KPMG Global tech report 2026 : Financial services

Strong foundations for enterprise wide transformation



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Foreword

As someone who's worked closely with financial services organizations around the world, I can say with confidence: the ambition to transform is real. Across the sector, leaders understand that AI and digital technologies are reshaping how we operate, serve clients, and compete. There's a clear desire to move fast, to innovate boldly, and to unlock the full potential of these tools.

But transformation isn't just about adopting the latest technology. As I often say, AI is just the tip of the iceberg; what really matters is the ecosystem that enables it. That means investing in the foundations: high-quality data, simplified processes, resilient infrastructure, and embedded security. Without these, even the most advanced AI tools will struggle to deliver meaningful results. An AI-first mindset is needed to truly make meaningful change.

What's encouraging is that many organizations are starting to recognize this. They're shifting from long-term, rigid tech roadmaps to more agile, iterative planning cycles. They're rethinking the old "build versus buy" debate and instead focusing on how to combine their unique assets, like proprietary data and deep client relationships, with the right external capabilities. And they're beginning to understand that sustainable advantage won't come from technology spend alone, but from the talent and domain expertise that bring it to life.

This report, based on a global survey of 760 financial services technology leaders, offers a timely snapshot of where the sector stands today. It highlights the investments being made, the risks being managed, and the opportunities that lie ahead. If you're involved in shaping your organization's technology strategy, I hope these insights help you reflect on your own journey — and perhaps spark a few new ideas along the way.

On behalf of KPMG's global network of financial services professionals, I encourage you to contact your local KPMG firm to learn more about the data or to explore your own unique technology and transformation challenges and opportunities.



Karim Haji
Global Head of Financial Services
KPMG International

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Key findings

Maturing by the minute

89%

consider themselves as either innovators or fast followers

2.5x growth

in the number of organizations that expect to be at the highest level of AI maturity within the next year

58%

expect to reach the highest level of maturity for cybersecurity within the year

Strengthening the foundations



say that more than 40 percent of the value they get from digital technologies comes from their foundational and core tech platforms



say that the cost of fixing technical debt prevents them from making investments in new technology programs



say they will increase investment into cybersecurity and data analytics by 10 percent or more this year

Adapting to disruption

40%

say data security will be critical to achieving their strategic goals

60%

say they lack the talent they need to bring their technology plans to life

#1 barrier

to collaboration is **security concerns**

Looking to the future

AI is the #1 trend

expected to have the biggest impact this year

Cyber attacks

and IP theft top the list for biggest risks from AI

Skills and talent

Top success factor for their technology strategy

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Turn momentum into scale

Nobody missed the memo: financial services organizations globally recognize that digital technologies are rapidly disrupting every sector and every activity. And every bank, insurer, asset manager and private equity house is moving quickly to transform ahead of the unrest.

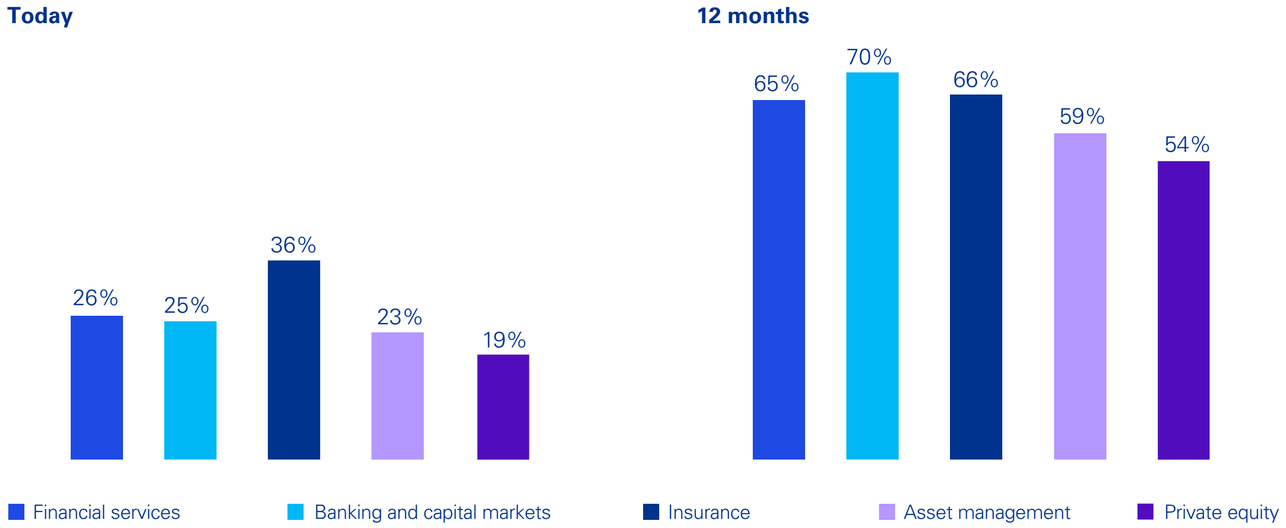
The good news is that many already boast fairly strong maturity across a range of core technology functions. Where they are particularly strong is in the foundations — areas like cybersecurity, network infrastructure and enterprise data management — the building blocks upon which future transformation are created.

