

AI and Financial Stability: FSB Findings and Supervisory Considerations

Bank of Finland and Finnish Supervisory Authority Seminars on “The Impact of AI on Economy, Finance and Supervision”

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FSB Work on Artificial Intelligence

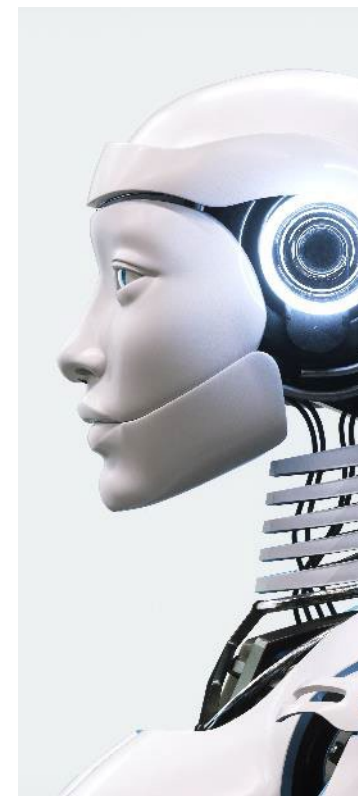
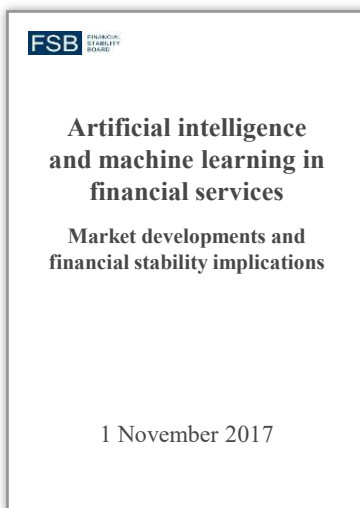
2017 report on AI

2024 AI report on financial stability implications¹

- ! Increased adoption of AI not yet transformational
- ! Potential to amplify vulnerabilities
- ! Existing frameworks address many vulnerabilities
- ! Additional work needed given data gaps

2025 follow up AI report

Monitoring AI adoption and related vulnerabilities²



¹ FSB (2024), [The Financial Stability Implications of Artificial Intelligence](#), November.

² FSB (2025), [Monitoring Adoption of Artificial Intelligence and Related Vulnerabilities in the Financial Sector](#), October.

AI in Finance – Recent Developments and Drivers of Adoption

Tech advances: Deep learning, big data, advanced computing

GenAI & LLMs: enable new applications






Cloud & pre-trained models: accelerate adoption

Data: More unstructured sources available

Drivers: profitability, competition, compliance



Key Use Cases of AI in Finance

 Customer	 Operations	 Trading	 Compliance	 Supervision
Credit scoring	Risk management	Algorithmic trading	AML/CFT/KYC	Data analytics
Chatbots	Code automation	Price discovery	Fraud detection	Real-time monitoring
Marketing	Info retrieval	Sentiment analysis	Reporting	Document review

Insights

- GenAI & LLMs: New use cases (e.g. summarisation, code generation)
- Most adoption is mainly internal back office use; customer-facing is growing

