



# Technology adoption in financial services:

A sector view of KPMG's 2024 Global Technology Survey



# Research methodology

## Financial services sector: respondent demographics

Sample size

612

Annual revenue

\$1bn and over

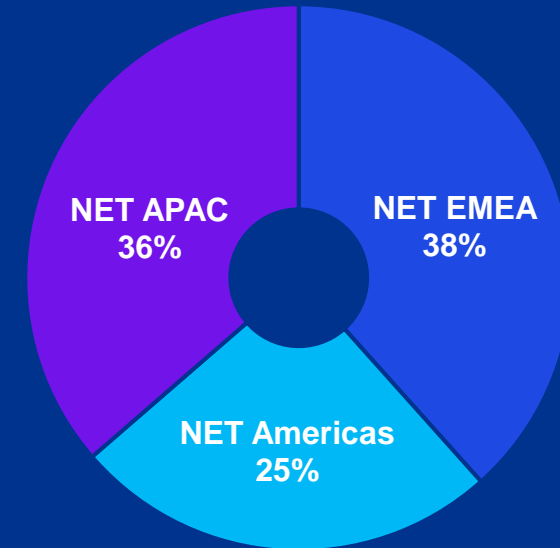
Regions

**EMEA** (Belgium, France, Germany, Ireland, Israel, Netherlands, Nigeria, Saudi Arabia, Spain, United Arab Emirates, United Kingdom)

**Americas** (Brazil, Canada, United States)

**APAC** (Australia, China, India, Japan, Singapore, South Korea, [Kazakhstan, Uzbekistan, Kyrgyzstan, Armenia, Georgia, Azerbaijan])

## Region breakdown (financial services)



## Annual revenue breakdown (financial services)



# Key stats: Financial services headlines

## Financial services are satisfied with the value of its tech investments

Financial services is the industry most likely to be satisfied with the amount of value it get from its tech investments.

## Financial services has a strong data backbone

Financial services is the industry most likely to be at the top two levels of effectivity for 6 of the 9 data categories, a strong increase in last year's levels.

## Financial services focus on the customer when it comes to tech investments

Financial services companies are more likely than average to say they are confident using customer centric metrics to measure the value of tech, and are more likely to say they consider customer, stakeholder and employee needs when making decisions.



**82%**

Of financial services execs agree that in their leadership role they empower their organization to strategically innovate to capitalize on market trends with AI.



**5 points**

Financial services firms are 5 points less likely to say that difficult for them to keep up with the pace of change.



# Research Findings





Section 01

# Extracting value vs the pace of change



# Financial services are satisfied with the value generated by tech investments, and are comfortable with change momentum

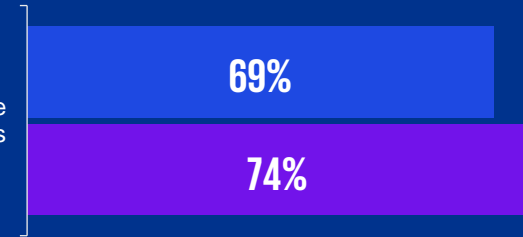
Financial services is the industry most likely to say it is satisfied with the amount of value achieved from tech investments.

Financial respondents are also less likely than the cross-sector average to say it is difficult for them to keep up with the pace of change.

## Financial services are satisfied with the value they get from their tech investments

■ Average across all sectors ■ Financial services

Overall our organization is satisfied with the amount of value we get from our tech investments

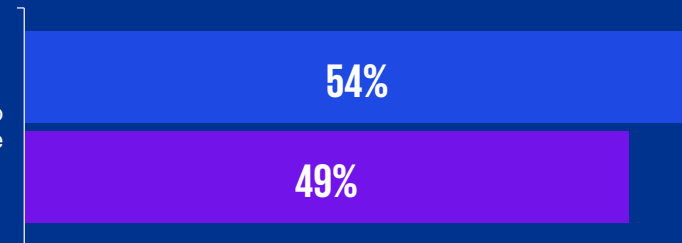


Q: Please indicate whether you agree or disagree with the following statements?

## And less likely to say they can't keep up with the pace of change

■ Average across all sectors ■ Financial services

It is difficult for us to keep up with the pace of change



Q: How often, if at all, do the following situations occur within your business?