They also want to move quickly. Forty-three percent say they consider themselves to be innovators, among the first in their market to experiment and adopt new technologies. Another 46 percent are self-described fast followers. Just one in ten waits until technologies are mainstream.

With that as a backdrop, expectations for rapid technology adoption should not be surprising. Our survey shows remarkable ambition. Consider this: today, just 26 percent of financial services technology leaders say they are deploying AI use cases into production at scale. But within the next 12 months, 65 percent of financial institutions think they will be at that stage. Banking and capital markets seem set to mature the fastest, followed by the insurance sector.

Future AI adoption trends in financial services

Innovating and deploying AI use cases into production at scale, delivering ROI across multiple use cases



Q. Which of the following best describes your organization's level of AI adoption today? In 12 months' time?

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"A number of insurance firms, for example, are now using agents to support subrogation, allowing them to pursue claims that would previously have been uneconomical," notes Gerrit Bojen, Partner, Head of Technology and Finance Consulting, Financial Services, KPMG in Germany.

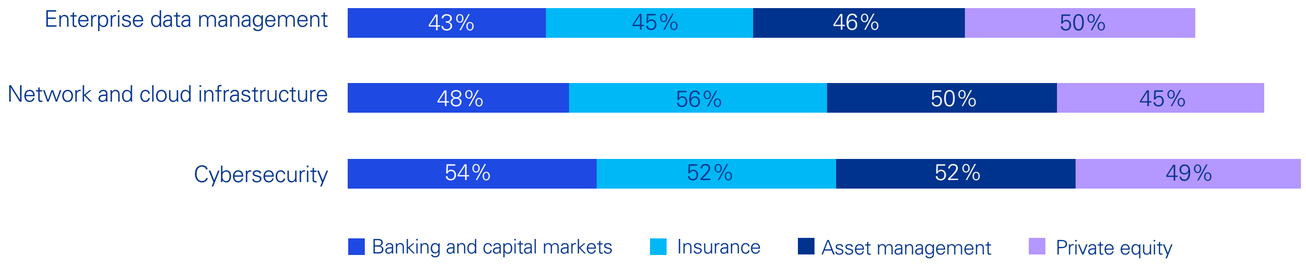
It's not just AI. Financial services leaders expect to make massive strides on a range of technologies. Take cybersecurity for example: whereas just 14 percent of respondents say their cyber technologies are fully scaled today, 58 percent expect to be in that position within the next 12 months. Data and analytics should jump from 8 percent who claim high maturity today to 62 percent who expect to be at that level next year. Financial services organizations certainly expect to mature quickly.

Yet the same data reveal a problem: a significant number of our respondents say that — while their strategy is funded and supported — they are hitting blocks with scaling-up. Thirty-seven percent say that about cybersecurity. Thirty-five percent say the same about their AI and automation efforts.

"While regulation may be creating some roadblocks to rapid and widespread AI adoption, many industry leaders continue to struggle with foundational challenges related to their data quality and the adaptability of their legacy systems of course; it also requires business leaders to be brave and to embrace innovation. You can't underestimate the importance of culture."

