KPMG Global tech report 2026

Financial services with US highlights

Strong foundations for enterprise wide transformation

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Foreword

As individuals who work closely with technology, data, and AI leaders across the US financial services sector, we can say with confidence: the ambition to transform is accelerating. Leaders globally understand that advanced data ecosystems and AI are fundamentally reshaping how we operate, manage risk, and elevate the customer experience. Here in the US, institutions are setting a particularly aggressive pace, eager to innovate boldly and unlock the full potential of these capabilities.

However, as IT and data executives know all too well, transformation isn't just about adopting the newest large language model. AI is just the tip of the iceberg; what really matters is the engine that enables it.

You cannot build the financial institution of the future on legacy plumbing. The most successful firms are fiercely focused on their foundations—modernizing technology and data, data architecture, simplifying processes, embedding continuous governance, and strengthening cybersecurity. They recognize that without these core pillars anchored to trust, even the most advanced AI tools will struggle to deliver enterprise-wide ROI.

An AI-first mindset is needed to truly drive meaningful change, and above all, it requires orchestration. We are seeing a vital shift away from fragmented, disconnected pilot projects toward cohesive, cross-functional strategies. Organizations are moving from rigid, long-term tech roadmaps to agile, iterative planning. They are also rethinking the old "build versus buy" debate, recognizing that leveraging a dynamic ecosystem—combining their proprietary data and deep client trust with strategic partnerships from AI innovators—is the ultimate competitive differentiator.

Finally, leaders understand that sustainable advantage won't come from technology spend alone. It requires a profound evolution of the workforce. As AI begins to redefine operational roles and headcount strategies, the mandate for tech leaders is clear: we must guide this transition purposefully, upskilling our teams to work alongside intelligent systems and leveraging invaluable human domain expertise to bring these tools to life.

This report offers a timely snapshot of where the sector stands today. It highlights the strategic shifts being made, the risks being managed, and the massive opportunities that lie ahead. If you are involved in shaping your organization's technology, data, and AI strategy, we hope these insights help you reflect on your own journey—and perhaps spark a few new ideas along the way.

On behalf of the KPMG network of financial services professionals, we encourage you to reach out to our team to explore these trends deeper or to discuss your own unique technology and transformation challenges.

Manish Madhavani
US Financial Services Leader
KPMG LLP

Chris Long
US Financial Services Advisory Leader
KPMG LLP

Key findings

Maturing by the minute

Global **89%** | **US** **84%**

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

Global **58%** | **US** **52%**

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

Strengthening the foundations

Global 52% | **US** 44%

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

Global 43% | **US** 57%

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

Global 47% | **US** 47%

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

Adapting to disruption

Global **40%** | **US** **40%**

say data security will be critical to achieving their strategic goals

Global **89%** | **US** **95%**

say their top talent strategy includes AI-native roles (e.g., prompt engineers, AI ethicists)

#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

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

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.

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.

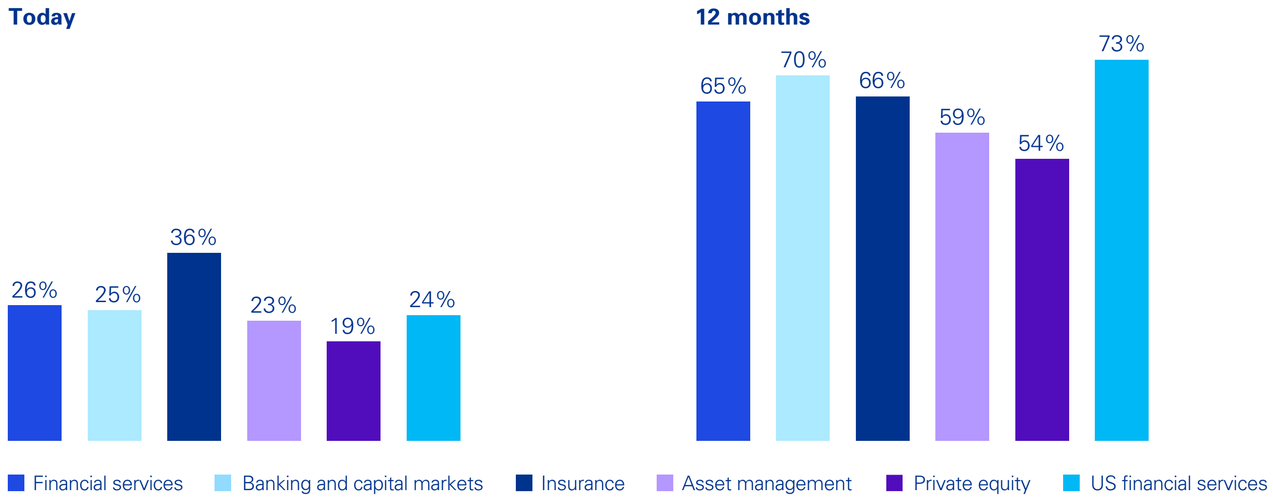
With that as a backdrop, expectations for rapid technology adoption should not be surprising. Our survey shows remarkable ambition. Consider this: today, just 26 percent of financial services technology leaders say they are deploying AI use cases into production at scale. But within the next 12 months, 65 percent of global and 73 percent of US financial institutions think they will be at that stage. Banking and capital markets seem set to mature the fastest, followed by the insurance sector.