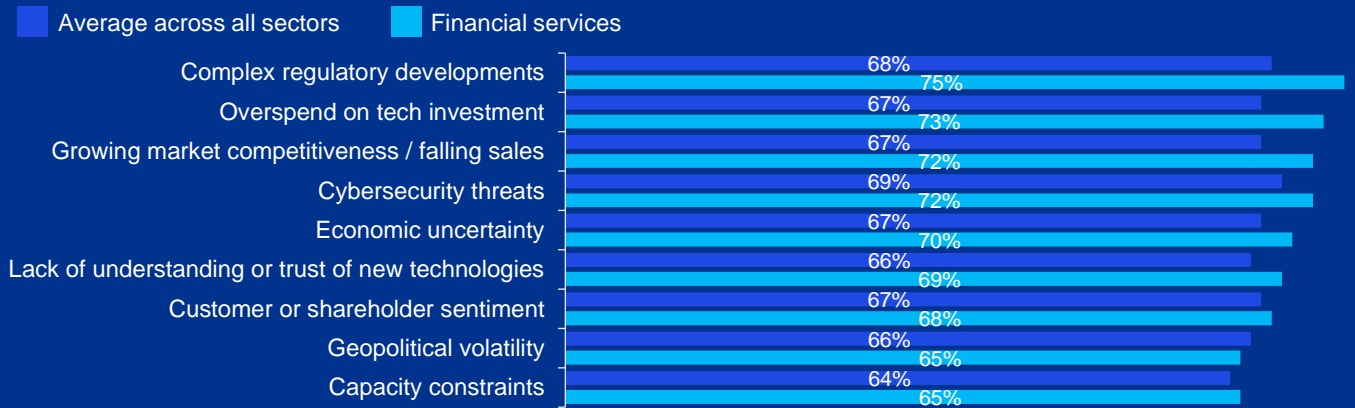
Source: KPMG global tech report 2024

# But regulatory complexity is denting confidence in investing in new technology

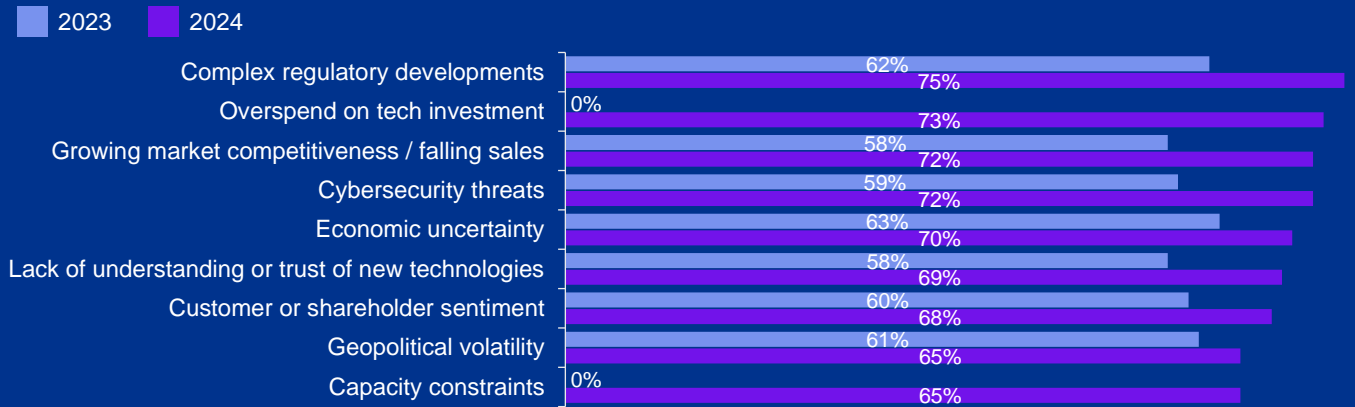
Complex regulatory developments is the top factor denting the investment confidence of financial services executives, 7 percentage points higher than the cross-sector average.

This year there has been a rise in confidence issues for the sector across the board, for instance, growing from 62% for complex regulatory developments in 2023 to 75% in 2024.

## Financial services are more likely to say that almost all factors have made their business less confident in tech investments



## Financial services are more likely to say that their confidence has dropped due to all factors compared to a year ago

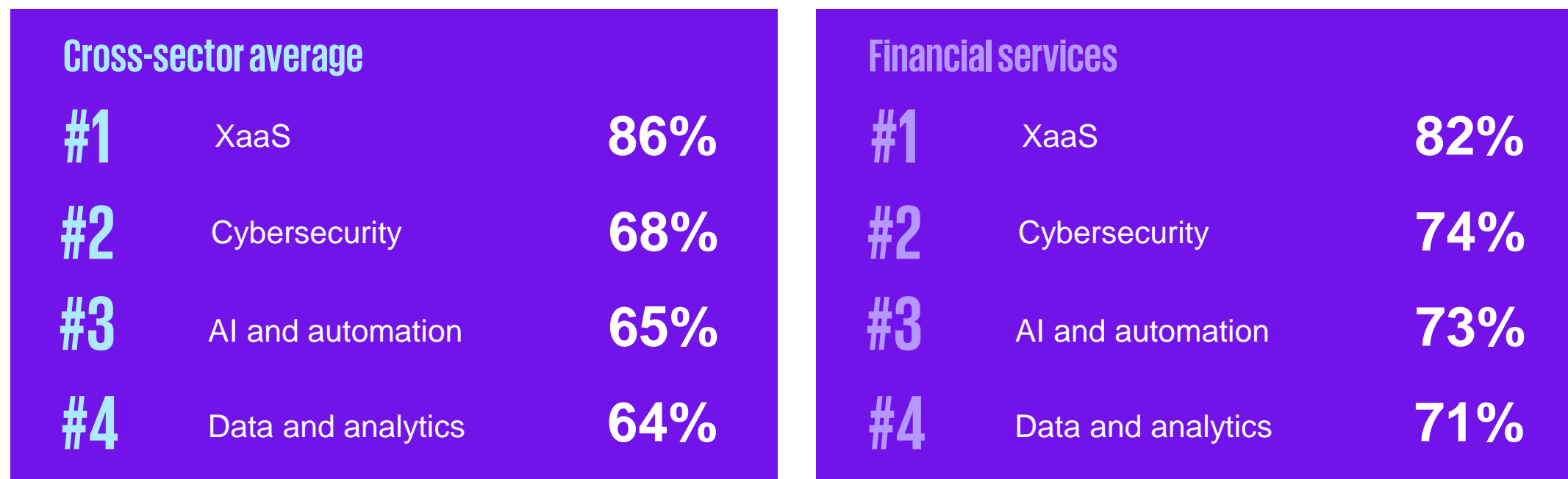


**Q:** To what extent, if at all, have the following factors made your business feel less confident about investing in new technology? [those answering 'to some/a great extent']

Source: KPMG global tech report 2024

# Despite this, financial services are have above average investment appetites for the next year

Financial services firms' top priorities for investments over the next year are XaaS, cybersecurity, AI and data and analytics. These are in line with the total sample, although a higher amount of financial services are keen to invest in three of these areas – a 6 point increase in cybersecurity, 8 points in AI and 7 points in data and analytics.



**Q:** What data management areas will your organization focus on improving in the next 12 months?

Source: KPMG global tech report 2024





# Section 1: Summary

Financial services are satisfied with the value generated by their technology, and are less likely to be struggling to keep up with the pace of change.

But financial services firms have a keen sense of risk – they are more likely than other sectors (and more likely than last year) to say that factors such as complex regulatory development and overspend have dented their confidence in tech investments.

However this does not seem to be damaging their investment appetite for next year, as financial services firms are more likely than average to be investing in many of the most popular tech categories.

“

Operating in Financial Services has never been more complex – that includes the ever-changing Regulatory environment. While that adds a layer of challenge to Business innovation, keeping pace with evolving Technology innovation can be a huge positive lever to meet compliance obligations. That’s a win-win for stakeholders, customers – and regulators. It’s no surprise, then, that appetite remains high for investing in data and analytics, XaaS, cybersecurity and AI.