AI in Finance: Opportunities and Core Vulnerabilities



★ Opportunities



Operational
Efficiency



Regulatory
Compliance



Personalised
Products



Advanced Data
Analytics

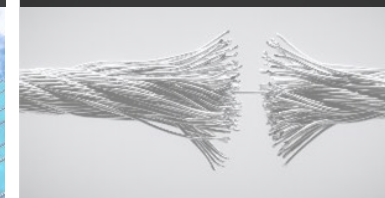
⚡ Vulnerabilities

Third-Party Dependencies



Cloud & Model
Concentration

Market Correlations



Common Models &
Data

Cyber Risks



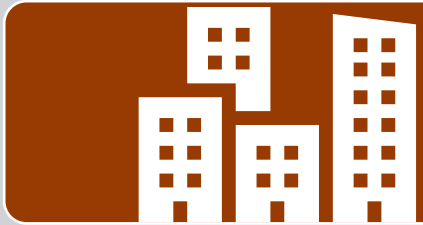
AI Enabled Attacks

Model Risk & Governance



Explainability,
Alignment & Data

Other AI-Related Vulnerabilities



Structural Shifts

- Market power
- Macro Effects
- Energy Use



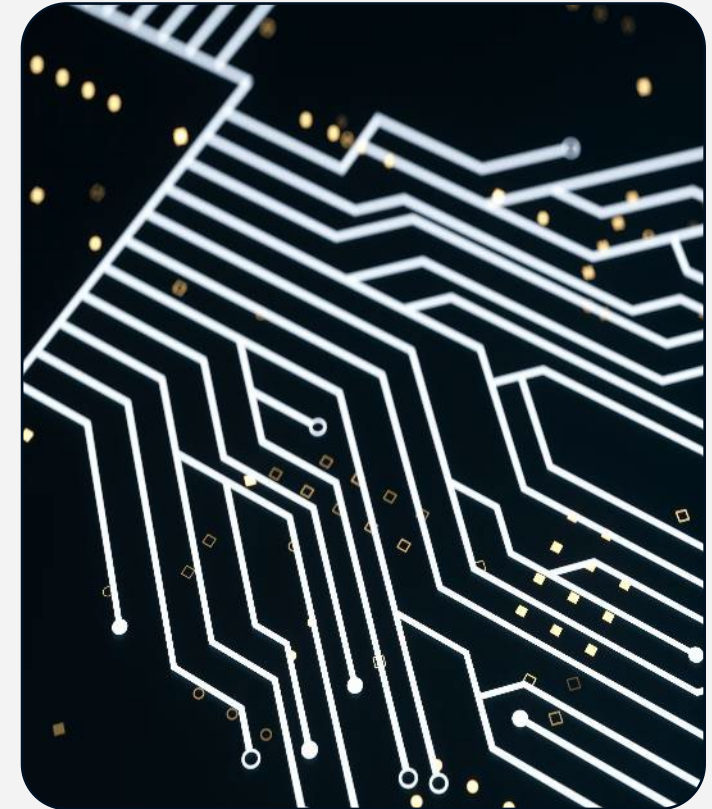
AI Misuse & Fraud

- Deepfakes
- Disinformation
- Synthetic IDs

Monitoring Adoption and Vulnerabilities

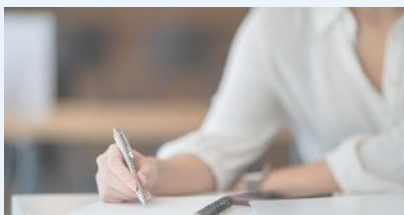
Context & Approach

- ▶ Builds on the 2024 FSB report
- 🔍 Focus: Monitoring of AI adoption & related vulnerabilities
- ★ Key areas:
 - How authorities monitor vulnerabilities
 - Third-party service provider concentration service
- 📋 Approach:
 - Member survey
 - Literature review
 - Stakeholder outreach

