Catalysing competitiveness in the age of AI

PwC Channel Islands CEO Survey

March 2026

Welcome to PwC's second Channel Islands CEO survey report

Last year, for the first time, we included Channel Islands CEOs in PwC's annual Global CEO Survey, and I'm delighted we have continued for a second year running.

At the end of 2025, we surveyed business leaders from across Guernsey and Jersey. Their views were among those of more than four thousand CEOs from around the world who took part in PwC's 29th Annual Global CEO Survey published in January 2026.

In this Channel Islands report, we delve further into what's front of mind for local business leaders and how this aligns or differs from global peers.

The year 2025 was certainly a period of global change and 2026 is continuing this trend. Leading through geopolitical uncertainty and accelerating effective artificial intelligence (AI) adoption are top priorities for CEOs globally, and the Channel Islands picture is no different.

Business leaders in Guernsey and Jersey are feeling positive about the future but, at the same time, concerned about managing risks and keeping up with the pace of change. Many of the challenges facing global CEOs, such as access to AI-ready talent, are seen more acutely locally. But we can also see differentiating strengths, such as in innovation capabilities and collaborations.

We know that our islands' industries and businesses need to continue to evolve.

PwC's Value in Motion research describes how sectors are reshaping and creating new growth opportunities. Our survey shows 62% of Channel Islands CEOs have already moved into new markets, with ambition for more.

That is also reflected in our local industry-specific research, such as the PwC Channel Islands Wealth Management Insights 2025 which shows how that sector is seeking to harness shifting investor expectations.

More broadly, both islands have recently undertaken reviews of jurisdictional competitiveness and the future of their finance industries.

Aligned to this, in February 2026, we were delighted to host conversations on both islands about opportunities to collaborate with the UK as part of the British family of financial centres, as set out in the new PwC and TheCityUK future vision for UK financial services.

Examples include leveraging the islands' regulatory agility for tokenised fund and insurance structures, and – as discussed in our Real Estate industry events last month – data trusts as structures for unlocking monetisable data and operational benefits.

Acting on the findings will be key to maintaining and strengthening Guernsey and Jersey's respective positions as leading international finance centres and places with thriving economies, businesses and societies.

With that in mind, this report highlights practical next steps for Channel Islands CEOs, together with a call to action for both industry leaders and policymakers.

At PwC we strive to be collaborative, bold and optimistic. I believe this also describes our islands when we are at our best and I look forward to working with you all.

I would like to thank all the CEOs who took part in the survey. If you would like to discuss any of the issues raised in this report, please do get in touch.

Nick Vermeulen
Territory Senior Partner
PwC Channel Islands

01 Key findings 04

02 Leading through uncertainty 09

03 Making the most of AI 19

04 Call to action 26

Contents

01

Key findings

This year, 45 Channel Islands CEOs took part in our survey

Exhibit 1: About this year's survey

Where to find out more

This report focuses on findings for the Channel Islands.

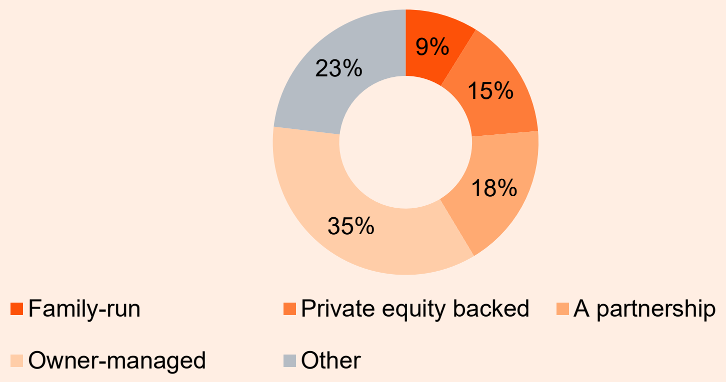
Full global results and further details of the underlying survey methodology are available here.

Number of respondents

A total of 45 eligible CEOs across the Channel Islands responded to this year's survey, up from 35 last year.

4,454 CEOs participated globally this year.

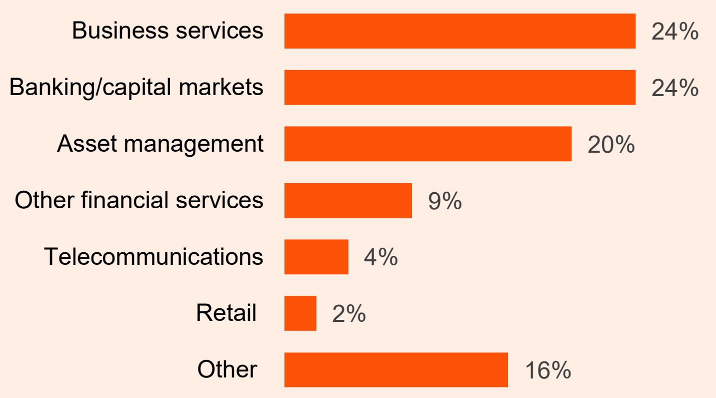
Ownership of Channel Islands respondent entities



Around three-quarters of Channel Islands survey respondents are CEOs of privately owned companies.

This may have a bearing on factors such as strategy horizon and access to capital.

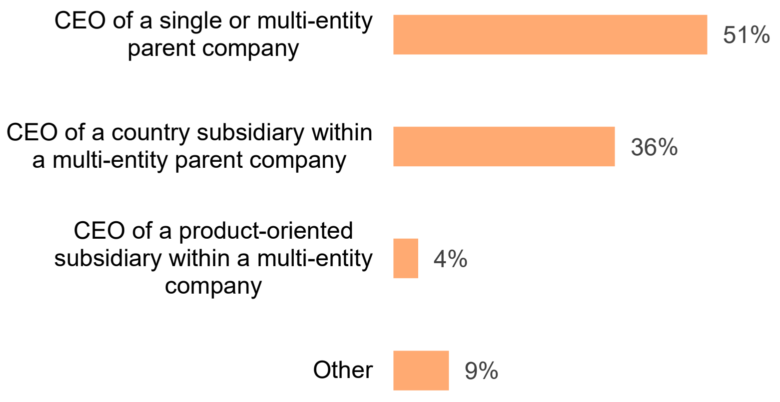
Share of Channel Islands respondents by sector



Channel Islands CEO survey respondents operate across a range of sectors, predominantly in financial services.

This is broadly representative of industry sectors in the Channel Islands economies.

Structure of Channel Islands respondent entities



51% of Channel Islands CEOs lead a single or multi-entity parent company, whilst 40% are CEO of a subsidiary.

This may have a bearing on factors such as risk exposure, risk appetite and agency for change.

Overview: Channel Islands CEOs are in the frontline for change

9/10

CEOs are confident about the next three years' revenue growth, but less so about our island economies and their growth prospects.

6/10

business leaders are worried whether their company is transforming fast enough to keep up with technology and AI. Only 8% are so far seeing both cost savings and revenue growth from AI.

62%

of companies have moved into new markets and services outside their own industry in the last five years.

58%

of CEOs see availability of key skills as a near term threat. One third are concerned they do not have the right leadership skills. 85% say they do not have sufficient access to AI expertise.

40%

higher revenue growth in companies with established innovation capabilities compared to those who don't.

7%

of CEO time is spent on longer-term activities with a 5+ year outlook.

Channel Islands headline messages: Leading through uncertainty

Channel Islands CEOs are confident about revenue growth

- Local business confidence about three-year revenue growth is higher than the global average.
- At the same time, short-term confidence in the local economy is below average.
- This suggests that local CEOs are looking internationally for revenue growth.
- For the islands' focus on financial services jurisdictional competitiveness, collaborating with businesses that are vested in the islands is key.

CEOs are concerned about geopolitical risks. Cyber security is their top priority

- Local CEOs identify geopolitical and associated cyber risk as top concerns.
- Their top action in defence is to improve enterprise-wide cybersecurity, including against rapidly-rising AI-driven threats.
- 42% of local CEOs now have processes for integrating climate risk and opportunity into capital risk allocations.
- The islands must continue to protect the jurisdiction through appropriate financial and reputational risk management.

The majority of CEOs are competing in new sectors and investing overseas

- 62% of local CEOs have begun competing in new sectors and industries in the last five years. 51% expect to do more in the next three years.
- 63% are planning to make international business investments. Top destinations are the UK, US, UAE and Luxembourg.
- This aligns with how financial and professional services are evolving and our islands' continued competitiveness.