”



**Sanjay Pathak**

Partner and National Leader, Technology Strategy  
and Digital Transformation Services  
KPMG in Canada

Section 02

# Defining and delivering trusted value



# Financial services say the top reason to invest in tech is the advice of third parties

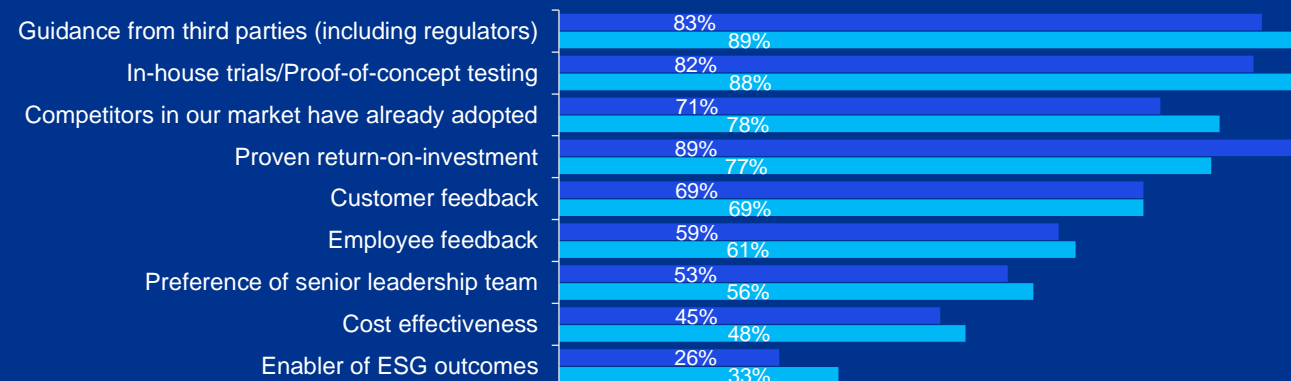
Financial services have seen a shift in their investment priorities over the past year.

Financial services say that their top reasons for prioritizing technologies are guidance from third parties, followed by in house trials.

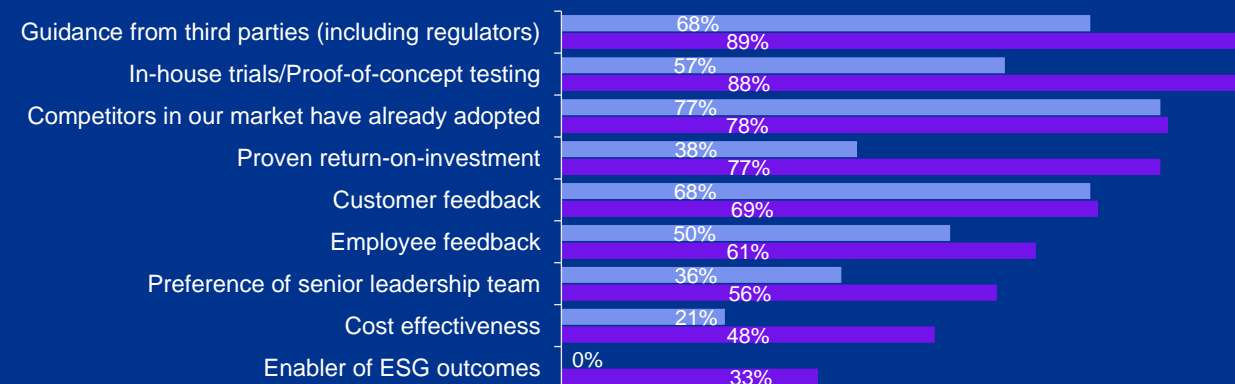
Financial services have retained their tendency seen in last year's research to follow the trends set in their market. The sector is 7 points more likely to be prioritizing a technology to copy their competitors.

## Investment motivations

■ Average across all sectors ■ Financial services



■ 2023 ■ 2024



Q: Why is your business prioritizing these technologies to support its ambitions?

Source: KPMG global tech report 2024



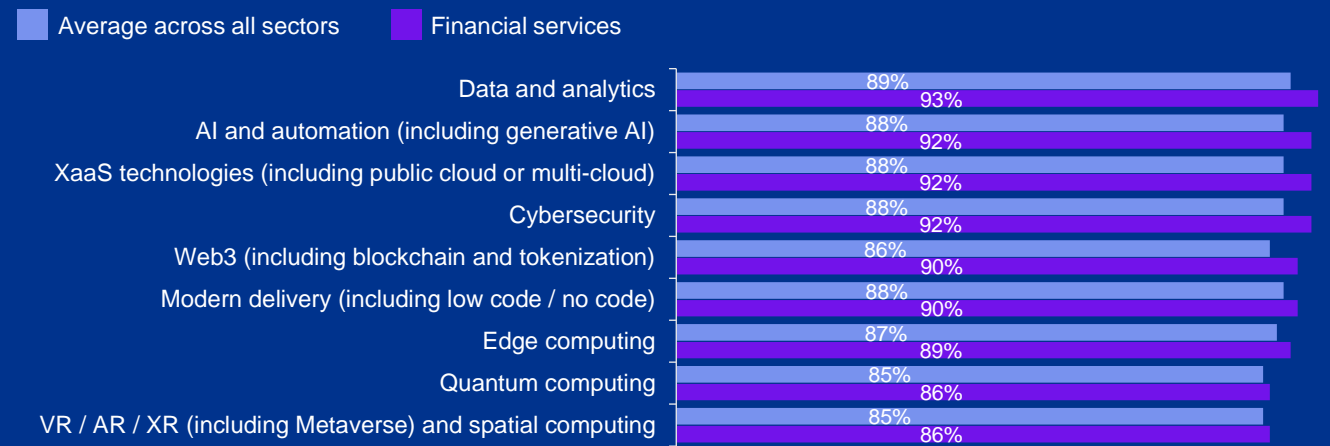
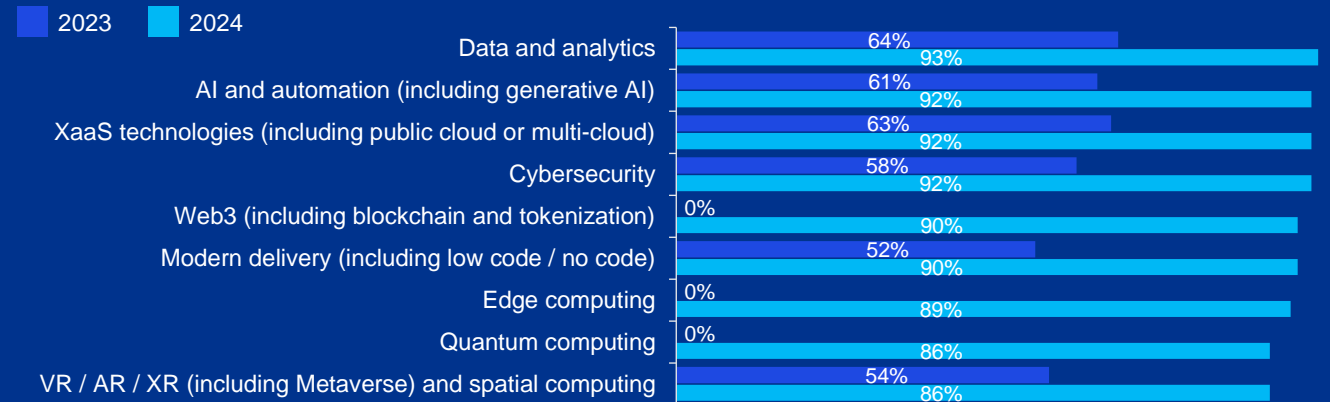
# Financial services have seen a boom in profitability from their tech since 2023

The percentage of financial services respondents who have seen an increase in profit due to the impact of technology investments over the past 24 months has risen significantly since 2023.