Ilanit Adesman-Navon
Global Lead of AI for Insurance and
Head of Insurance and Fintech
KPMG in Israel

Organization's maturity across top three technology functions: Sub-sectoral comparison



Q. Which of the following best describes your organization's maturity across the following core technology functions?

Source: KPMG Global tech report 2026, KPMG International, January 2026.

Technologies where financial services are fully scaled but hitting blocks:

37% Cybersecurity

35% AI and automation

31% Data and analytics

Q. For each of the following technologies, how would you describe your organization's position today?

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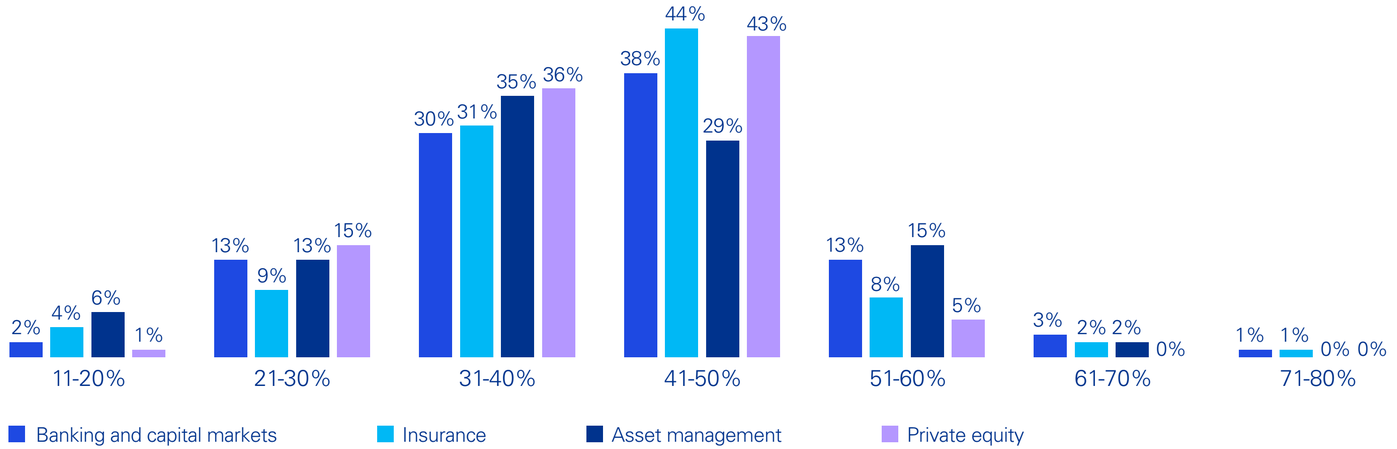
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Unlock value from core

What financial services leaders seem to recognize is that investments into digital transformation will never return real value if it's built on shoddy foundations. Indeed, even in the age of FOMO (fear of missing out) over AI, financial services tech leaders still say they get the best bang for their buck from investments into foundational and core technology platforms. More than half of the organizations in our survey (52 percent) said that more than 40 percent of the value they realized from digital technologies had come from foundational and core tech platforms.

"Financial services firms are realizing that they need to get the foundations in place in order to really achieve value from their AI investments," adds Owen Lewis, Global Lead of AI for Financial Services and Head of Banking & Capital Markets, KPMG in Ireland. "Investments into the foundations — cloud capabilities, data governance, culture and security, for example — are key to unlocking new value from emerging technologies."

Financial value realized from foundational and core tech platforms at sub-sectoral level (%)



Q. Approximately what percentage of the total financial value that your organization realized from digital technologies came from each of the following technology areas? Foundational and core tech platforms (such as cloud infrastructure, ERP systems, CRM platforms, etc.)

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The challenge, however, is that much of that capital seems to be allocated to maintenance. We asked our respondents how much of their tech budget would be allocated to maintenance, growth and transformation. A third of respondents admitted that more than 40 percent of their budgets would be going to maintenance versus just 23 percent who said they would invest the same levels in growth, while just 9 percent said the same would be earmarked for transformation.