CEOs need to think longer term

- Local CEOs spend only 7% of their time on activities with 5+ years outlook.
- Too much time focused on the short term means they could miss bigger threats and opportunities.
- Finding more time for longer-term activities will ensure their business stays relevant.

Channel Islands headline messages: Making the most of AI

AI adoption is patchy, with mixed results. CEOs need to scale implementation without compromising governance

- 58% of local CEOs are concerned whether their companies are transforming fast enough to keep up with technology and AI.
- AI is already being deployed across many businesses, but adoption is highest so far in support services and back-office functions.
- 25% of CEOs have seen cost savings due to AI to date. Only 8% have realised both cost savings and revenue growth so far.
- Whilst most local CEOs are confident they have the company culture, tech environment, and risk processes that enable AI, only 41% have a defined AI roadmap.
- Only 15% of CEOs are confident they have well-established AI foundations. In 2026, the priority is scaling implementation without compromising governance.

CEOs need to strengthen the conditions for innovation to thrive

- 82% of local CEOs say innovation is critical to business strategy but only 9% have well-established innovation capabilities.
- Those that have the foundations in place, are outperforming on revenue growth by 40%.
- The islands must leverage their strengths in connectivity and agility to innovate.

CEOs need to think differently about leadership and AI talent

- Lack of availability of key skills is a near-term threat cited by 58% of local CEOs.
- 33% of local CEOs are concerned if they have the right leadership team.
- Only 15% of local CEOs agree or strongly agree that they can attract high-quality AI talent.
- A strategic workforce plan combines on-island and off-island, outsourcing and agentic AI.
- Upskilling, reskilling, attracting and retaining the right talent, especially for AI, is critical.

Your next move

Leading through uncertainty:

- Set or refresh a proactive cyber resilience strategy.
- Invest in new talent attraction and upskilling – with AI fluency.
- Carve out more time for long-term activities.

Making the most of AI:

- Get your data and business processes AI-ready.
- Build your enterprise-wide AI roadmap.
- Further strengthen your innovation capability.

We conclude with a call to action for business leaders and policymakers.

02

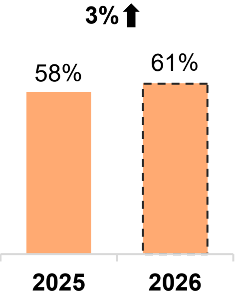
Leading through uncertainty

Channel Islands CEOs are more optimistic about their revenue growth than global peers, but ensuring the islands' competitiveness is key

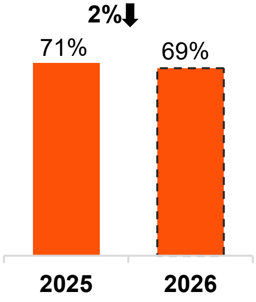
Exhibit 2: 12-month outlook for economic and revenue growth

Question: What do you believe economic growth will be over the next 12 months in the global economy and your local jurisdiction?

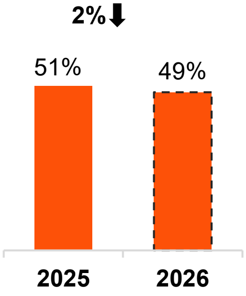
Share of global CEOs who believe global GDP will improve over the next 12 months



Share of CI CEOs who believe global GDP will improve over the next 12 months

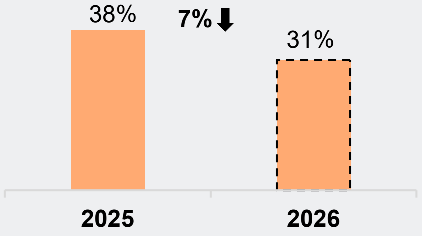


Share of CI CEOs who believe local CI GDP will improve over the next 12 months

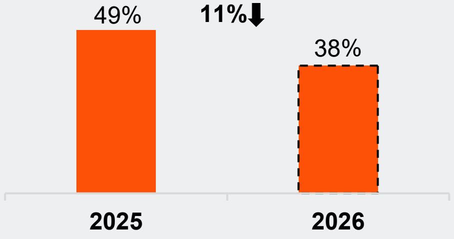


Question: How confident are you about your company's prospects for revenue growth over the next 12 months?

Share of global CEOs extremely or very confident in their company's prospects for revenue growth over the next 12 months



Share of Channel Islands CEOs extremely or very confident in their company's prospects for revenue growth over the next 12 months



Global   Channel Islands

Channel Islands CEOs are a little more optimistic than their average global peers about growth in the global economy over the next 12 months. This was also the case last year, although the difference has narrowed.

However, only 49% of Channel Islands CEOs expect improved local economic growth in 2026, down slightly from 51% last year, and less than global CEOs' views of growth in their jurisdictions of 55%.

Nearly four out of ten (38%) of local CEOs are very or extremely confident that their own revenue will grow over the next 12 months, which, although down from last year, is stronger than this year's global average of 31%. Looking further ahead, nine out of 10 (89%) Channel Islands CEOs are moderately, very, or extremely confident that their revenue will grow over the next three years. This is stronger than the global average of 86%.

This apparent mismatch between lower local economic sentiment and higher confidence in revenue growth reflects the importance of international markets for businesses on the islands, some of which are becoming increasingly jurisdictionally agnostic. This presents both opportunities and challenges for the islands' future economies.

> This highlights there is no room for complacency and shows why a renewed focus on jurisdictional competitiveness is so important. Local economic sentiment will not improve without a concerted effort to boost the business environment and the messaging of a consistent and unified narrative that promotes the benefits of doing business in Jersey and Guernsey.

Christie Viljoen

PwC Channel Islands Lead Economist

Macroeconomic volatility, skills availability and cyber risk are now the top three threats keeping Channel Islands CEOs awake at night

Exhibit 3: Top risks facing Channel Islands companies in the next 12 months

Question: How exposed do you believe your company will be to the following key threats in the next 12 months? (Ranked from largest to smallest exposure, based on the share of respondents indicating moderate, high and extremely high exposure.)

Rank	Channel Islands CEOs		Global	UK	UAE	IRE
1	Macroeconomic volatility	60%	1	2	3	1
2	Availability of key skills	58%	5	5	6	5
3	Cyber risks	56%	2	1	2	4
4	Technological disruption	51%	6	5	5	6
5	Inflation	40%	3	3	4	3
6	Geopolitical conflict	40%	4	4	1	2
7	Climate change	18%	8	8	7	8
8	Tariffs	16%	7	7	8	7
9	Social inequality	9%	9	9	9	9

Channel Islands CEOs continue to feel exposed to threats arising from a range of global megatrends and geopolitical uncertainties. Top of the list locally is macroeconomic volatility, aligned with global CEOs.

However, Channel Islands CEOs see the lack of available skills as a significantly greater threat than elsewhere. Without talent, the ability to stay competitive erodes. The islands need to continue to invest in training, alternative resourcing models, talent attraction, retention, and incentivising optimum workforce participation.

Cyber risk now ranks as a top threat across most jurisdictions globally. This year the threat is further compounded by both geopolitical events and the rapid rise of new fast-moving, AI-driven threat vectors, including agentically-empowered bad actors, the rapid adoption of new AI technologies with limited safeguards and AI model-specific vulnerabilities including context poisoning and prompt injection. Given the islands' reputations as safe and secure jurisdictions, with high dependence on digital infrastructure and cross-border financial services, cyber resilience remains foundational for competitiveness.

Technological disruption ranks slightly higher as a threat for Channel Islands CEOs than elsewhere. This reflects the rapid technological advances in many of our islands' economic sectors and the opportunities and challenges arising.