US Perspective | Under pressure to modernize, leaders are balancing urgency and caution

Financial services leaders in the US are moving quickly to transform. Most (91 percent) agree they must take more risks on emerging technologies to stay relevant. While a significant portion say that their technology plans are quickly becoming outdated (63 percent of US financial services leaders feel this way), 73 percent say they will be innovating and deploying AI use cases into production at scale within 12 months time. Our data reveals a fascinating innovation paradox. On one hand, US firms are slightly more conservative in their self-perception, with fewer identifying as innovators or fast followers compared to their global peers. On the other hand, their actions tell a story of aggressive ambition. This suggests that while US firms may be cautious in principle, they feel immense pressure to act boldly to stay relevant.

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?

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

"The competitive battleground in the asset management sector has shifted as firms seek to provide a hyper-personalized experience alongside the traditional out-performance of the market. AI is the new and defining differentiator here, with managers employing it to analyze vast oceans of data in combination with individual client requirements, to create personalized and customizable client strategies. We're seeing firms establish a new standard of client experience," notes Carole Streicher, KPMG US Asset Management & Private Equity Advisory Leader.

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. These levels are even higher for US firms, with roadblocks especially experienced in efforts to scale AI and automation.

> **"AI and advanced technologies are handing the financial sector the tools to completely reimagine product innovation and the customer experience. But the path forward is a high-wire act. To unlock this growth, leaders must fiercely drive innovation while balancing the formidable challenges of budgetary pressures, complex regulatory compliance, and a workforce that is fundamentally evolving."**
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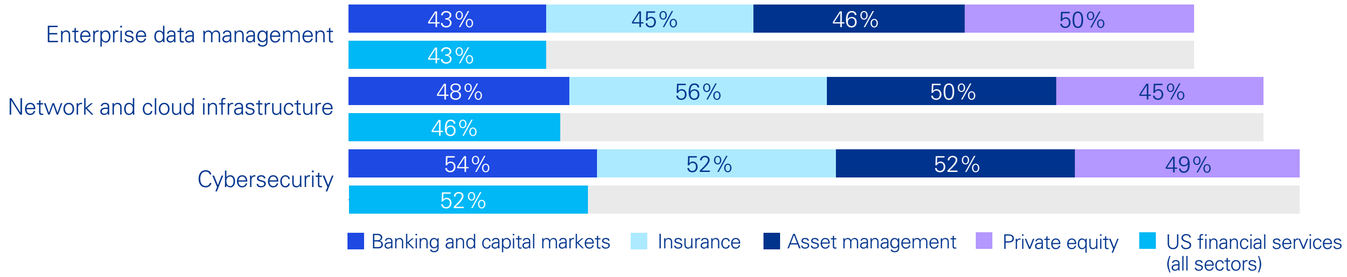
> **Manish Madhavani**
> **US Financial Services Leader, KPMG LLP**

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 roadblocks:

	Cybersecurity	AI and automation	Data and analytics
Global	37%	35%	31%
US	39%	57%	35%