> **“Financial services firms can’t take their eyes off the cyber threat — bad actors are often adopting AI faster than banks and insurers can keep up — and that is rapidly changing the threat landscape. Given the sensitivity of their data and the regulatory requirements around data security, it is not surprising that cybersecurity will attract continued investment.”**
>
> **Simona Scattaglia Cartago**
> **Global Lead of Insurance Technology and Partner**
> **KPMG in Italy**

The irony of channeling capital into maintaining aging systems is not lost on our respondents. Many (45 percent) say that they miss opportunities to invest in new and emerging technologies because of cost pressures. Forty-three percent say that the cost of fixing technical debt prevents them from making investments in new technology programs.

When capital does flow to growth and transformation objectives, where are financial services technology leaders allocating it? The biggest allocations seem to remain focused on the foundations — cybersecurity and data and analytics will see some of the biggest increases (41 percent say they are in line for budget increases of more than 10 percent). AI and advanced simulation/digital twins will also be high on many companies’ investment lists.

Significant benefits should be unlocked if financial services firms are able to align action and ambition. According to our respondents, some of the benefits of achieving their ambitions in these technology areas include better cybersecurity management, improved operational efficiency, new revenue growth and accelerated innovation.

The top benefits of achieving technology ambitions are:

Better cybersecurity management	Improved operational efficiency	New revenue growth	Accelerated innovation	Improved customer satisfaction
36%	**34%**	**29%**	**29%**	**28%**

Q. If your organization achieves its ambitions for these technologies by the end of 2027, what benefits do you anticipate your organization could achieve?

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Partner to accelerate outcomes

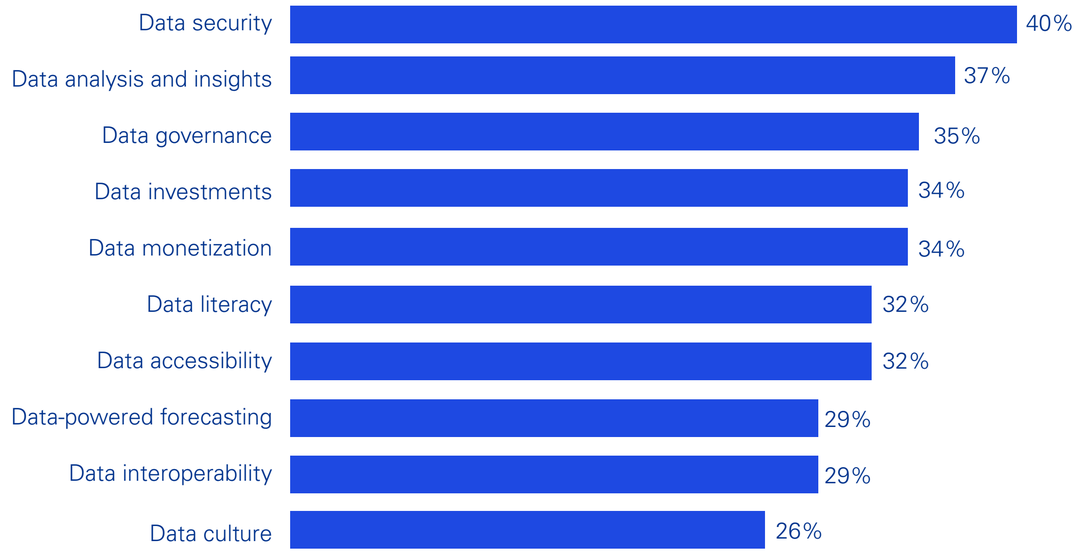
Transformation is not achieved through technology alone. Our survey suggests that financial services technology leaders recognize it also takes great data, strong skills and capabilities, an ecosystem of partners and an adaptive culture.

Start with data. As you'll recall, financial services leaders rank their maturity in enterprise data management highly and they plan to significantly increase their investment in data and analytics. Not surprisingly, much of the focus will be on data security and data analysis. What is surprising, however, is that key influencers of success — data culture, data interoperability and data accessibility, for example — came towards the end of the list.