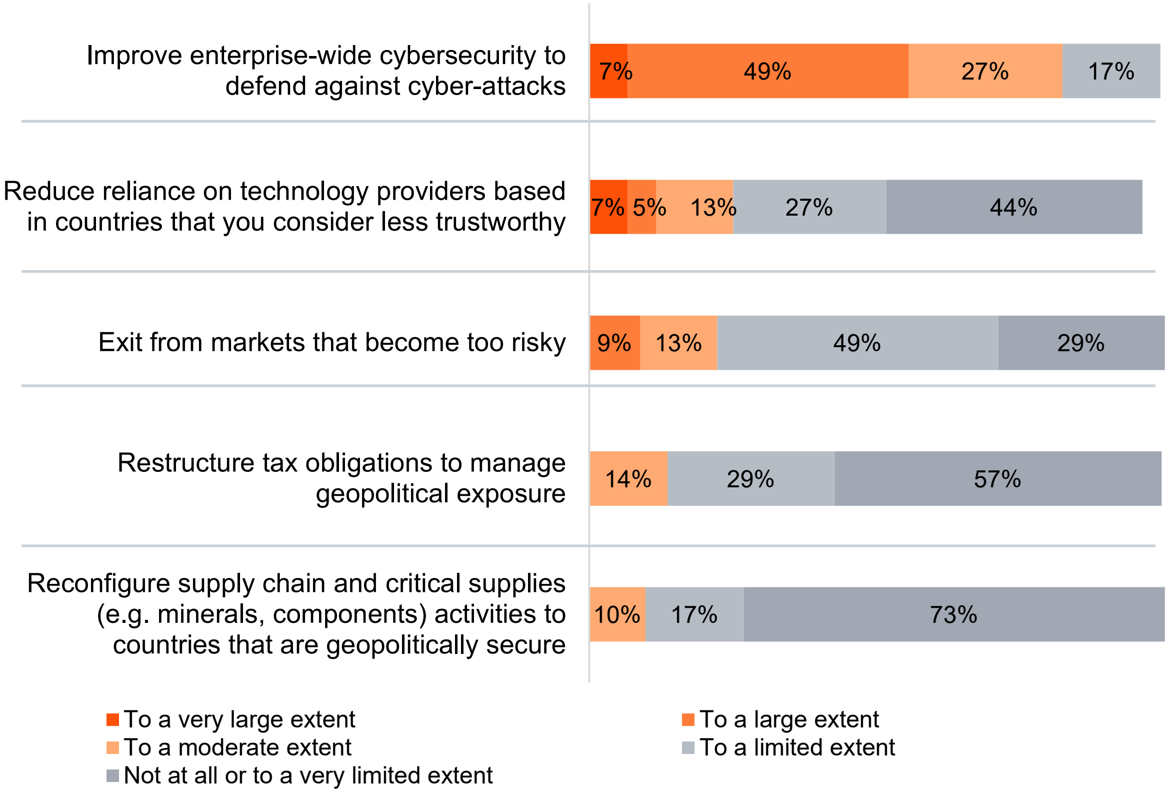
> "Our financial and professional services-led economy relies heavily on specialised talent, modern digital infrastructure, and secure data environments. These are table stakes for a modern international finance centre, and we need to keep challenging ourselves whether we could be doing more.

Neil Howlett
PwC Channel Islands
Partner and Advisory Leader

Improving enterprise-wide cybersecurity is the first line of defence against geopolitical risk for all surveyed Channel Islands CEOs

Exhibit 4: Planned responses to geopolitical risk

Question: To what extent do you expect your company to take each of the following actions in response to potential geopolitical risk, over the next three years?



Note: Percentages might not add up to 100 due to 'Don't Know' responses (0%-9%)

Geopolitical risk is driving a range of actions in response from Channel Islands CEOs but by far the most cited is improving cybersecurity. Every local CEO surveyed said they expected to take action to some extent over the next three years. This is consistent with results from the global CEOs.

Cybersecurity requires sustained investment, but generative AI is changing the threat landscape by increasing the speed, scale and credibility of attacks. Organisations should strengthen prevention, detection and response, and build the skills to run them at pace and safely. PwC's Digital Trust Insights 2026 notes that resilience depends on more than traditional controls, that AI enabled detection and response maturity remains uneven, and that capability gaps slow implementation. For post quantum cryptography, focus on readiness: map public key use, assess vendor roadmaps, and plan phased upgrades for long-lived sensitive data and critical authentication.

Reducing reliance on overseas technology providers and platforms matters to some local CEOs, especially where data residency and resilience expectations are rising. Interest in sovereign cloud models is increasing in several IFCs and some European nation states as geopolitical fragmentation and unpredictable trade policy increase the perceived risk of cross border dependency.

> Cyber threats are evolving fast, and AI is accelerating the scale and sophistication of attacks. For the Channel Islands, where financial and professional services rely on trusted data and cross-border connectivity, cyber resilience protects client confidence, regulatory standing, and our licence to operate.

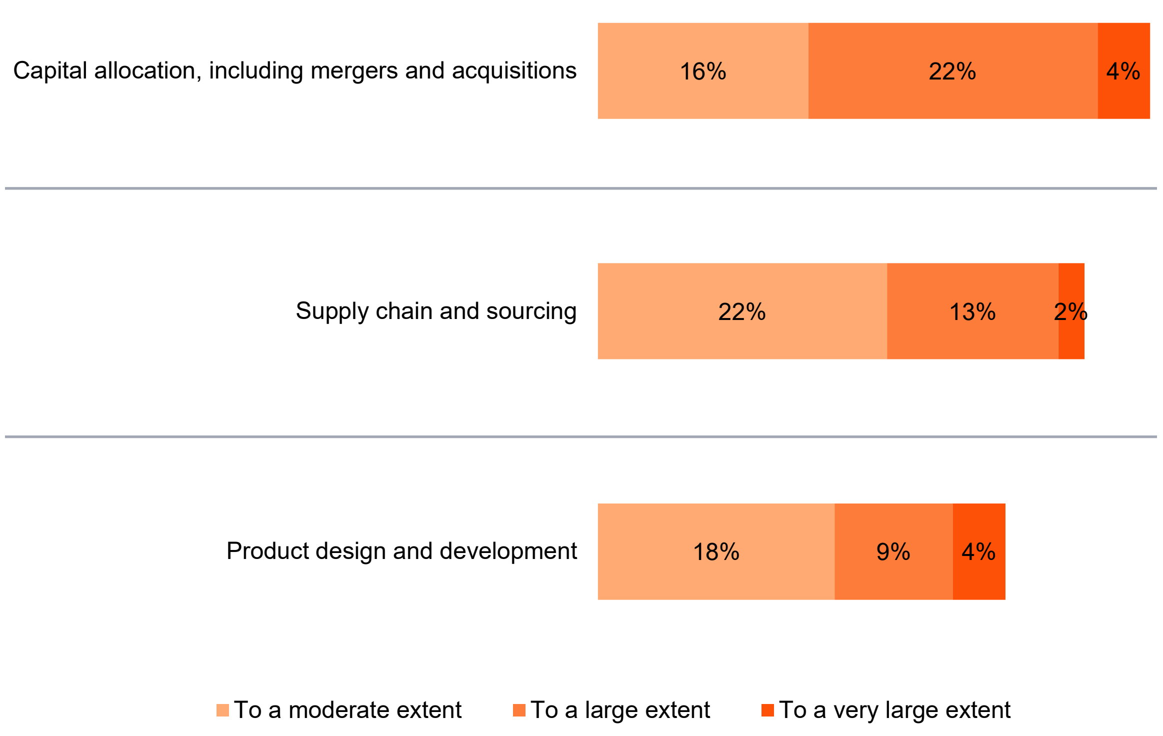
Chris Eaton

PwC Channel Islands Advisory CTO and Head of Risk Assurance

Channel Islands CEOs are taking practical steps to manage risks and capture opportunities arising from climate change

Exhibit 5: Processes to account for climate-related risks and opportunities

Question: To what extent does your company have defined processes that account for the opportunities and risks associated with climate change in the following areas?



Sustainability is now a core part of business strategy and requires CEOs to understand and master new drivers of value creation. Climate change and the energy transition have set a staggering amount of business value in motion, with global investment in the energy transition alone reaching a record $2.3 trillion in 2025. This shift is being driven by the need for clean energy infrastructure, decarbonisation of existing assets, and the urgent demand for climate resilience.

That is why it's reassuring to see that 42% of Channel Islands CEOs now have processes for integrating climate risk and opportunity into capital allocations, 37% of them into supply chain and sourcing, and 31% into product design and development.

The link to capital allocation is particularly important given the role of the Channel Islands as conduits of capital to finance the global sustainability transition, as well as the ambitions of both islands to further strengthen their positions as centres for sustainable finance.

> The capital allocation results reflect regulatory expectations on both islands for financial services entities to consider and, where appropriate, manage climate risk as part of their overall approach to business risk management. More broadly, the findings reflect the transition in the Channel Islands to a green economy, the business continuity and logistics challenges arising from extreme weather events, and the opportunity arising for new consumer products and financial services.