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

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

Unlock value from core

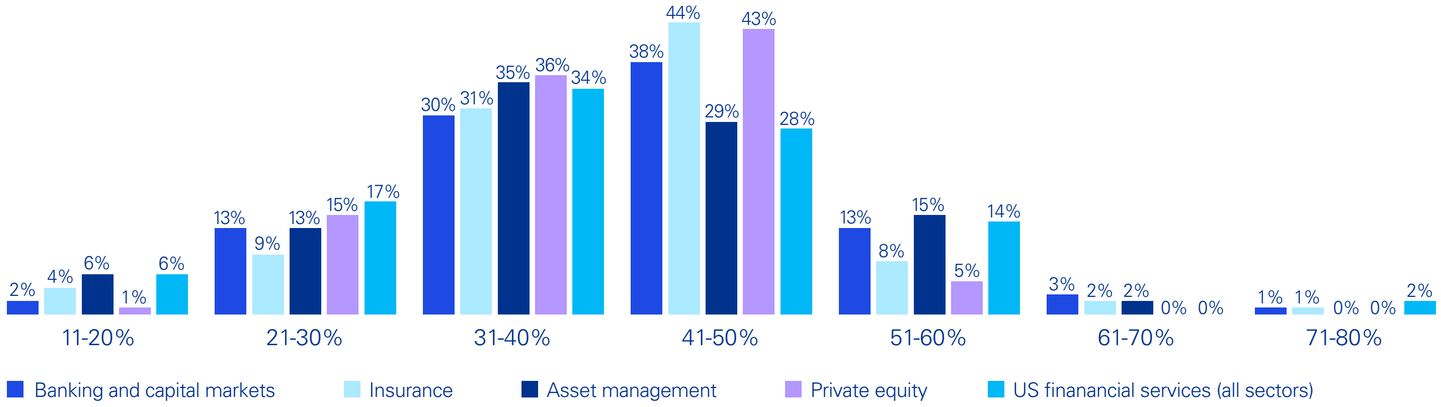
What financial services leaders seem to recognize is that investments into digital transformation will never return real value if it's built on shoddy foundations. Indeed, even in the age of competitive urgency over AI, financial services tech leaders still say they get the best bang for their buck from 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, while a slightly smaller portion (44 percent) realized that same level of value in the US.

"We are seeing a healthy dose of realism enter the market: leaders now understand that AI is only as powerful as the infrastructure beneath it," says Raj Konduru, US Insurance Consulting Leader for KPMG. "The true value of next-generation tech remains locked away until organizations invest in the enablers—robust cloud capabilities, tight data governance, secure networks, and a digital-ready culture. Strengthening the core isn't a distraction from innovation; it is the only way to successfully scale it."

US Perspective | Legacy systems are a drag on performance

In the US, the challenge of unlocking value is intensified by the strain of legacy systems. US financial services firms are more likely than other industries (56 percent vs 36 percent) to report that flaws in their foundational IT systems disrupt business on a weekly basis. Most US respondents (57 percent) say that the cost of fixing technical debt prevents them from making investments in new technology programs compared to 41 percent in other industries. Financial services firms (36 percent) say they are spending a higher percentage of their budget maintaining these existing systems.

Financial value realized from foundational and core tech platforms (%)



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.)

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

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 institutions are eager to innovate, yet many are weighed down by the technical debt of legacy systems, which, alongside the rise of AI and quantum computing, inherently increases cyber exposure. The fact that nearly all US firms are prioritizing and scaling their cybersecurity investments this year signals a paradigm shift. Cybersecurity is no longer viewed merely as a defensive posture; it is being funded as the critical enabler of enterprise-wide modernization and digital trust, AI and agentic solutions at its center.**
>
> **Chris Long**
> **US Financial Services Advisory Practice Leader, KPMG LLP**

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 and improved operational efficiency. US respondents also view improved customer satisfaction as a top benefit.

The top benefits of achieving technology ambitions are:

	Better cybersecurity management	Improved operational efficiency	New revenue growth	Accelerated innovation	Improved customer satisfaction
Global	36%	34%	29%	29%	28%
US	28%	35%	29%	28%	31%