"As financial services organizations start to adopt agents across the enterprise, expect to see data quality and accessibility become increasingly important. At the same time, we are also seeing significant progress being made in areas like data governance, which will be key in ensuring that agents are able to function effectively and efficiently across the organization."

Gerrit Bojen
Partner, Head of Technology and Finance Consulting
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KPMG in Germany

Most critical data and analytics improvement areas for future success



Q. Which of the following data and analytics improvement areas will be most critical for your organization to achieve its strategic goals over the next 12 months?

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Skills and capabilities are another key focus area for financial services technology leaders. The number one most critical factor in the success of a technology strategy (according to our respondents) is having the right skills and talent. Yet 60 percent of respondents say that they have great ideas around how they would like to digitally transform over the next 24 months but lack the talent they need to bring these plans to life.

Partially in response to the need to access talent and capabilities, our survey reveals a focus on expanding and strengthening tech ecosystems and partnerships in order to tap into the expertise financial services organizations require to transform. But first, they will need to find ways to overcome some perceived barriers to collaboration, including security concerns, geopolitical tensions and potential misalignments in incentives.

With an eye towards the future, we asked our respondents how they would react if a new breakthrough tech suddenly emerged that would boost performance but cause major disruption in the process. Interestingly, more than half say they would wait for the technology to be proven. But that does not mean they would sit on their hands; the majority say they would want to run structured pilots in the business versus centralizing control. And they would be likely to want to start building their skills in order to take a certain proportion of their capability development in-house.

> **"There has been an explosion of partnerships between AI firms, business consultants and financial services firms where the AI vendors with forward-deployed engineers are teaming up with consultants who truly understand the business impacts and implications of AI to deliver very powerful use cases and solutions. Expect more of these to emerge over the coming year."**

Owen Lewis
Global Lead of AI for Financial Services
Head of Banking and Capital Markets
KPMG in Ireland

Respondents approach to disruptive technology breakthrough:

57% wait for proven tech as their adoption strategy

68% prefer structure pilots for their innovation governance approach

50% balance caution and experimentation in their decision-making

66% prefer a mix of build and buy for their capability development approach

Q. Imagine a breakthrough technology becomes available that could significantly enhance your organization's performance — but adopting it would cause major disruption to your current business model. How would your organization most likely respond in each of the following areas?

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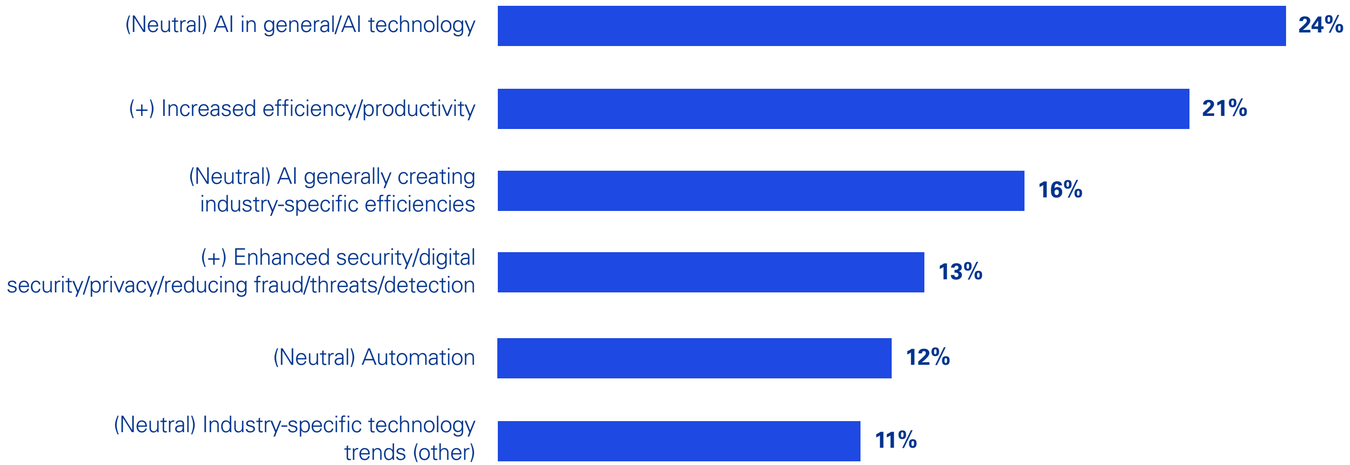
Create adaptive operations

How do financial services technology leaders expect the world to change over the coming year? And what impact will those changes have on their digital transformation strategies and technology investment plans?

