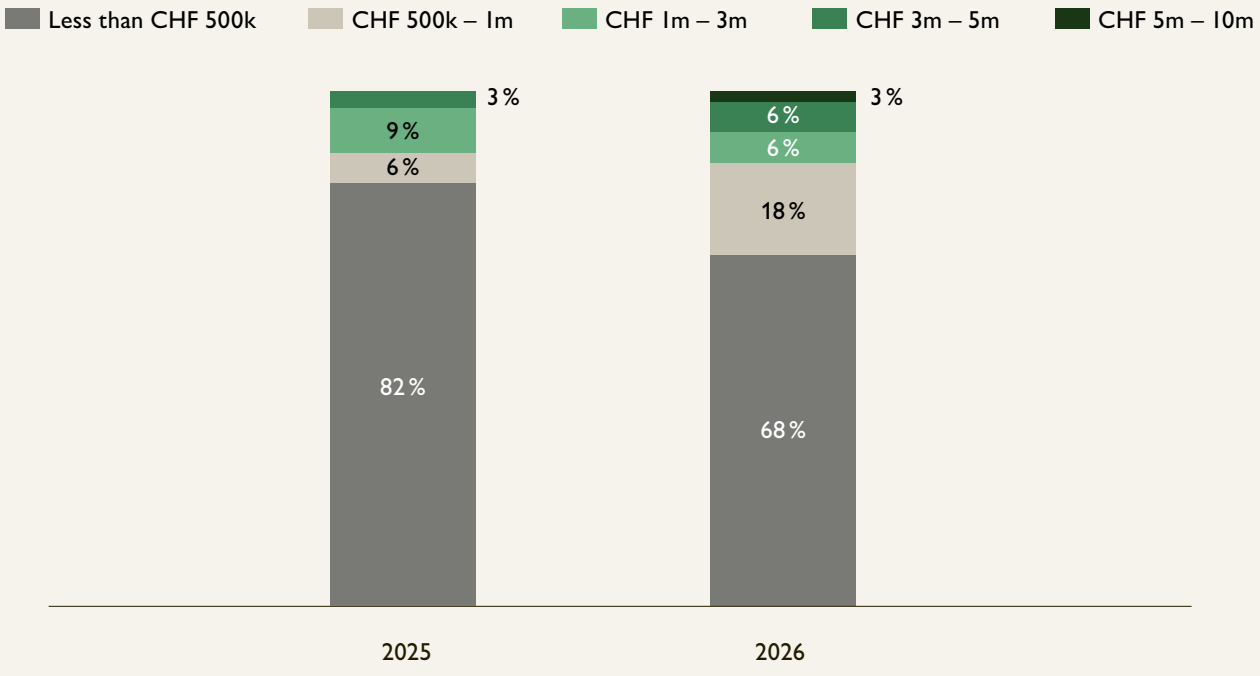


Figure 9. Total AI investment reported for 2025 and planned for 2026 (share of respondents)

AI Advancement and Financial Performance

While it is still too early to make definitive statements about the effect of AI on the financial performance of Swiss private banks, we examined whether any relationship exists between the AI Advancement Index and private bank performance. We found that AI is associated with scale, product breadth, digital maturity, and operational efficiency, which are also related to the overall performance of private banks. This makes AI an additional strategic dimension to examine operating models of private banks, rather than a performance indicator.

Product and Service Variety and AI Advancement

As shown in Figure 10, there is a positive relationship between product and service variety and AI advancement. Private banks with broader product ranges tend to score higher on AI maturity, regardless of size. However, as we also noted in last year's deep dive, product breadth is not associated with higher profitability when the private bank has not yet reached a critical size. Banks with narrower product offerings populate the lower-left corner of the matrix, having also lower AI advancement. This does not, however, seem to harm their profitability, as many of the small boutique private banks in this group continue to be high performers.

Figures 10 and 11 plot each bank by its product and service variety or its cost-income ratio against the AI Advancement Index we developed. The size of each bubble reflects the bank's assets under management, and the color corresponds to its ROE performance tier (green for high, blue for medium, and red for low performers). The banks circled in black are the 'Big Eight' private banks. Four of the 73 banks are excluded here for lack of financial data, giving a sample of 69 banks.