93% of financial services respondents have seen a profit increase due to data and analytics.

Financial services is the sector most likely to be generating profit from cybersecurity, AI and XaaS, and one of the most likely to be generating profit from data and analytics, edge computing and Web3.

## Financial services respondents who have seen an increase in profit over the last 24 months



**Q:** Over the past 24 months, have your digital transformation efforts with the following technologies positively impacted your organization's profitability? If so, what was the approximate size of the increase? Those saying they have seen an increase

Source: KPMG global tech report 2024



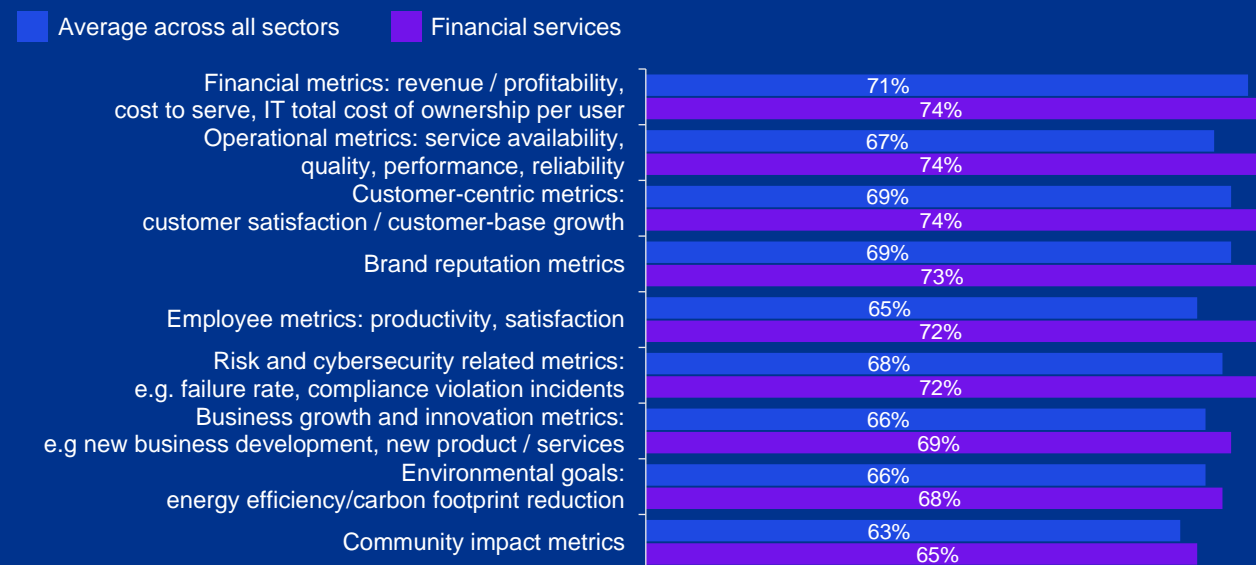


# Financial services firms are confident in their ability to measure value, especially when it comes to customer perspectives

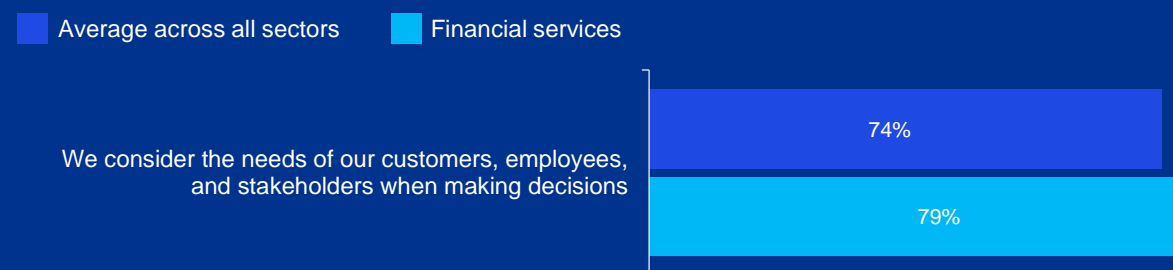
Financial services is the sector most confident in its ability to measure financial, operational and customer-centric metrics. They are 7 points more likely to be confident when it comes to operational metrics and 5 points more likely to say the same about customer centric metrics.

As such financial services organizations are above average at considering the needs of customers, employees and stakeholders when making decisions.

## Financial services are most confident in their ability to measure financial, operational and customer-centric metrics



Q: You said you utilized the following metrics. For each metric, please indicate how confident you are in your company's ability to quantitatively measure the value being generated by your technologies?



Q: Which of the following are true about your organization's decision-making processes for tech investments?

Source: KPMG global tech report 2024

## Section 2: Summary

When it comes to deciding which tech to invest in financial services primarily base their choices on the advice of third parties. They are however more likely than other sectors to say they invest in tech because their competitors have done so.

Their approach overall is paying off. The percentage of financial services respondents seeing an increase in profit due to their tech investments has risen compared to last year.

And financial services firms are confident in their ability to measure this value according to different metrics, but especially when it comes to customer centric measures.

“

Financial services leaders who pushed for digital transformation a few years ago should feel bolstered by the profitability gains they're seeing in 2024, as compared to 2023.

Technology investments in data and analytics have proven their worth – especially where they measure value and impact the customer experience.