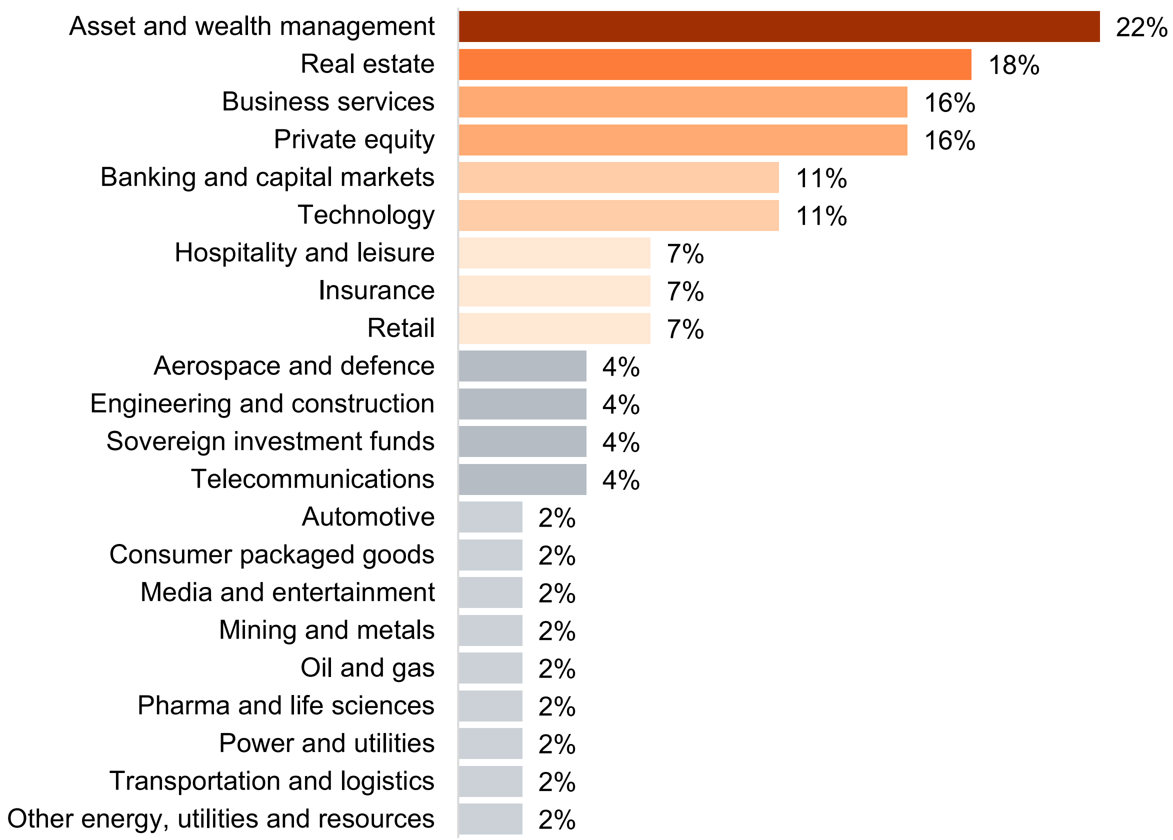
Ali Cambray

PwC Channel Islands Sustainability Leader

Channel Islands CEOs are planning to grow their businesses over the next three years to compete in a wide variety of sectors and industries

Exhibit 6: Future business growth target territories

Question: In which of the following industries (if any), outside of your own, will you seek to grow your business (including partnering with others to do so) over the next three years?



PwC's Value in Motion research describes how sectors are reshaping and creating new growth opportunities.

It is clear that value is indeed already in motion in the Channel Islands. A majority of CEOs have already been actively diversifying their businesses, 62% have begun competing in new sectors and industries in which they hadn't previously in the last five years. This is notably higher than the 42% of CEOs globally.

Looking ahead, 51% of Channel Islands CEOs are planning to grow their business further in other industries (including through diversification and partnerships) over the next three years.

This trend is being led by the islands' financial and professional services sector. 33% of local CEOs intend to move into new financial services (exceeding the UK at 20% and UAE at 29%), whilst 18% are looking to move into different fund asset classes. More specifically, the top industries are asset and wealth management (22% of CI CEOs compared to 6% globally), followed by real estate (18%), private equity and business services (both at 16%).

We see this is reflective of trends in the market, as set out in the latest PwC AWM Revolution 2025 and the PwC Channel Islands Wealth Management Insights 2025 .

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Growth in private markets, digital assets and other alternative investments are opening up to greater pools of investors. New wealth creation in Asia and intergenerational wealth transfer are changing demand for wealth management services. The sovereign wealth fund sector is growing, whilst the boundaries between real estate, infrastructure, private equity and debt funds are blurring.

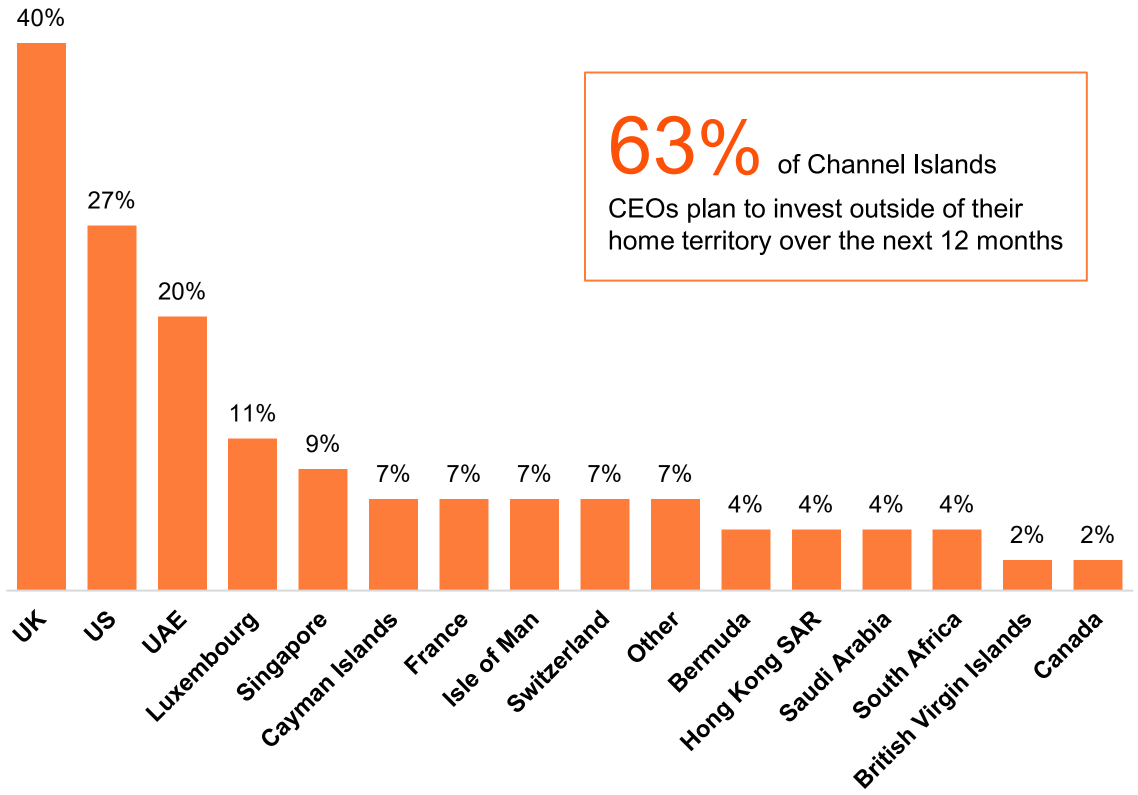
Mike Byrne

PwC Channel Islands Partner and EMEA Alternative Funds Lead,

Channel Islands CEOs continue to prioritise investment in globally connected financial hubs led by the UK, USA and UAE

Exhibit 7: Offshore investment destinations

Question: Which three countries (excluding the one in which you are based) will receive the greatest proportion of your company's overall investments in the next 12 months? (Share of Channel Islands respondents identifying each territory.)



63% of Channel Islands CEOs plan to invest outside of their home territory over the next 12 months

Nearly two-thirds (63%) of Channel Islands CEOs plan to invest overseas over the next 12 months. And they will concentrate their investment in the markets that reinforce their global competitiveness.