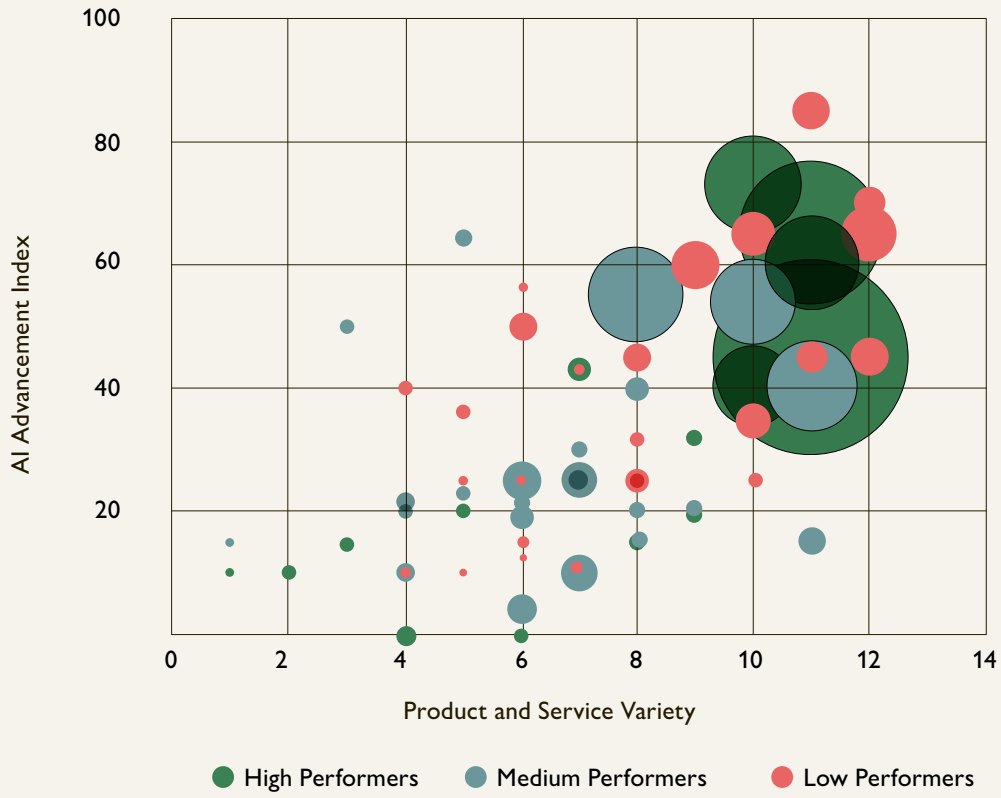


Figure 10. Product and Service Variety and AI Advancement Index among Swiss private banks (N=69)

Cost-Income Ratio and AI Advancement

Figure 11 provides a plot of the cost-income ratio against the AI Advancement Index. The Big Eight combine large AUM with efficient cost-income ratios of roughly 49–72% and mid-to-high AI advancement, placing them above the regression line in the scatterplot. This is what one would also expect, given that their scale advantages provide them with benefits both in terms of cost structure and investments into digitalization and AI.

Maybe even more interesting, however, is the positioning of the private banks with the highest cost-income ratios in the chart. When excluding the Big Eight private banks, they seem to be systematically higher in our AI Advancement Index than the high or medium performers. Given that the investments in AI are still quite moderate, as reported above in our survey, we do not expect their higher cost-income ratios to be driven by AI investments.

Instead, it may rather be that these banks are investing in AI to improve cost competitiveness. We think that the latter explanation is more likely since the private banks in our survey also tended to see AI investments first and foremost as the means to improve cost efficiency. That would also explain why the high and medium performers in the lower left corner of our chart have not yet felt the pressure to increase their investments into AI. While many of the red dots in the chart are subsidiaries of global banks that have inherited their AI advancement from their parent companies, the private bank ownership does not suffice in explaining this effect.

Weaker performers are investing into AI in search of efficiency gains, while smaller high performers, whose boutique business models already deliver competitive returns, show more limited appetite for substantial AI investment.