”



**Dubie Cunningham**

Partner, Management Consulting  
KPMG in Canada

Section 03

# Creating a data backbone: Data foundations and governance



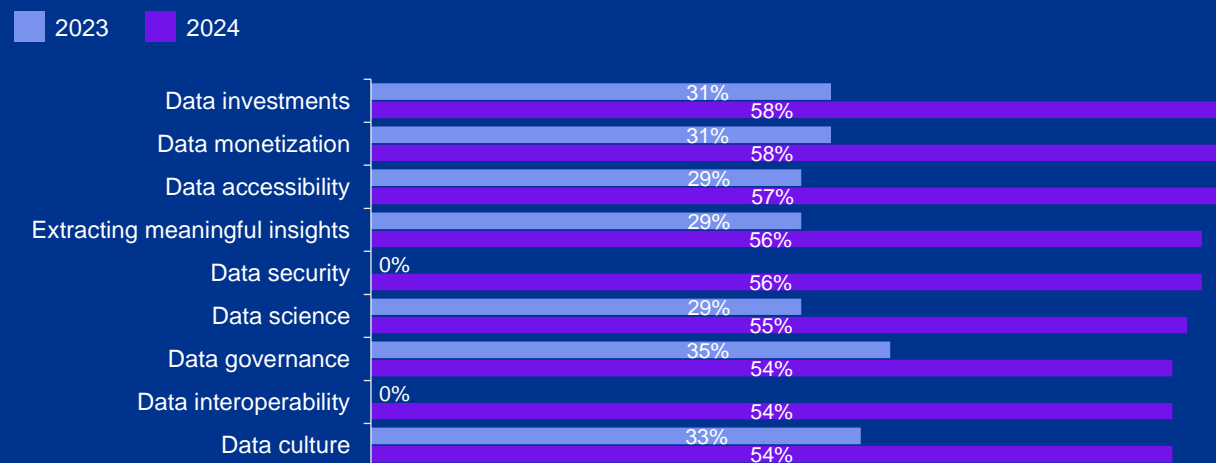
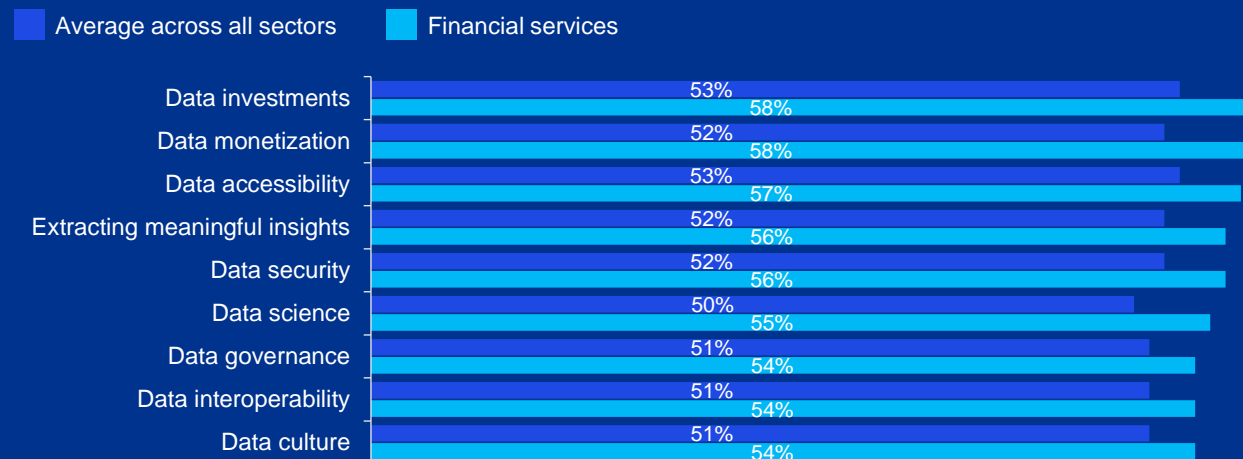
# Financial services has built a strong data backbone across all data activities in the past year

The financial services sector has come on leaps and bounds in the past year when it comes to their data activities.

Financial services is the industry most likely to be at the top two levels of effectivity for 6 of the 9 data categories.

Financial respondents are most likely to say that their data investments or data monetization are at the top two levels. Both of these categories have jumped by 26 points since last year.

## Effectiveness of data activities: financial services sector



Q: How effective are your data and analytics activities in the following areas? - Influential / Embedded