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

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

Partner to accelerate outcomes

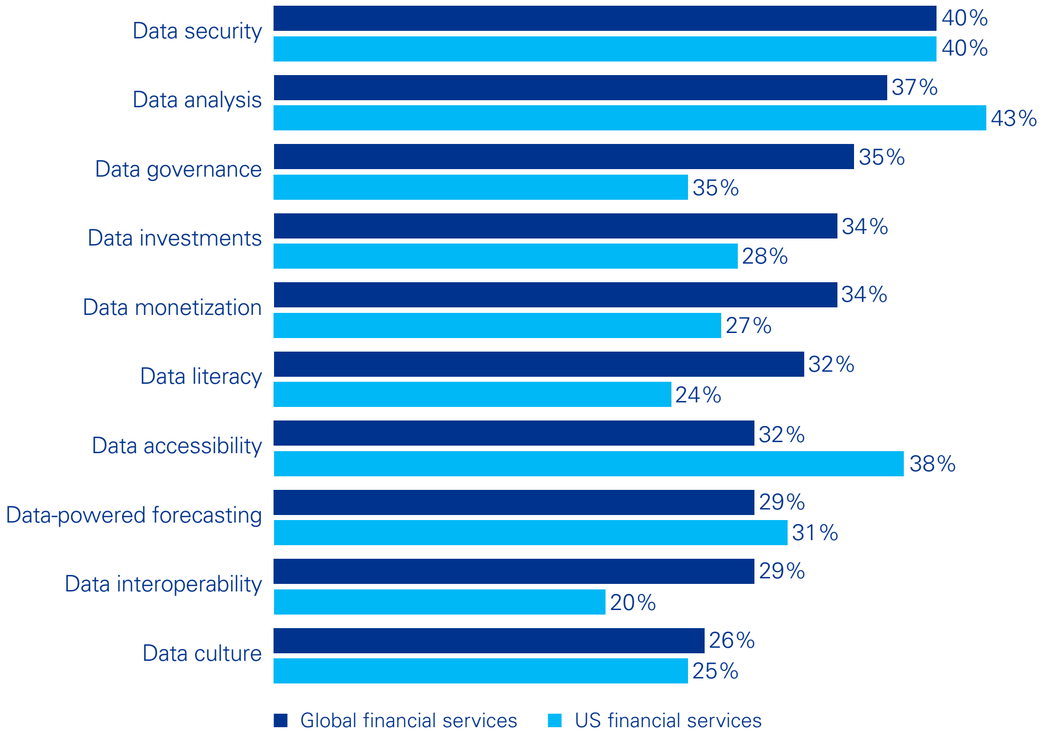
Transformation is not achieved through technology alone. Our survey suggests that financial services technology leaders recognize it also takes great data, strong skills, and capabilities, an ecosystem of partners and an adaptive culture.

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. In contrast, US financial services firms rank data analysis and insights (43 percent) and data access (38 percent) much higher as success factors, while data governance (35 percent), data literacy (24 percent), and data interoperability (20 percent) ranked much lower than the average global respondents.

> **Some financial services organizations have invested a lot in the foundational infrastructure, giving them a head start. For others there is a need to focus on getting data AI-ready for business outcomes, and then building from there to demonstrate value. Tech leaders are being challenged by their boards and management to show ROI.**

Agnel Kagoo
US Capital Markets Consulting Leader, KPMG LLP

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?

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

US Perspective | Balancing AI upskilling and legacy expertise

The skills gap is particularly acute in the US, where AI is rapidly transforming the workforce. A significant majority (94 percent) of US financial services firms now include AI-native roles in their talent strategy, and 59 percent will only hire for a role after confirming AI cannot perform the same tasks, much higher than the global average of 33 percent. However, this rapid shift creates challenges. 63 percent of US firms report having great ideas for transformation but lack the necessary talent. This signals a fundamental shift in talent strategy, creating an urgent need for leaders to manage employee anxiety and focus on upskilling to retain critical human expertise.

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. US respondents say they prefer a mix of build and buy for their capability development.

> **The era of isolated, in-house tech development is over. In the rapidly evolving AI landscape, a financial institution's greatest competitive advantage is the strength of its partnership ecosystem. By deeply integrating with specialized AI firms and advisors, organizations can bypass traditional bottlenecks, scale innovation at unprecedented speeds, and fundamentally shape the future of financial services.**

Andrew Ellis
US Banking Consulting Leader, KPMG LLP

Respondents approach to disruptive technology breakthrough:

Global	US	
57%	50%	wait for proven tech as their adoption strategy
68%	57%	prefer structure pilots for their innovation governance approach
50%	46%	balance caution and experimentation in their decision-making
66%	69%	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?