Clearly, AI will play a key role — not only AI in general, but also industry-specific applications as well as general automation. Interestingly, survey respondents note these three areas will be disruptive, but somewhat neutral in their impact, suggesting many see them as both an opportunity and challenge. The outcomes that they will deliver — increased efficiency/productivity and enhanced security — will be not only significant but also largely positive for financial services organizations.

"AI agents will be both an opportunity and a challenge for financial services firms — the opportunity is to create much more seamless, efficient and personalized interactions for clients but, at the same time, external agents are going to be used by technology providers or existing intermediaries from the client side — payments providers and insurers in particular need to start to prepare," adds KPMG in Isreal's Ilanit Adesman-Navon. "The future will see AI agents talking to AI agents and financial services firms need to understand the consequences for their business."

Top six tech trends with biggest impact by 2026



Q. What technology trend do you think will have the biggest impact (whether positive or negative) on your organization or industry in 2026?

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As AI adoption moves into high gear, our data suggests that financial services technology leaders are concerned about a range of new and emerging risks. Data security with cyber attacks and IP theft via open-source leakage ranked among the greatest concerns. At the same time, they are also worried about how they operate in this new era; regulatory risks, governance and ethical concerns also rank highly on the list of perceived future risks from AI.

"Regulation is leading to different paces of adoption and scaling around the world," adds KPMG in Italy's Simona Scattaglia Cartago. "In Europe, for example, financial services firms are facing a lot of heavy, upfront compliance requirements that trigger documentation, human oversight and monitoring obligations, which in turn can slow adoption of new technologies significantly."

With these risks and challenges on the horizon, our survey suggests that financial services technology executives are rethinking their playbooks in order to improve their chances of success over the next year. Many will be focusing on pivoting their workforce strategy, as well as retraining and retaining top talent. As noted earlier, significant focus will be placed on creating strong data foundations. Risk management and cybersecurity are unsurprisingly high on the list. The data also suggests a stronger move towards culture change and partnerships as a way to help drive the technology strategy forward.

At the same time, it is also clear that our respondents recognize the disrupted macro environment will likely continue to create unexpected challenges over the next year. In response, our data suggests that financial services organizations are focusing on improving their decision-making capabilities, shoring up their cybersecurity position, enhancing data sovereignty and reshoring capabilities in order to reduce geopolitical and regulatory risks.

> **"Financial services organizations are increasingly using cyber risk quantification to put real numbers around cyber exposure. By translating risk into financial impact over time, technology leaders can focus investments on the controls and tools that truly help reduce risk, while scaling back on those that add limited value, supporting a more disciplined and value led approach to investing in security and data foundations."**

Motoki Sawada
Partner, Cybersecurity Advisory practice
ASPAC Cyber Lead
KPMG in Japan

Top five actions in response to external macro environment changes:

40% want to improve data flow for scenario planning and agility

37% want to apply greater scrutiny to geographic location of cybersecurity partners

35% want to enhance data sovereignty auditing across the partner ecosystem

Q. Which of the following actions is your organization likely to pursue over the next 12 months as part of its digital transformation efforts, in response to external macro environment changes?

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5 key recommendations

01

Focus on the foundations

Capturing value and accelerating transformation requires financial services organizations to start from strong foundations, including robust data management, strong cybersecurity capabilities, upskilled talent and agile infrastructure. That is the key to scaling up transformation progress and driving value from technology investments.

02

Shorten planning cycles

In a world characterized by continuous change, financial services firms will need to dramatically reduce their planning cycles — down to three-month cycles where possible. That will require a focus on improving data quality, enhancing data analytics and developing much tighter planning capabilities.