The UK remains the top destination for Jersey and Guernsey CEOs, reflecting long-standing financial, legal and professional services links and the islands' positions as part of the British family of financial centres. As set out in the PwC and TheCityUK future vision for UK financial services 'No time to lose', Jersey and Guernsey act as trusted conduits for global capital, supporting cross-border investment through fund domiciliation, administration, fiduciary services and specialty insurance. There are significant opportunities for Channel Islands firms to deepen integration with UK service providers to support end-to-end cross-border solutions.

At the same time, Channel Islands CEOs are looking to the US and to growth in the Middle East. Centres like Dubai and Abu Dhabi are climbing the global league tables through bold regulatory reform, digital asset leadership, and targeted talent strategies. Local CEOs recognise this momentum and are positioning themselves in these fast-growing hubs.

Investment in Luxembourg, Singapore, Cayman Islands and Switzerland continue to reflect the interconnectedness of our islands' finance industries with other established international finance centres.

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Whilst these findings continue to demonstrate the islands' outwards facing nature, we must make sure the offer for firms to stay based in – and vested in the future of – the Channel Islands remains relevant and compelling for our international businesses.

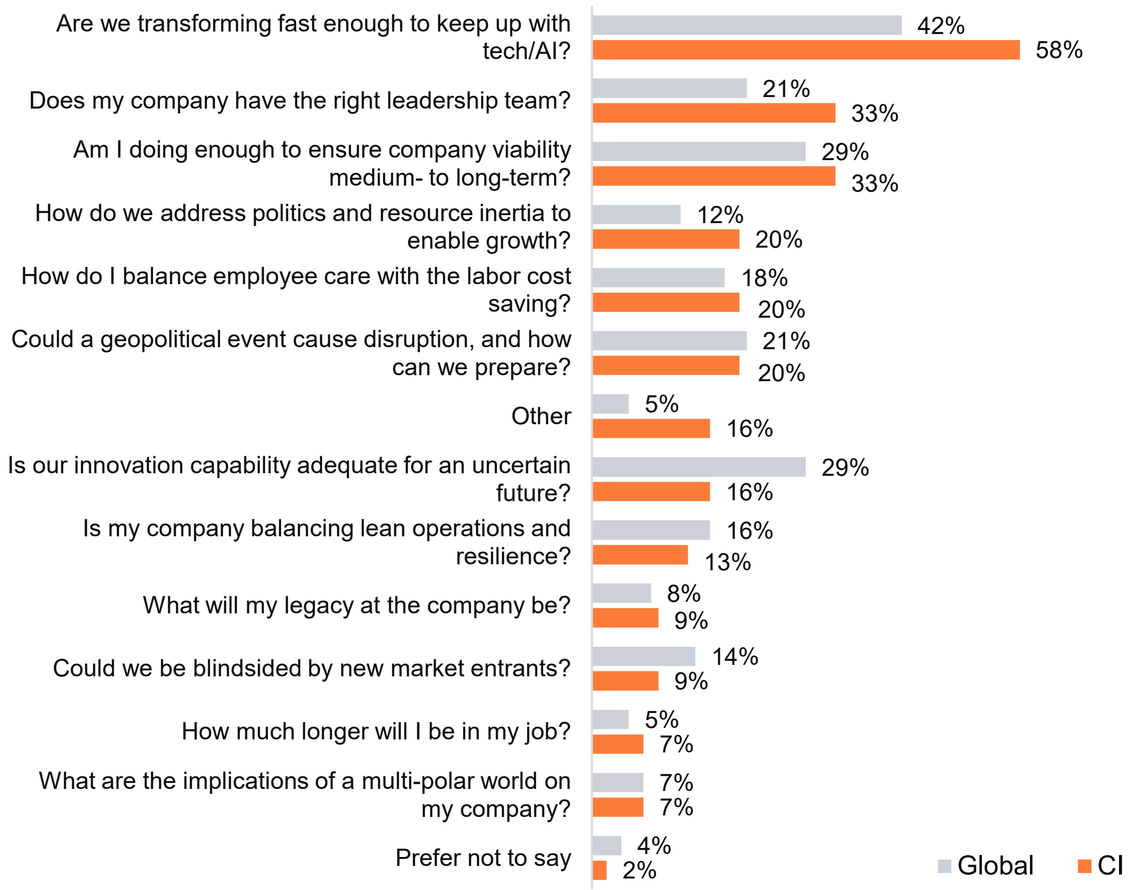
Lisa McClure

Partner, Jersey Officer Leader, and CI Clients and Industries Leader

The pace of AI adoption, firm leadership composition, and long-term company viability are the top three concerns for Channel Islands CEOs

Exhibit 8: The most concerning questions for CEOs

Question: What is the question that concerns you the most these days?



58% of Channel Islands CEOs are concerned whether their company is transforming fast enough to keep up with technology and AI. This is notably higher than the global average of 42%, indicating that Channel Islands CEOs are acutely aware of how fintech and AI are expected to disrupt many of our local industries, and the need to stay ahead. (See Section 3 for a deeper dive into our survey results relating to AI).

One third (33%) of Channel Islands CEOs are concerned if they have the right leadership team in place, compared to 21% globally. CEOs need to continually review the composition and capabilities of their leadership teams to ensure the right strategic focus, including tech skills and long-term strategy.

One third (33%) of Channel Islands CEOs are also worried whether they are doing enough to ensure their company remains viable in the medium to long term, a similar view to their global counterparts. Only 16% believe their innovation capacity is adequate compared to 29% globally.

Taken together, these concerns again underline the importance of business, government and regulators working together to ensure the stability, agility and competitiveness of the islands' economies. A political and business risk environment that supports innovation, talent and sustainable growth will be key.

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We all know that access to talent can be challenging in our local economies. Boards and executive teams must evolve to keep up with the realities of doing business on the islands – or risk the long-term sustainability of companies. Leadership needs to be fit for purpose.

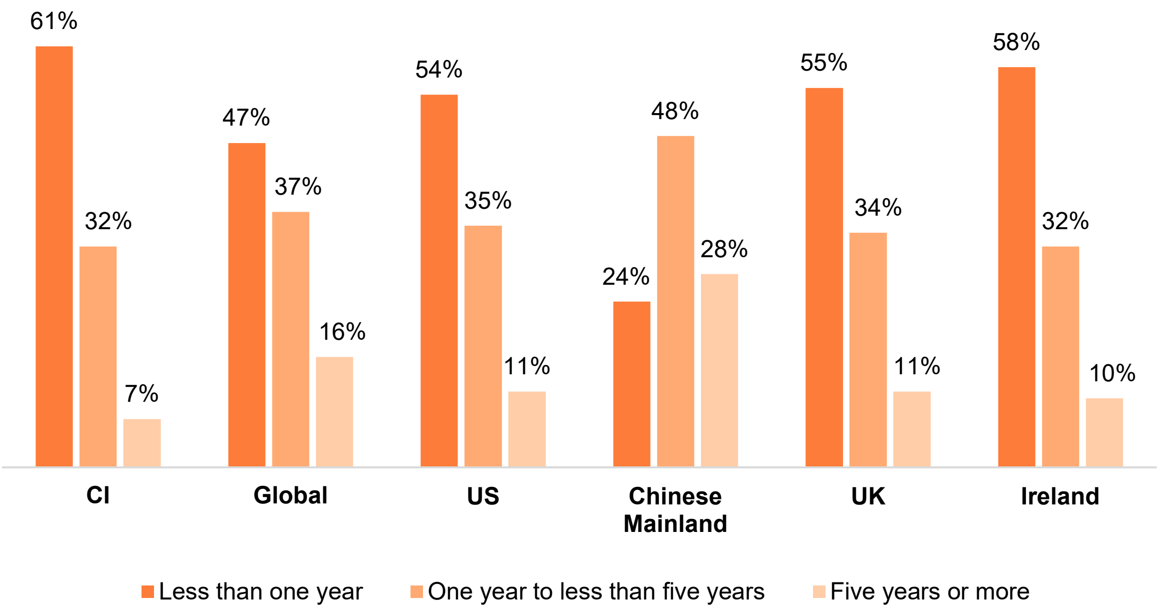
Sarah Williams

PwC Channel Islands Workforce Lead

Channel Islands CEOs need to find more time to think further ahead to secure the long-term viability of their businesses and our islands

Exhibit 9: Balancing short-, medium-, and long-term responsibilities

Question: What proportion of your typical schedule is dedicated to activities associated with the following time horizons?