Source: KPMG global tech report 2024

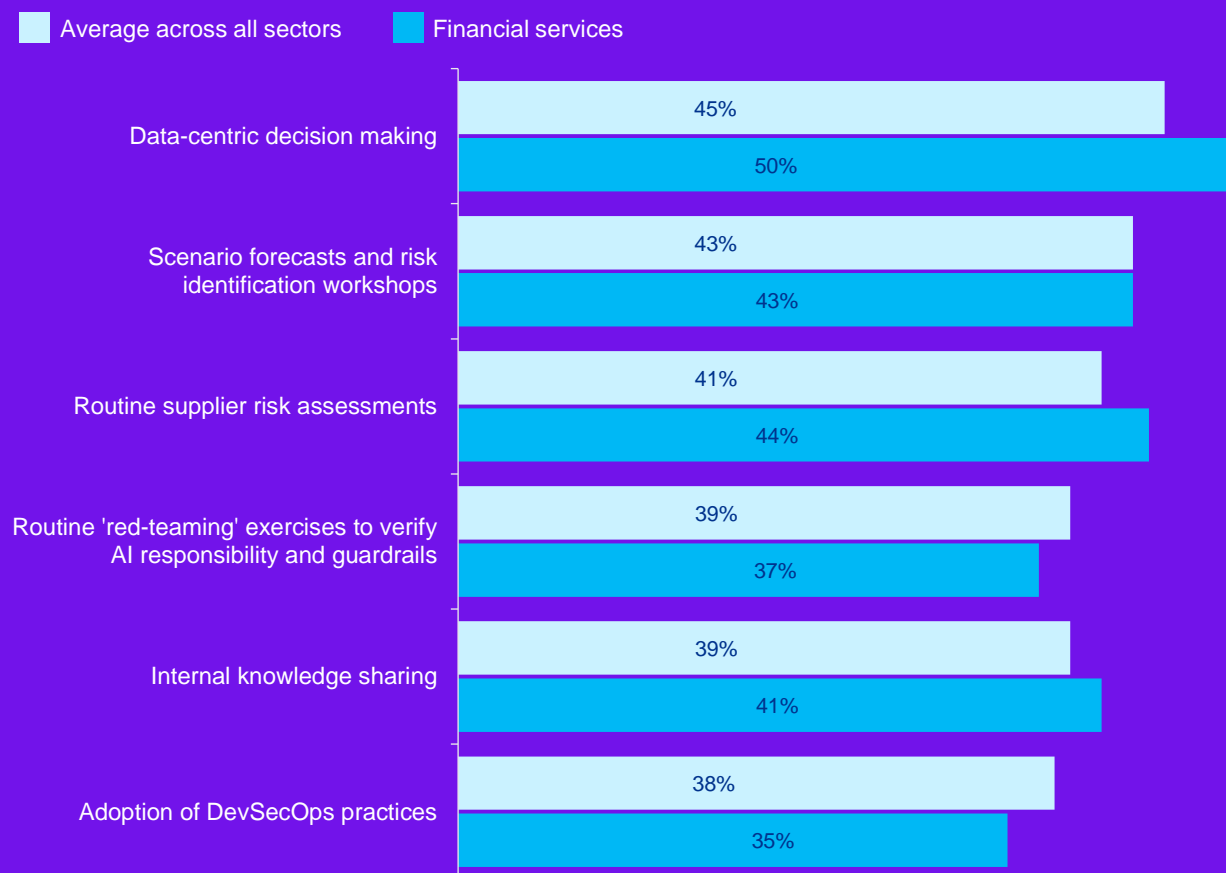


# This strong data backbone is helping financial services respond to the market

When it comes to adapting digital transformation strategy in response to evolving market trends, having a strong data backbone is paying off for the financial services sector.

Financial services respondents are 5 points more likely than average to say that they use data driven decision making to respond to changes in trends or risks.

## Financial services are more likely to use data-centric decision making to adapt to emerging market trends



Q: Which of the following tactics do you use to adapt your digital transformation strategy in response to evolving market trends and risks?

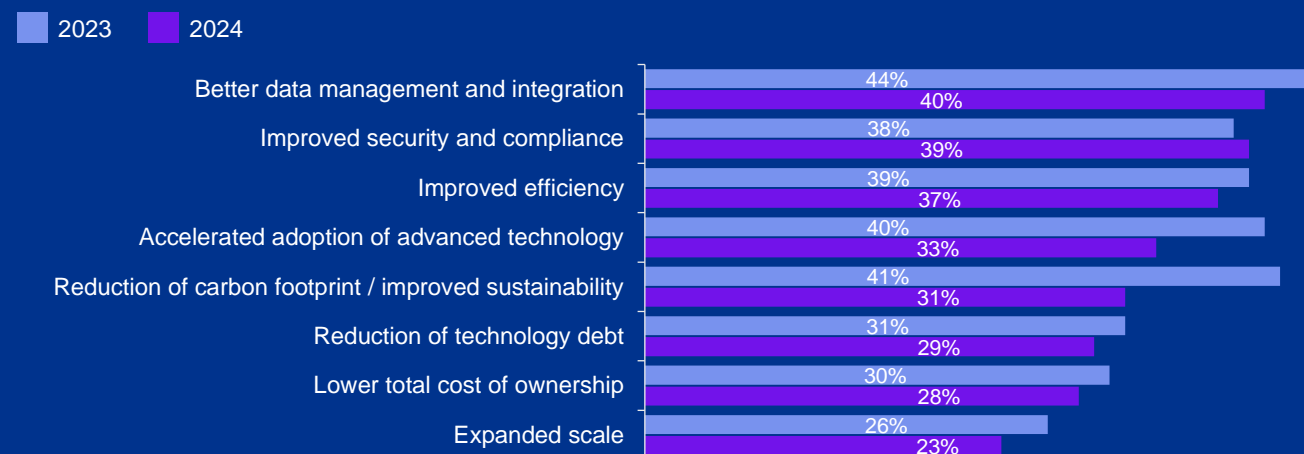
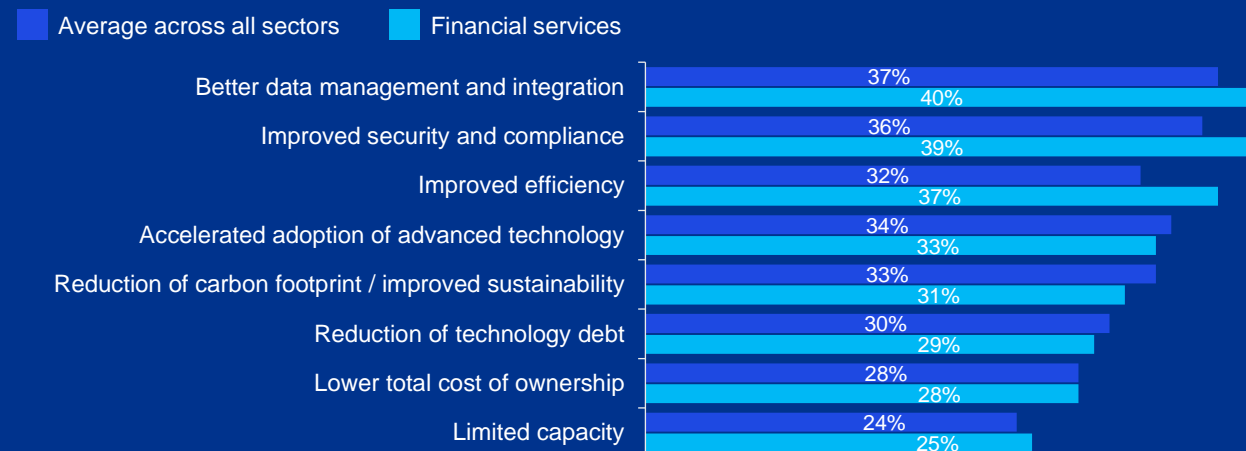
Source: KPMG global tech report 2024

# But financial services are less likely to say that XaaS has improved their sustainability in the past 12 months

Financial services say that the key benefits of leveraging public cloud platforms or XaaS are better data management and integration, improved security and compliance and improved efficiency, the same top priorities as the overall sample.

These answers are also in line with the top benefits seen from XaaS last year. Although this year there has been a drop in the percentage of financial services execs that have achieved accelerated adoption of advanced technology through XaaS (by 7 points) or a reduction in carbon footprint (by 10 points).

## Key benefits of XaaS: Financial services



Q: What key benefits has your organization achieved from leveraging public cloud platforms/XaaS technologies over the past 12 months?

Source: KPMG global tech report 2024

# Section 3: Summary

Financial services has built a strong data backbone over the past year, showing improvements in all data activities.

This data backbone is helping the sector respond to market trends and risks, with the top strategy being data-driven decision making.

However, while financial services is in line with other sectors when it comes to the benefits it has seen from leveraging XaaS, there has been a drop in the amount of financial services respondents leveraging XaaS platforms to improve carbon footprints in the past year.