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

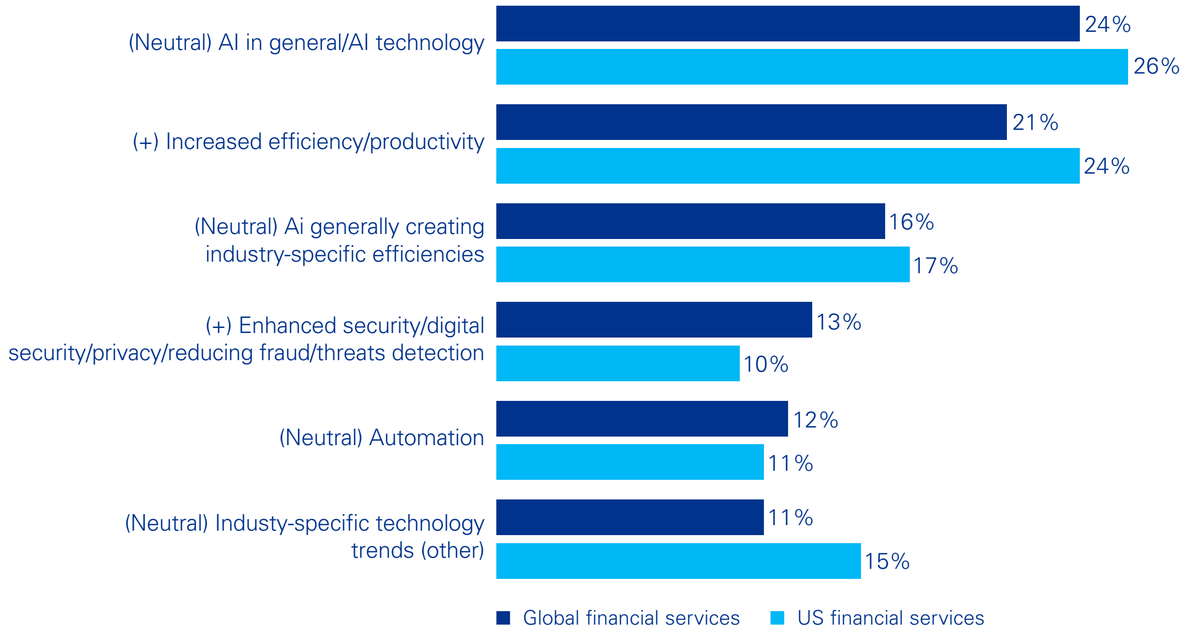
Create adaptive operations

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, global and the US subset of 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.

"We are rapidly moving from an era of human-to-machine interactions to a complex ecosystem of AI agents transacting with one another," adds KPMG FS Technology Leader in the US, Chris Panneck. "To thrive in this reality, leaders must completely rewrite their playbooks today, anchoring their AI strategies in unshakeable data foundations, dynamic cyber defense, and a workforce that is empowered, not eclipsed, by automation."

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?

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

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, global and US respondents alike, 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.

US Perspective | Leading in coordinated AI governance

To navigate the complexities of AI, financial services organizations are demonstrating leadership in AI governance. A notable 75 percent of US firms have established a cross-functional AI governance structure—including executive, risk, legal, and compliance stakeholders—compared to 66 percent in other industries. This coordinated approach is essential for unifying what can otherwise become disconnected AI projects and for driving clear ROI in a highly regulated environment.

The promise of AI in reshaping productivity and business processes is undeniable, but full realization of its potential is hindered by challenges in data modernization, security, and integration with legacy systems.

Top five actions in response to external macro environment changes:

Global	US	Global	US	Global	US
40%	49%	37%	38%	35%	39%
want to improve data flow for scenario planning and agility		want to apply greater scrutiny to geographic location of cybersecurity partners		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?

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

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.

How KPMG can help

At KPMG LLP, we understand that financial services leaders look to technology to enhance operational efficiency, enable data-driven decision-making, improve customer experiences, foster agile workforces, innovate offerings, and strengthen resilience. We know it's crucial for organizations to align technology initiatives with overall business goals to truly succeed in today's fast-paced environment.

For over a dozen years, we've built a leading technology organization, powered by more than 5,000 dedicated technology leaders and professionals, specifically designed to help both IT and business leaders thrive at the accelerated pace business now demands. Unlike business-only consultancies, we bring the financial services industry expertise coupled with battle-tested tools, deep engineering skills, and strategic alliances with leading technology companies. And unlike technology-only, firms, we offer robust business credentials and sector experience, committed to delivering measurable business results, not just technical solutions.

Whether we're helping you implement AI, improve data and analytics, enhance cybersecurity, leverage cloud technologies, deploy a new technology to modernize your operations, or outsource challenges with our managed services, you can count on us to help deliver solutions quickly and effectively.

Confidently make bold moves, gain AI-advantage, create value.

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. US data highlighted in this report represent feedback from 127 respondents.

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