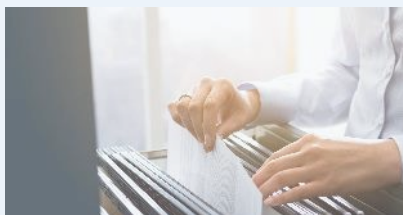


Monitoring Mechanisms

Methods



Surveys



Supervisory reporting



Public & vendor data



Industry outreach

Challenges



Mapping Indicators to Vulnerabilities



Limited data granularity



Assessing Criticality



Inconsistent definitions

Potential Indicators



AI Adoption

Use Cases

AI Spend and
Patents

Hiring



3rd Party Reliance

% 3rd Party AI

Provider
Concentration

Incidents



Market Correlations

Common
Models/Data

Market Dynamics

Assessment on
Asset Price Volatility



Cyber & Fraud

AI-related Cyber
Incidents

Internal and 3rd
party AI Related
Incidents

Incidents of AI
Enabled Fraud &
Disinformation



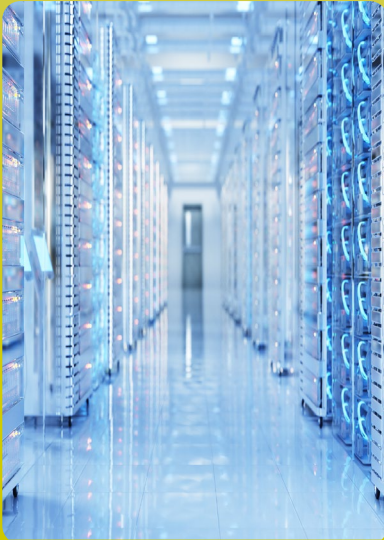
AI Governance

AI Model Share

Automation Level &
Criticality

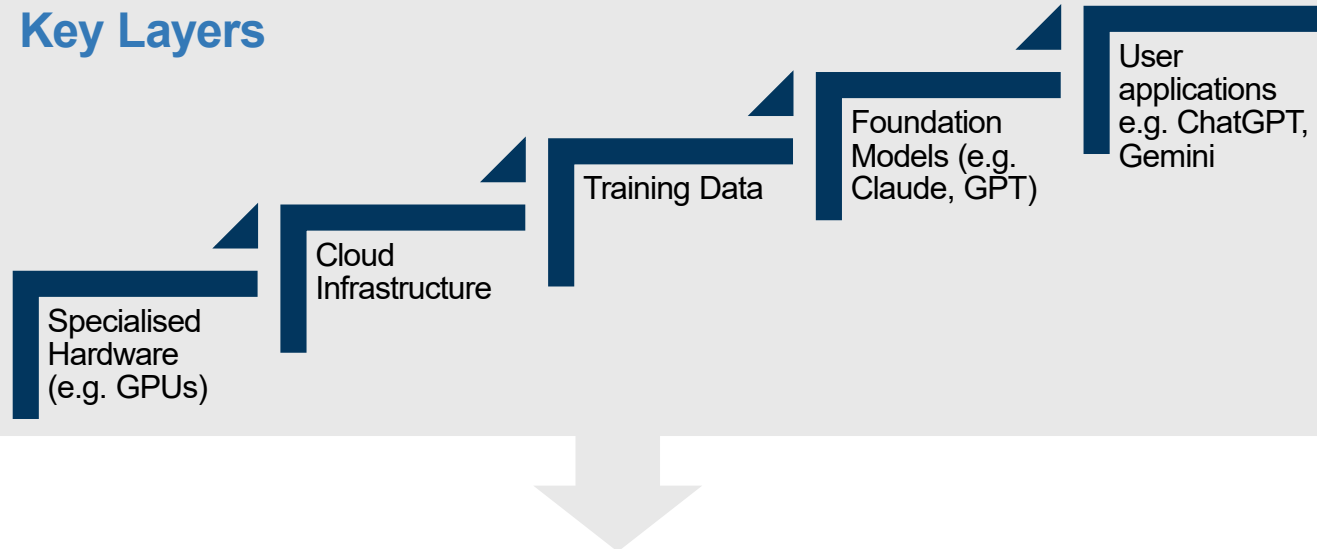
Supervisory Trends

Gen AI Supply Chain: Why Concentration Matters



GenAI supply chains are complex and dominated by small number of providers.

Key Layers



Why It Matters

- Concentration amplifies systemic risk
- Vertical integration increases dependency
- Limited substitutability heightens vulnerability

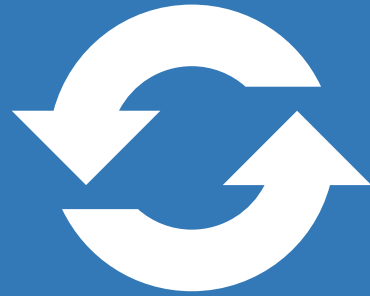
Key Monitoring Considerations

Application of FSB Third-Party Risk Management Toolkit.³

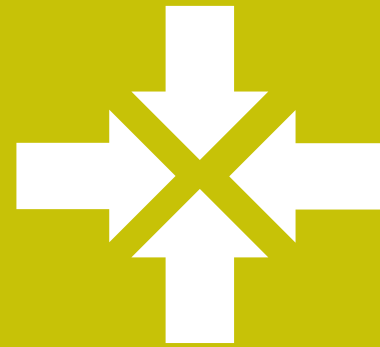
Key monitoring considerations



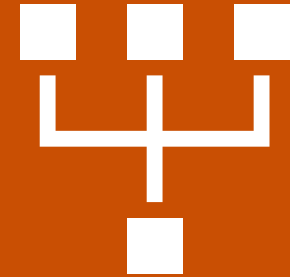
Criticality



Substitutability



Concentration



Systemic 3rd party
dependencies

³ FSB (2023), [Enhancing Third-Party Risk Management and Oversight – A Toolkit for Financial Institutions and Financial Authorities](#), December.

Conclusion



National authorities



Enhance monitoring
using report indicators



Collaborate with domestic
stakeholders



Engage with FIs to
improve oversight



Explore AI tools for
monitoring



FSB and relevant SSBs



Facilitate cross-border
cooperation



Support alignment in
taxonomies & indicators



Monitor AI developments
and address data gaps



Work toward
understanding adoption &
vulnerabilities

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