How CEOs invest their time is one of the most important decisions they can make. They know that balancing tasks that require immediate attention with those that have implications down-the-line is tricky.

Our survey shows that Channel Islands CEOs spend 61% of their time focussed on activities associated with time horizons of less than a year, significantly higher than the global average (47%) and other comparator jurisdictions. This could reflect the ownership structures of surveyed Channel Islands businesses (as set out on page 5 of this report). For example, 40% of CEOs head up a subsidiary company – a position that is inherently more likely to be focussed on operational factors versus long-term strategic issues.

At the other end of the spectrum, Channel Islands CEOs spend only 7% of their time (around one-and-a-half days per month) on activities with a time horizon of five years of more. This is less than half the global average of 16%.

We therefore see a potential mismatch between Channel Islands CEOs' concerns about technology disruption, company viability, leadership and succession planning, and their ability to find time to take action on these longer-term issues.

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We need to understand as islands why our local CEOs struggle to find time for long-term activities and action. We know they enjoy engaging in ambitious discussion, but now they need to find time to turn that into action. We need a coalition of business leaders vested in the longer-term future of the islands as jurisdictions to drive forward.

Leyla Yildirim

PwC Channel Islands Chief Strategy Officer

Leading through uncertainty: Your next move

Where should Channel Islands CEOs go from here?

01

Set a proactive cyber resilience strategy for an AI driven threat landscape

Make cyber resilience a board priority. Update your security strategy for AI-enabled threats, including identity, data protection, monitoring, response and third-party risk. Choose what to run in-house versus managed services and invest in the skills to operate it. Test readiness regularly with clear metrics. Gaps in preparedness can undermine confidence among clients, regulators and investors.

02

Invest in new talent attraction, upskilling and reskilling – with AI fluency

Review your talent, skills and expertise needs across your leadership and business, in particular AI talent and future-focused leadership capabilities. Align your recruitment and resourcing model, redesign training and upskilling, performance management and your employee value proposition to these needs. It is not just about headcount – strategic workforce planning can also include managed services, offshoring, secondees and agentic AI. Get this right and we have a once-in-a-generation opportunity to attract talent through new ways of working, improve the quality and value of the work we do, make it more fulfilling and ultimately bolster the long-term competitiveness and prosperity of our islands.

03

Carve out more time for long-term activities

It is often said that successful business leaders need both a microscope and a telescope to help them identify near-term threats while spotting long-term opportunities. To get both lenses in place, CEOs need to treat long-term reinvention as a standing priority, not a 'nice-to-have'. In order to carve out more time for longer-term priorities, CEOs need to build a leadership team that absorbs short-term pressures, so they can focus beyond the immediate needs of their organisation.

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Uncertainty isn't a reason to retreat – it's an opportunity to lead. Whether the need is for tech reinforcements, skills development, or being more long-term oriented, CEOs need to spend the time to build the capabilities at the core of today's business imperatives. Leading from the front is the only way to succeed.

03

Making the most of AI

From appetite to results: Assessing AI adoption in the Channel Islands

In last year's survey, Channel Islands CEOs were keen to harness AI

Last year, almost 60% of surveyed Channel Islands CEOs said they expected AI to boost returns in the future. However, many were integrating AI at a cautious pace, taking care to build trust and apply appropriate guardrails. Most use cases were targeted at productivity improvements, rather than transforming offerings and tapping into new markets.

Channel Islands CEOs know they have to move faster

This year, some 58% of Channel Islands CEOs are concerned whether their company is transforming fast enough to keep up with technology and AI. The rapid acceleration of fintech, including generative and agentic AI capabilities, means this is of the utmost importance for our key industries, not least financial services.

One year on, are Channel Islands CEOs seeing the AI impacts they expected – or not – or is it still too early to tell?

This is the focus of our analysis this year, set out in further detail on the following pages. We asked CEOs about the extent to which they have deployed AI so far across their businesses, and whether they are yet seeing any productivity benefits.

There is mounting evidence that isolated, tactical AI projects may deliver limited value, with tangible returns coming from enterprise-scale deployment consistent with business strategy. This, in turn, demands strong AI foundations across a range of capabilities and conditions, against which we asked CEOs to self-assess.

Measurable returns remain elusive for many, although maybe that's ok for now

Whilst it is clear local CEOs are forging ahead with AI deployment, only 8% report achieving both revenue growth and cost reduction for AI so far (see next page).

When interpreting this in the Channel Islands context, it is important to note:

- AI integration and associated business reinvention can represent a significant investment, and the benefits may take time to be realised.
- At a basic level, AI investment is a necessity to retain market share. It is not necessarily a growth driver, whilst failing to invest risks losing competitiveness.
- Safe and successful deployment of AI is a complex process that requires planning and coordination. For local subsidiaries, that leadership may be at group level not on island.
- The Channel Islands market currently largely relies on off-the-shelf technology rather than in-house development, so the most disruptive AI impacts to date (e.g. in coding) are less pronounced locally.
- In regulated sectors such as financial services there is a need to balance innovation and agility with transparency and risk controls. Probabilistic AI models are not appropriate for all regulated processes and there is greater complexity in orchestrating and implementing the right blend of deterministic and probabilistic models and tooling to deliver explainable and trusted AI.
- The operating context for AI is becoming more challenging. As set out earlier, AI-enabled cyber-attacks are increasing. Managing cyber threats now need to consider the risk posed by agentic AI and the utilisation of AI in cyber defence as a countermeasure.
- Analysis of PwC's Global CEO Survey results suggests that those companies already seeing a financial upside are those with very strong AI foundations. So far, only 1 in 6 Channel Islands CEOs say their organisations have these.
- Progress is further limited by the availability of local AI talent. Only 15% of CEOs can attract high-quality AI skills, and need to rethink recruitment, resourcing models and skills strategies.

So far, only 8% of Channel Islands CEOs have realised both higher revenues and lower costs by using AI

Exhibit 10: Financial returns due to AI adoption in the CI

Revenue changes due to AI

Cost changes due to AI	Net decrease	No change	Net increase
Net decrease	**0%** (1% global)	**17%** (13% global)	**8%** (12% global)
No change	**0%** (0% global)	**50%** (42% global)	**0%** (8% global)
Net increase	**0%** (1% global)	**14%** (12% global)	**11%** (9% global)

Notes: Increase and decrease are changes of 2% or more; No change is a change between a 2% decrease and 2% increase. Percentage of CEOs reporting Increase/No change in costs and Decrease/No change in revenue is 64% after rounding.

Percentage of CEOs reporting Increase in revenue is 19% after rounding. Not showing "Don't know" responses.

Financial returns from AI adoption to date clearly reflect a market still in transition in the Channel Islands. As set out overleaf, AI adoption remains concentrated in support and back-office functions, where benefits are often incremental. Stronger returns will come from scaling AI into core business processes and revenue driving decisions, supported by enterprise governance.

Only 8% of Channel Islands CEOs report both higher revenues and lower costs from AI, compared with 12% globally.