“

As organizations evolve from a defensive approach to data—primarily focused on regulatory and internal reporting—to a more offensive strategy that emphasizes monetization and the identification of new products and services, it is crucial to recognize the foundational importance of stable data infrastructure. A robust data foundation is essential to support these innovative efforts effectively.

”



**Justin Seton-Rogers**

Partner, Banking & Capital Markets, Financial Services Data  
KPMG in Canada

Section 04

# Emerging tech: AI in action



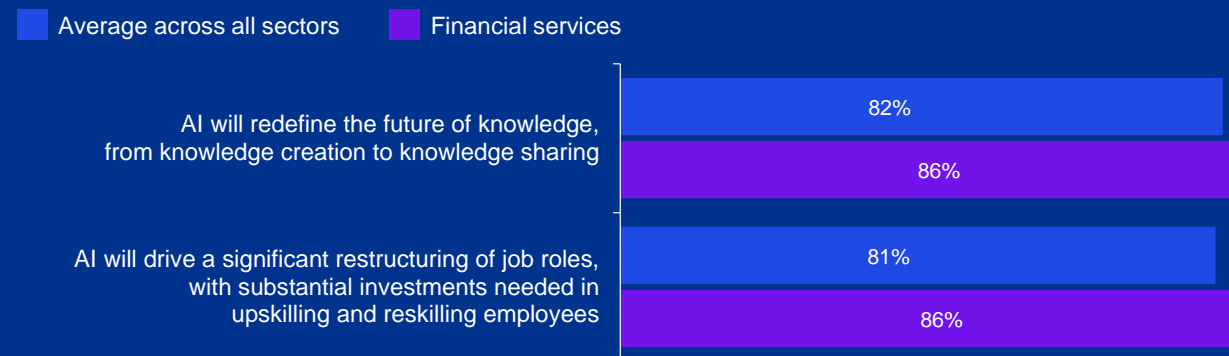


# The financial services sector is convinced AI will create huge waves

Financial services executives think that AI will have far reaching consequences for their industry. 86% agree that AI will redefine the future of knowledge, and the same percentage say that AI will drive significant restructuring of job roles – 5 points higher than average.

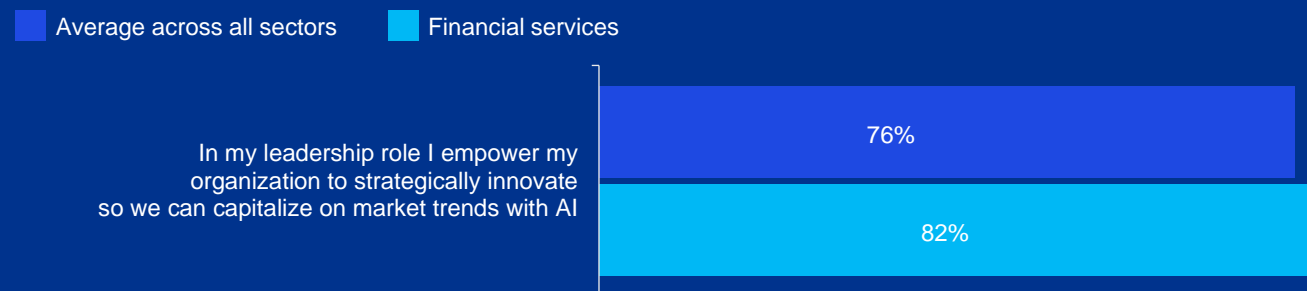
But financial services executives are also keen to empower others to use AI effectively, with 82% agreeing that they spur on their organization to strategically innovate to capitalize on market trends with AI.

## The financial services sector thinks the impact of AI will be far reaching



Q: To what extent, if at all, do you anticipate AI disrupting the roles of knowledge workers and the broader landscape of your industry over the next 10 years?

## Financial services leaders are keen to spur on AI innovation



Q: To what extent do you agree or disagree with the following statements in light of how AI is impacting your workforce?

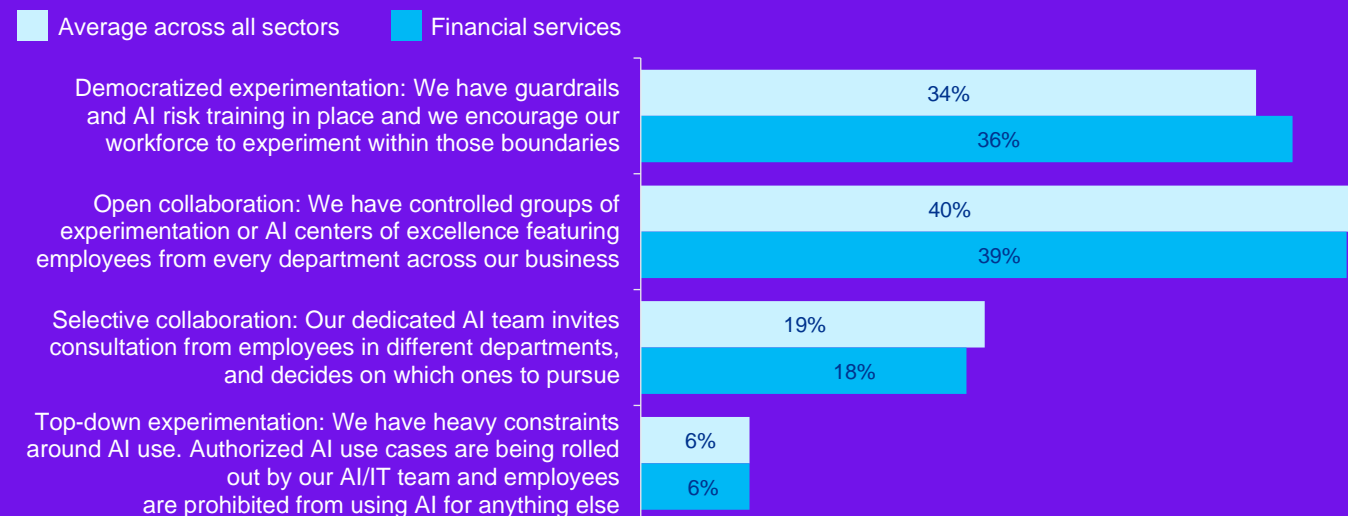
Source: KPMG global tech report 2024

# Financial services are openly collaborating with their workforce around AI

Financial services companies are most likely to describe their organization’s approach to AI experimentation as **open collaboration – in line with the cross-sector average.**

In line with the cross-sector average, many do predict they will reach a tipping point where they pivot to more centralized experimentation strategies.