03

Prioritize partnerships

Securing the right talent, capabilities and tools to drive a successful transformation requires financial services firms to rethink their build vs buy assumptions with a greater focus on partnerships. Building everything in-house or relying solely on external providers is no longer practical and may open your organization up to unexpected risks.

04

Leverage your unique assets

As technology rapidly becomes commoditized, financial services firms should be considering what unique attributes they bring to the table — customer data and relationships, for example, or an understanding of complex financial products — and thinking about how their technology investments and applications help accentuate these unique assets.

05

Think transformation

To achieve real and sustainable value from your technology investments, stop focusing on siloed productivity improvements and start thinking about enterprise-wide transformation. That means reimagining processes and operating models versus simply implementing point solutions and running pilots.

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How KPMG can help

Transforming at pace is not easy. It requires more than just new technologies; success rests on an organization's ability to create the right foundations and supporting environment for change. Financial services firms are looking for pace and competitive advantage. But they are navigating a complex world where expectations, opportunities, regulations and capabilities are rapidly changing. KPMG can help.

KPMG firms have global multi-disciplinary teams of professionals who understand specific client needs and can help deliver successful outcomes. Our close connection with regulators, understanding of key issues, and deep industry knowledge aims to lead to smooth collaboration and practical execution. We are continuously evolving and growing to help ensure we have the capabilities, methods and alliance relationships to deliver the insights driven, fact-based and technology-enabled services to enhance sustainable value. KPMG firms offer specialized services to a wide range of industry clients at local, national and global levels.

Our professionals in Audit, Tax and Advisory are specialists in their fields and have deep experience in the issues and needs of banking and investment businesses.

Methodology

This report is based on a survey of 760 financial services technology leaders, including Chief Data Officers, IT Directors, Chief Information Officers, Chief AI Officers and Chief Technology Officers. All companies reported annual revenues of between US$1 billion and US$100 billion and headcounts ranging from more than 500 people to more than 50,000. Fifty-three percent of respondents are based in EMEA, 28 percent in the Americas and 19 percent in APAC.

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Gerrit Bojen is a partner in the Financial Services practice and leads technology consulting for KPMG in Germany. He has more than 20 years of professional experience as a program and transformation manager in banking and system integration engagements. Together with his interdisciplinary team of cloud architects, financial services experts and AI engineers, he designs and accelerates the transformation journey for financial services.



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Ilanit is a partner and leads the Insurance and Fintech practice for KPMG in Israel. She brings deep expertise in financial and operational risk management, insurance and banking regulation, and advisory services for insurers, financial institutions, and fintech companies. Ilanit is a recognized industry leader, actively shaping Israel's insurance and insurtech ecosystem through strategic advisory work and thought leadership.



Owen Lewis

Global Lead of AI for Financial Services
Head of Banking and Capital Markets
KPMG in Ireland

Owen is the Global Lead for the AI and Velocity for Banking and Capital Markets practice. He has over 25 years of consulting experience, 10 of which were in global roles at Toyota and the remainder leading transformation programs across financial services. This has ranged from enterprise-wide transformation, cost optimization in functions such as operations, technology, risk, finance and customer-facing channels, and helping clients deliver value across products and services in a more efficient and effective way. Owen holds a Ph.D. in the application of deep learning capabilities to financial services and regularly advises and supports FS clients to use AI and Gen AI in their businesses to drive efficiency, effectiveness and better customer outcomes.



Simona Scattaglia Cartago

Global Lead of Insurance Technology and Partner Financial Services
KPMG in Italy

Simona joined KPMG in 1997 and she was appointed Global Lead of Insurance Technology in 2018. During her time at KPMG she has matured a deep knowledge in the design and implementation of IT architectures and solutions mainly in the insurance and banking industries. Simona has 24 years of experience in the insurance sector and leads the IT implementation practice for Financial Services for KPMG in Italy. With the experience gained from working on many complex finance and risk full transformation projects, she is actively supporting many countries in the definition of their target architectures, in the selection of the appropriate software application components and in running the implementation projects from strategy to delivery.

Special thanks to thank the following KPMG professionals who participated in the development of this report.

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