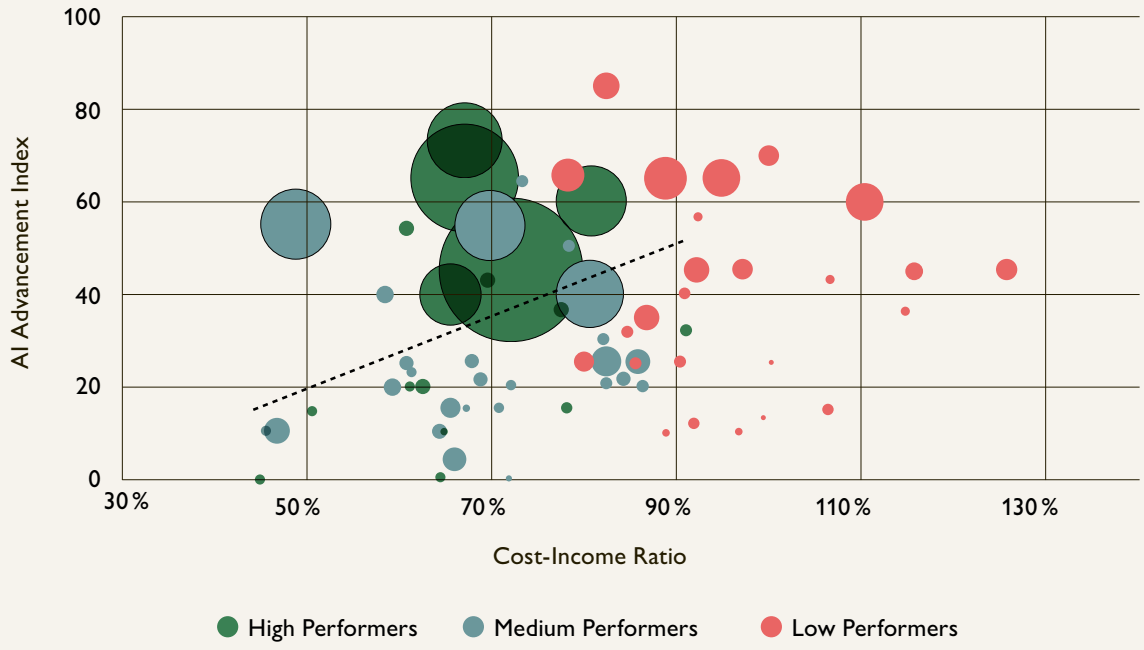


Figure 11. Cost-Income Ratio and AI Advancement Index among Swiss private banks (bubble size: AUM; color: ROE tier; Big Eight circled, N=69)

Conclusion

The findings of this deep dive provide important strategic implications for Swiss private banks as they move from early AI experimentation toward more structured adoption. The sector is already using AI widely, but the depth of institutionalization remains limited. The first phase of value creation is clearly operational: productivity, documentation, compliance, monitoring, and process efficiency. The harder task is then to use AI to further strengthen client relationships, improve advisory quality, and create revenue-relevant differentiation without compromising trust, discretion, or governance. Based on our analysis, we see the path forward as follows:

Building the foundation. First, Swiss private banks should focus on building the foundation for their AI investments. AI maturity depends on more than access to external tools. It requires data quality, cybersecurity, model governance, vendor management, accountability, and a disciplined operating model. Digitalization is an important enabling layer, but it does not automatically translate to an AI capability. Banks that have invested in cloud infrastructure, automation, data analytics, and digital client channels are better positioned, but they still need to convert these foundations into a cohesive AI strategy, well-governed use cases, and measurable outcomes.

Organizing for AI. Second, banks should move from individual productivity tools toward workflow redesign. The early spread of document automation and general employee productivity tools is useful, but it can remain superficial if it is not connected to end-to-end process improvement. The greatest efficiency gains are likely to come when AI is embedded into workflows such as client onboarding, KYC review, compliance monitoring, investment preparation, reporting, and relationship manager support. In these areas, the objective should not merely be to make individual tasks faster but to redesign how work is organized, controlled, and improved.

Role of AI in Strategy. Third, AI ambition should be aligned with scale and strategic positioning. Large, diversified institutions may be able to build AI as a core institutional capability, supported by dedicated teams, larger budgets, and more complex architectures. Focused boutiques may be better served by continuing to build on their unique differentiation and using vendor solutions selectively to strengthen a narrower set of high-value activities aimed at further enhancing the quality of their client interface.

In conclusion, Swiss private banks stand again at an important decision point, similar to what they had before regarding the gradual erosion of Swiss banking secrecy, digitalization, and investments in ESG. AI will not replace the core strengths of private banking, but it will influence the operating model through which those strengths are delivered. Cost efficiency may represent the low-hanging fruit now, but sustainable advantage will belong to those banks that can combine the discipline of private banking with the capabilities of modern data-driven organizations. As the sector moves beyond 2026, the leading banks will not be those that simply adopt the most tools, but those that use AI to reinforce their strategic clarity, strengthen their advisory model, and improve the economics of serving clients at scale.



Methodological Note

This study combines survey data with multiple external data sources to assess AI adoption and development in Swiss private banking. The analysis draws on a survey (N=34) conducted among Swiss private banks in Spring 2026. The survey focused on four topic areas: current AI adoption, realized financial impact, forward-looking expectations, and AI strategy and governance. These survey findings were further triangulated with external data sources. The AI Advancement Index was developed for the 73 Swiss private banks using their annual reports, LLM-assisted analysis of their publicly available web content, and survey responses where available. In addition, approximately 4,700 job postings from six major Swiss private banks between 2022 and 2026 were analyzed to assess the evolution of digital and AI-related hiring activity. Combined, these sources provided a comprehensive, multi-dimensional view of AI adoption, maturity, and the organizational priorities shaping AI development in the Swiss private banking industry. For the Digitalization Index, a similar methodology was applied. The index was constructed by combining insights from annual reports with LLM-assisted analysis of publicly available web content, capturing references to ongoing digital initiatives, technological investments, and broader digital transformation efforts across Swiss private banks.




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