A further 17% report lower costs, with no change in revenue

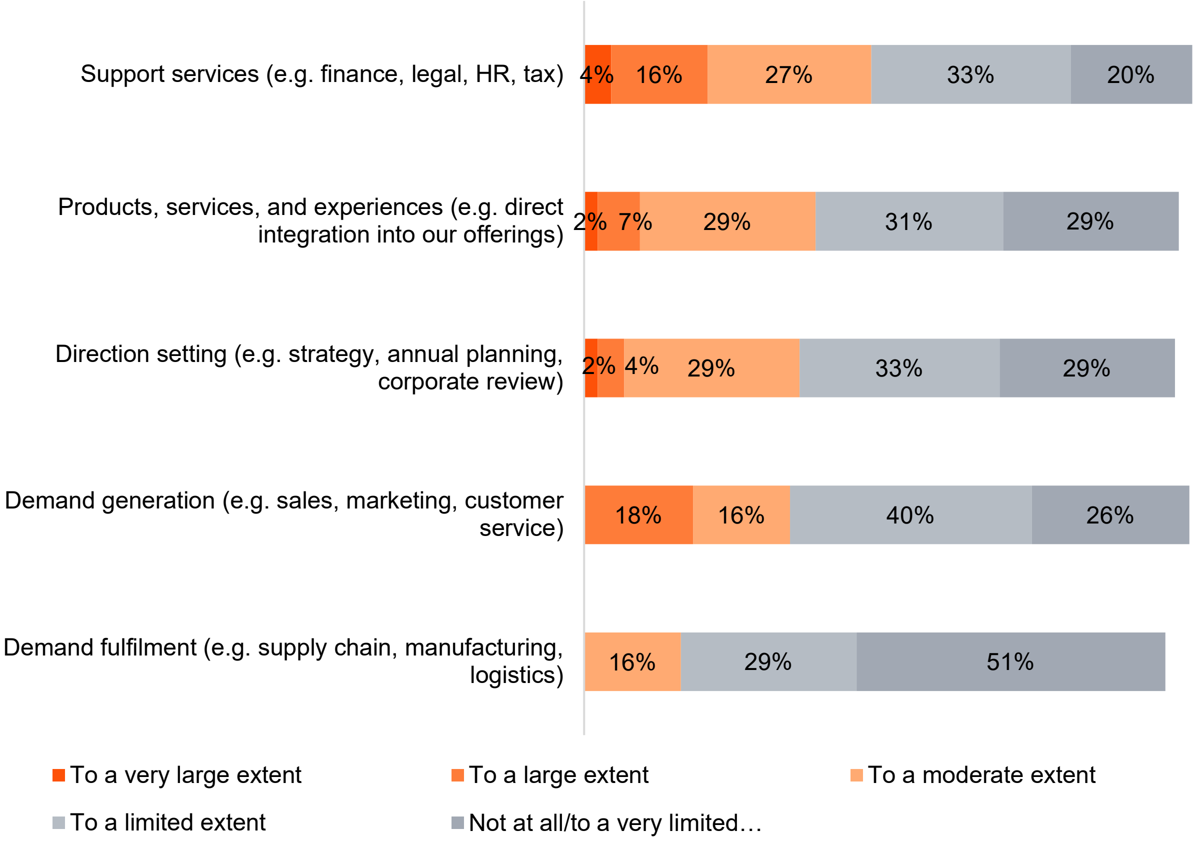
11 % of Channel Islands CEOs report higher revenues from AI, but with higher costs to date, suggesting they are still in an investment phase.

64% of Channel Islands CEOs have yet to see either lower costs or higher revenues from AI, compared with 55% globally. Within this group, 14% report higher costs to date, while 50% report no net change in either costs or revenue, indicating many are still early in adoption.

Channel Islands businesses are increasingly utilising AI – but there is room to deploy the technology more extensively to maximise gains

Exhibit 11: AI adoption across different business domains in the CI

Question: To what extent has AI been applied in the following areas of your business?



Note: Percentages might not add up to 100 due to "Don't Know" responses (0%-4%)

AI has so far been applied most often by Channel Islands businesses in their back-office support services such as finance, legal, human resources and tax. 20% of Channel Islands CEOs say their business is already using AI in support services to a large or very large extent, while only 9% say they have integrated AI directly into their service offerings to a large or very large extent.

This aligns with what we see in the local market. For example, the PwC Channel Islands Wealth Management Insights 2025 found that non-client-facing support staff are engaged in operations and compliance areas where automation and AI can take on much of the routine work. Meanwhile, clients are coming to expect tech-enhanced capabilities in areas ranging from 24/7 visibility and interaction to portfolio personalisation and data-enabled insight. Market-leading technology could be especially important in attracting the new generation of clients.

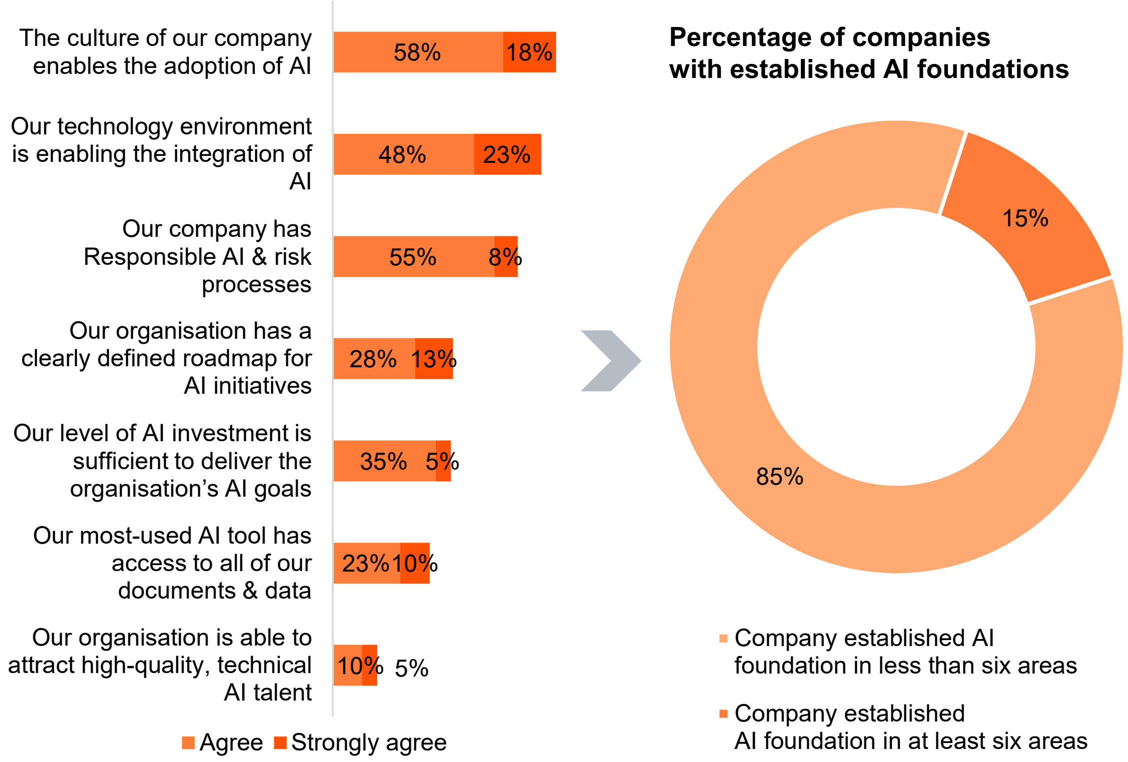
It may be the case that businesses have started using AI internally for support services as a first phase, prior to deployment for client-facing activities. This could also reflect the structure of the local market, where Channel Islands companies typically rely on off-the-shelf technology rather than in-house development. Adoption may have naturally gravitated towards readily available AI tools for internal support functions, either directly or through managed services, with more bespoke, client-facing innovation to follow.

As highlighted earlier in this report, digital assets offer significant growth potential within the alternatives market. AI can assist across the full lifecycle of tokenisation, This includes automating data extraction from financial records, generating and managing documentation, running compliance checks against regulatory requirements, producing valuation inputs through real-time market analysis, and enabling ongoing monitoring of asset performance. With many investors already bypassing wealth managers to invest directly in these assets, the efficiency and accuracy AI brings to this process becomes even more critical.

Channel Islands CEOs believe they have the company culture and tech environment for AI, but lack roadmaps and high-quality talent

Exhibit 12: AI foundations maturity of CI companies

Question: Question: To what extent do you agree or disagree with the following statements relating to AI use at your company?



Note: n = 40. 40 out of 45 surveyed CEOs answered this question.

As shown in Exhibit 12, PwC has identified seven foundational requirements for AI maturity and successful enterprise-wide deployment of AI. Strengths in at least six out of these seven areas are needed in order to establish a strong AI foundation and results.

Only 15% of CEOs believe their company has established AI foundations in at least six key areas. There is much to do to strengthen effective AI readiness on the islands.

That said, there are some clear strengths on the islands. 76% of local CEOs agree or strongly agree their company culture enables AI adoption. 71% agree or strongly agree that their company tech environment enables AI adoption. 63% agree or strongly agree they have responsible AI and risk processes in place.

At the same time, there is work to do to make sure AI tools can have appropriately governed access to documents and data, and only 15% of believe they can attract high-quality AI talent. Without the right roles, especially AI product leadership, AI architecture, Machine Learning (ML) engineering and MLOps, data engineering, and model risk governance, even well funded programmes struggle to scale.