## Centralized vs democratized approaches to AI



Q: Which of the following best describe how your company is experimenting with potential AI use cases?

## How financial services plan to scale AI

- #1** Continually developing AI governance policies for ethical and fair use in line with the evolving regulatory landscape **42%**
- #2** Centralizing our approach to AI experimentation once we have reached a critical mass of ideas from the workforce for us **40%**
- #3** Boosting transparency disclosures given to AI solution users to avoid 'black-box effects' from occurring **39%**

Q: Which of the following best describe how your company is experimenting with potential AI use cases?

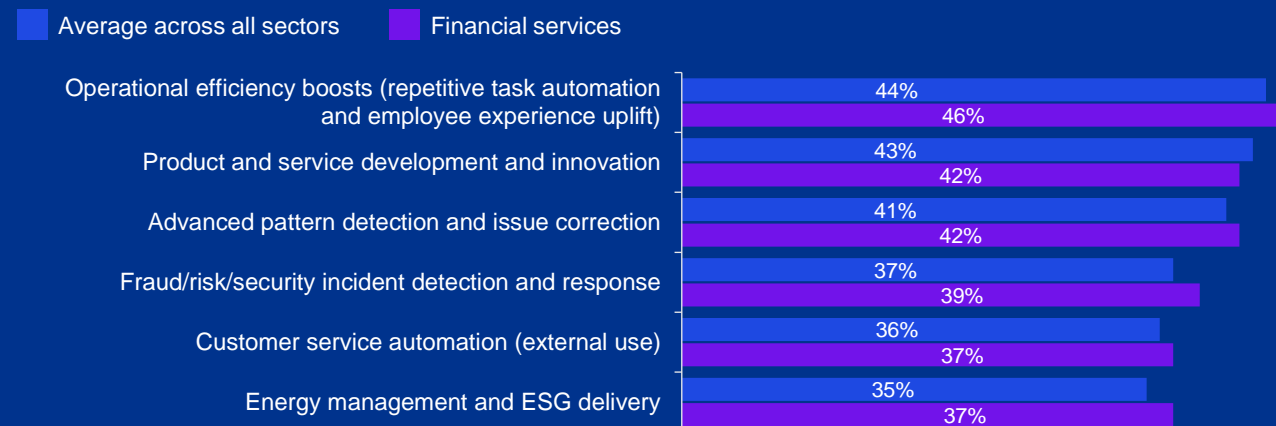
Source: KPMG global tech report 2024

# Financial services see opportunities for using AI to increase efficiency and measure value

In line with the overall sample, financial services' top short-term goal for AI is operational efficiency, such as repetitive task automation.

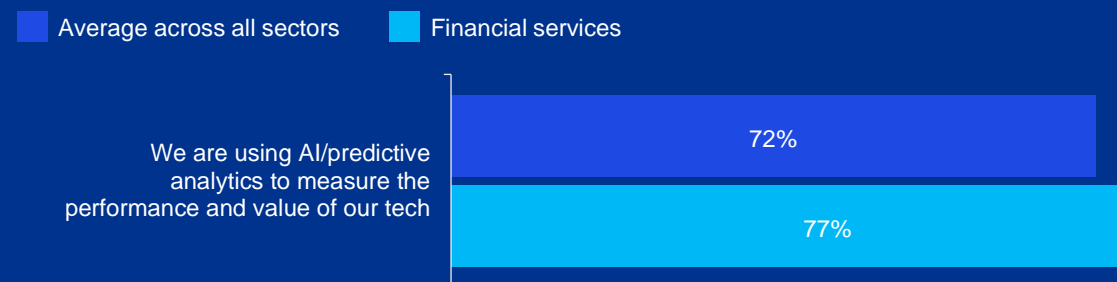
They are also more likely to be using AI to make sure that their broader tech suite is delivering value. 77% agree that they are using AI or predictive analytics to measure the performance and value of their tech, compared to 72% on average.

## Financial services say their top AI goal is operational efficiency



Q: As you selected AI as a priority technology, could you detail what your short-term goals are for leveraging AI over the next 2 years?

## And they are more likely than average to be using AI to measure the value of their tech



Q: Please indicate whether you agree or disagree with the following statements?

Source: KPMG global tech report 2024

# Section 4: Summary

Financial services organizations see AI having a seismic impact on their industry, and the way that knowledge is created and shared.

Executives are excited to empower their organizations to innovate, and businesses in the sector say they are approaching AI in the spirit of open collaboration.

Financial services firms are in line with the cross-sector average in how they plan to apply AI, with the main target being operational efficiency. And they're more likely than average to already be using AI to measure the value of their wider tech suite.

“

Leading organizations that are leveraging AI for workplace efficiencies are including employees in the conversation. AI disruption is unavoidable, but governance, ethical use, transparency and upskilling will always be a part of the discussion.

”



**Kareem Sadek**

Partner, Advisory, Tech Risk,  
Cryptoassets & Blockchain Co-Leader  
KPMG in Canada



# Appendix



# Financial services Sector Snapshot: digital transformation progress and priorities

We asked respondents about the maturity stage, investment time horizons, investment motivations and profit levels generated across 9 different tech categories: AI, edge computing, quantum computing, web3, VR/AR/XR, XaaS, cybersecurity, data and analytics and modern delivery.

## Across all technologies

The most popular implementation stage:

**Leadership supports and has funded the strategy, yet implementation is behind schedule**

Most financial services organizations are **planning to invest in the next 6 months to 1 year**

Financial services organizations' investment decisions are based on **in house trials/proof of concept testing**

And are most likely to have generated a **11-15% profit increase**

## AI

Financial services respondents say they are most likely to be either **currently evaluating an investment opportunity/plan to invest in the next 6 months**, or **plan to invest in the next 6 months to a year**.

In comparison to other technologies, when it comes to XaaS financial services organizations are most likely to be **proactive in progressing against their strategy and continually evolving**

## VR/AR/XR

When investing in VR/AR/XR, financial services businesses are most likely to base these decisions on **guidance from third parties (including regulators)**

## XaaS

In comparison to other technologies, when it comes to XaaS financial services organizations are most likely to be **proactive in progressing against their strategy and continually evolving**

Financial services' XaaS investment decisions are most likely to be based on **Proven ROI**

And they are most likely to be **planning to invest in the next 6 months to 1 year**.



[kpmg.com/ca](https://kpmg.com/ca)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.