Less than half (41%) of local CEOs have a defined AI roadmap. This is a critical step towards enterprise-wide deployment.

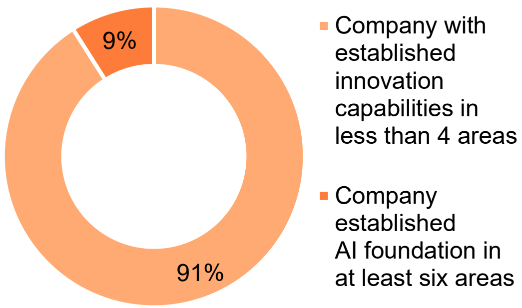
PwC research shows companies beginning to see the financial upside of AI tend to have very strong AI foundations. PwC's 2026 AI Business Predictions show that front-running organisations now have clear proof points, working benchmarks, and measurable ROI. Value comes when AI is embedded into end to end processes with guardrails, exception handling, and monitoring that meet regulatory expectations.

While 80% of Channel Islands CEOs say innovation is critical to their business strategy, more work needs to be done to build foundations for innovation

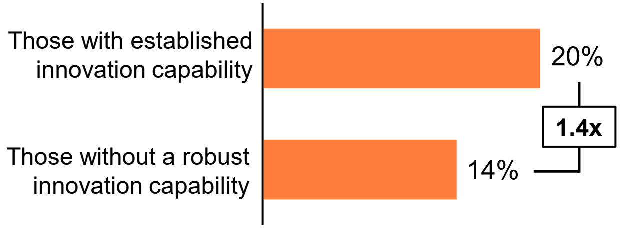
Exhibit 13: Innovation approach and maturity

Question: To what extent do each of the following statements characterise your company's approach to innovation?

Proportion of companies with established innovation capabilities, based on their approach to innovation



Median proportion of total sales attributable for new products or services, based on innovation capability



PwC have identified six innovation capabilities as in Exhibit 13

PwC have identified six innovation capabilities as in Exhibit 13.

80% of Channel Islands CEOs agree to a moderate, large or very large extent that innovation is a critical component of their overall business strategy. This is similar to the view of 82% of global CEOs, and to those in financial services.

71% of local CEOs are actively working with external partners to accelerate innovation. We know collaboration is a strength of the Channel Islands, where close proximity, support for start-ups, and clusters such as regtech-focussed companies work together. Still, there is further to go, including with overseas external partners, to stay relevant and avoid being left behind as sectors evolve.

Where offered, regulatory sandboxes and jurisdictional agility also support the islands' attractiveness for innovation, but risk appetite clearly has limits in the minds of local CEOs.

Local CEOs are not typically setting up or accessing any kind of innovation centre or incubator, and for context it is also worth reflecting that on-island research capability is limited by a lack of university R&D facilities.

Drawing this all together, only 9% of Channel Islands CEOs feel they have established innovation capabilities in 4 or more areas. Those that do have outperformed those that don't by 40% in total sales attributed to new products and services. We need to double down on supporting innovation as part our islands' fresh looks at competitiveness.

Making the most of AI: Your next move

Where can Channel Islands CEOs go from here? The year 2026 must be a year of accelerated action on AI adoption. We would urge all Channel Islands CEOs to reflect on the maturity of their AI foundations as set out earlier in this section. Here's some practical steps:

01

Make your data and critical business processes AI ready

AI is only as good as the data it works with, and the greatest results are often where business priorities, evidence of AI's value, and availability of talent and data align. Make sure your data governance structures are in place, leveraging formalised responsible AI and risk controls. After you identify the right high-value processes, aim for wholesale transformation. Instead of cutting a few steps, rethink the entire chain of events, which an AI-first approach may turn into a single step. That often starts by asking not how AI can fit into a workflow but how it can create a new one.

02

Build your enterprise-wide AI roadmap

If you are one of the 59% of Channel Islands CEOs who do not yet have an AI roadmap, now is the time. You need to evolve a top-down, enterprise-wide strategic approach. Your roadmap needs clear milestones, defined ownership, and governance frameworks. Without a roadmap, AI will remain a series of disconnected experiments rather than a source of lasting enterprise value.

03

Further strengthen your innovation capability

Only 9% of local CEOs have well-established, rounded innovation capabilities, despite valuing innovation highly. CEOs must prioritise innovation because that is where future growth will come from. This means leveraging partnerships, group-level R&D where available, and the islands' connectivity to build innovation muscle and realise financial benefits. Senior leadership must champion this from the top, creating the culture and conditions for innovation to thrive.

"

The wave of AI disruption is a tsunami – and it's already here. AI investment is a defensive necessity to maintain market share. Organisations that don't get their data foundations right, build a clear roadmap, and develop the innovation capability to act on it risk being left behind. The time for cautious experimentation has passed; 2026 must be the year of decisive action with governance built in.

04

Call to action

Conclusion: 2026 must be a year of moving fast to keep up

These are unprecedented times and the stakes are high for Channel Islands CEOs.

We have much to be proud of about how our local businesses are evolving to capture value in response to geopolitical risks and changing market demand.

However, as highlighted in the recent PwC and TheCityUK report on the future vision for UK financial services, it is clear that businesses – and indeed our island economies as a whole – are vulnerable without enhanced action to stay ahead of technological disruption, local economic trends, and strengthened international competition.

We need to double down on actions to boost our islands' competitiveness, working with businesses that are vested in the future of the islands.

We look forward to continuing to collaborate to support the islands' future good growth.

In conclusion, and in the context of the ongoing future financial services strategy work on both islands, we call upon industry and government policymakers to work together as follows:

01 Position the Channel Islands at the frontier of technology

Building on progress to date, industry, government and regulators should prioritise key opportunities to deploy AI and capture addressable markets.

Focus on markets where we have credible expertise and the right to play, for example in application and servicing of tokenised assets, and improving high-friction KYC processes.

Move faster on AI as business leaders and as a jurisdiction. Strengthening board-level technology and AI knowledge will provide strategic direction and focus, to enable investment and governance.

02 Grow more innovation muscle

Recognise and celebrate tech-led innovation on the islands, across all industries and sectors.

Continue to offer a supportive regulatory environments, including agile sandboxes that are attractive compared with those in peer jurisdictions.

Support catalysing initiatives for the good of the islands such as Impact Jersey and new business models such as social enterprises and public-private models.

03 Build the islands' brands as part of the family of UK financial centres

Engage collaboratively as part of the family of UK financial centres to explore high growth markets, sectors and jurisdictions.

Ensure a continued focus on jurisdictional competitiveness, improving the business environment where feasible and supporting access to new markets.

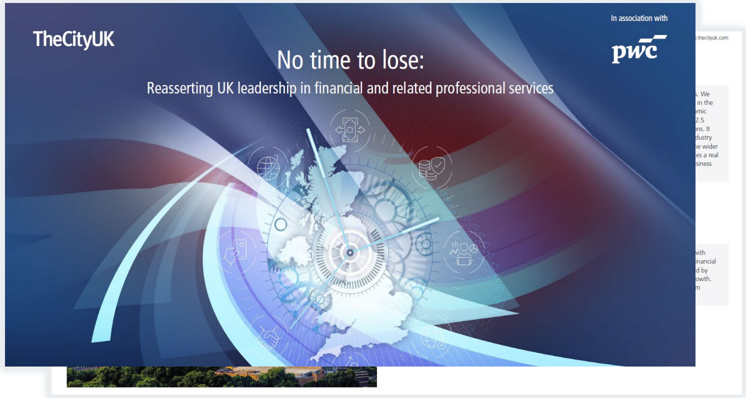
04 Radically review talent attraction policies and incentives for in-bound talent, especially in AI

AI talent, entrepreneurs and skilled workers are being lured to other jurisdictions through compelling value propositions.

Industry and government need to work together to compete for the best international talent, and to make sure our on-island training, upskilling and reskilling initiatives meet the needs of our future economy, and that the islands continue to be attractive places to live and work.

Further reading

Now available



[No Time to Lose: The City UK & PwC report]

[CI Wealth Management Insights 2025]

Other suggested readings

01 [Digital Trust Insights]

02 [PwC AI Business predictions 2026]

03 [The sustainability factor: Mastering new drivers of value creation]

Coming soon

Channel Islands Wealth Management Report

Wherever you are on your journey, we can help

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Thank you

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