

# Five priorities for accelerated reinvention

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## Financial Services in the Middle East

PwC's 28<sup>th</sup> Annual Global CEO Survey

This year's survey reveals that CEOs in our region recognise the urgent need to transform their organisations as powerful megatrends reshape the business landscape.

The financial services sector in the Middle East is in the process of a massive change, as digital technology transforms operations, security and the customer experience. Financial services CEOs are well aware of the reinvention imperative and are busy adapting to the megatrends by embedding AI into their operations and prioritising climate-friendly investments. However many CEOs feel particularly exposed to technological disruption in the year ahead. To stay ahead of the curve, they must remain vigilant to how these shifts are redefining the way the industry creates, delivers and captures value, while addressing the emerging threats that accompany the rapid transformation.



## Sanjay Jain

Partner, Financial Services Consulting Leader  
PwC Middle East

# Here are five priorities for Financial Services business leaders in the year ahead.

## Priority 1: Continually reassess your reinvention plans

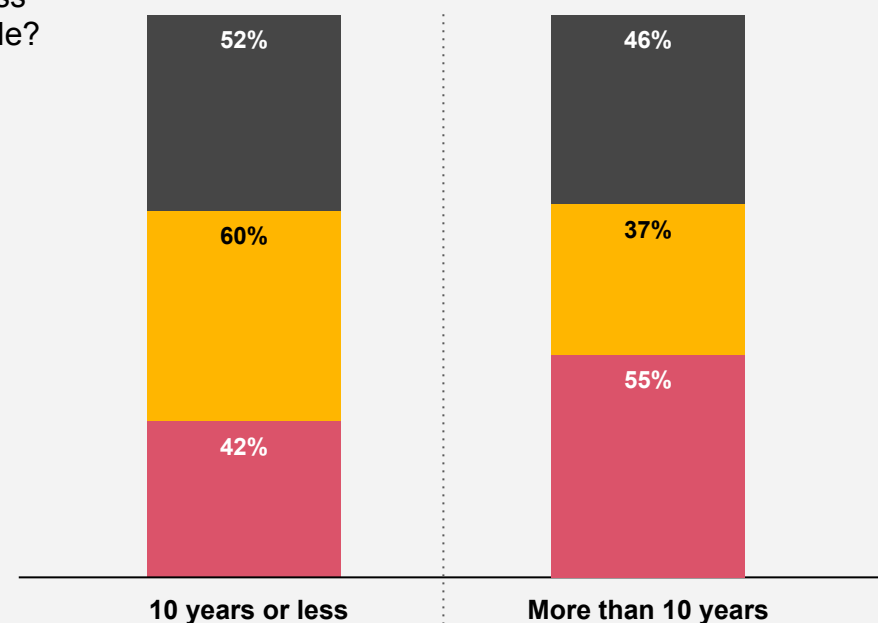
The transformation of the financial services (FS) industry in recent years has placed it ahead of the pack as other sectors race to reinvent their business models and adapt to emerging technology and changing consumer demand.

While 90% of financial services CEOs in the region expect to see revenue growth in the coming 12 months, 46% believe that their company will not be economically viable in more than 10 years if it remains on its current path.

Although this makes it the most resilient industry of those surveyed, FS CEOs cannot afford to become complacent - the reinvention journey is one of constant re-evaluation.

**Q.** If your company continues running on its current path, for how long do you think your business will be economically viable?

■ Global  
■ Middle East  
■ FS



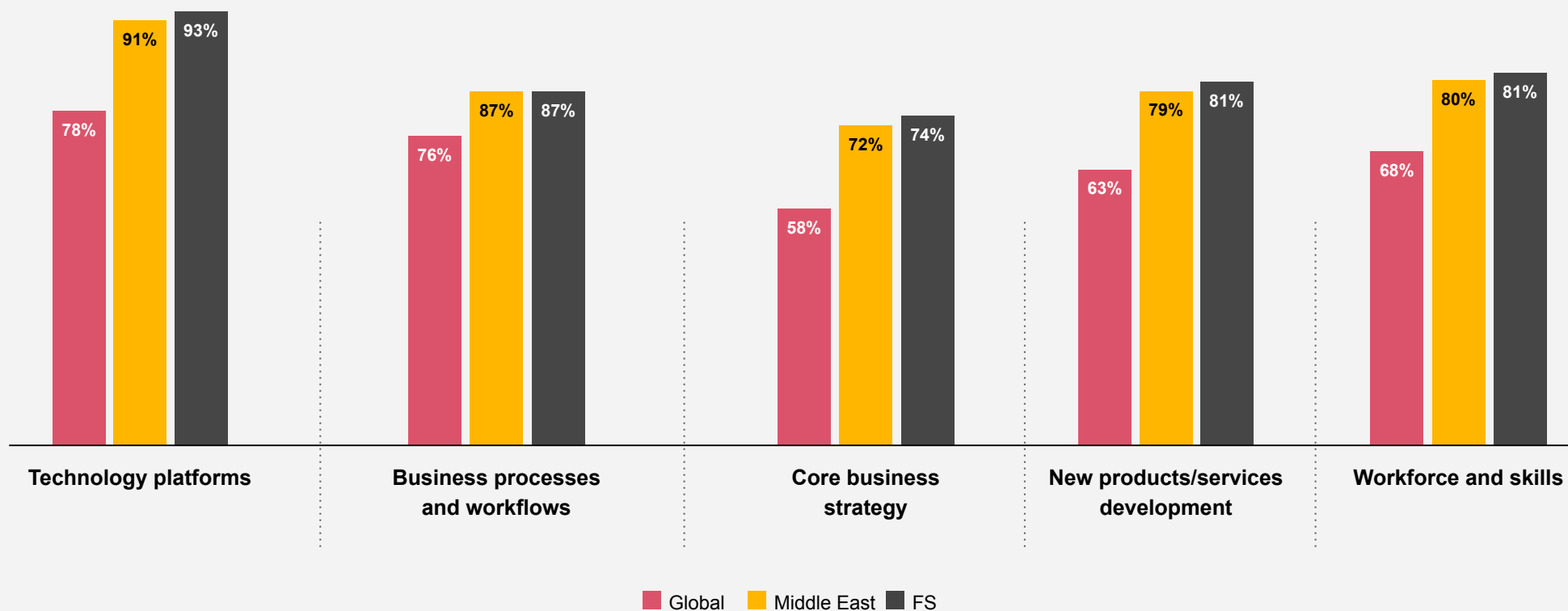
Note: Percentages may not total 100% due to rounding.



## Priority 2: Focus on appropriate, responsible adoption of AI

AI, and GenAI, is transforming the financial services sector, providing welcome and innovative solutions that increase efficiency, security and enhance the customer experience. 88% of financial services CEOs in the region say they have adopted GenAI in the past 12 months, and many CEOs plan to further embed it over the next three years. 93% will integrate it into their technology platforms, 87% into business processes and 81% into their workforce and skills strategy. Investments in GenAI must focus on solutions that add value and minimise risk.

Share of CEOs who plan to systematically integrate AI into their company to a large or very large extent in the next three years



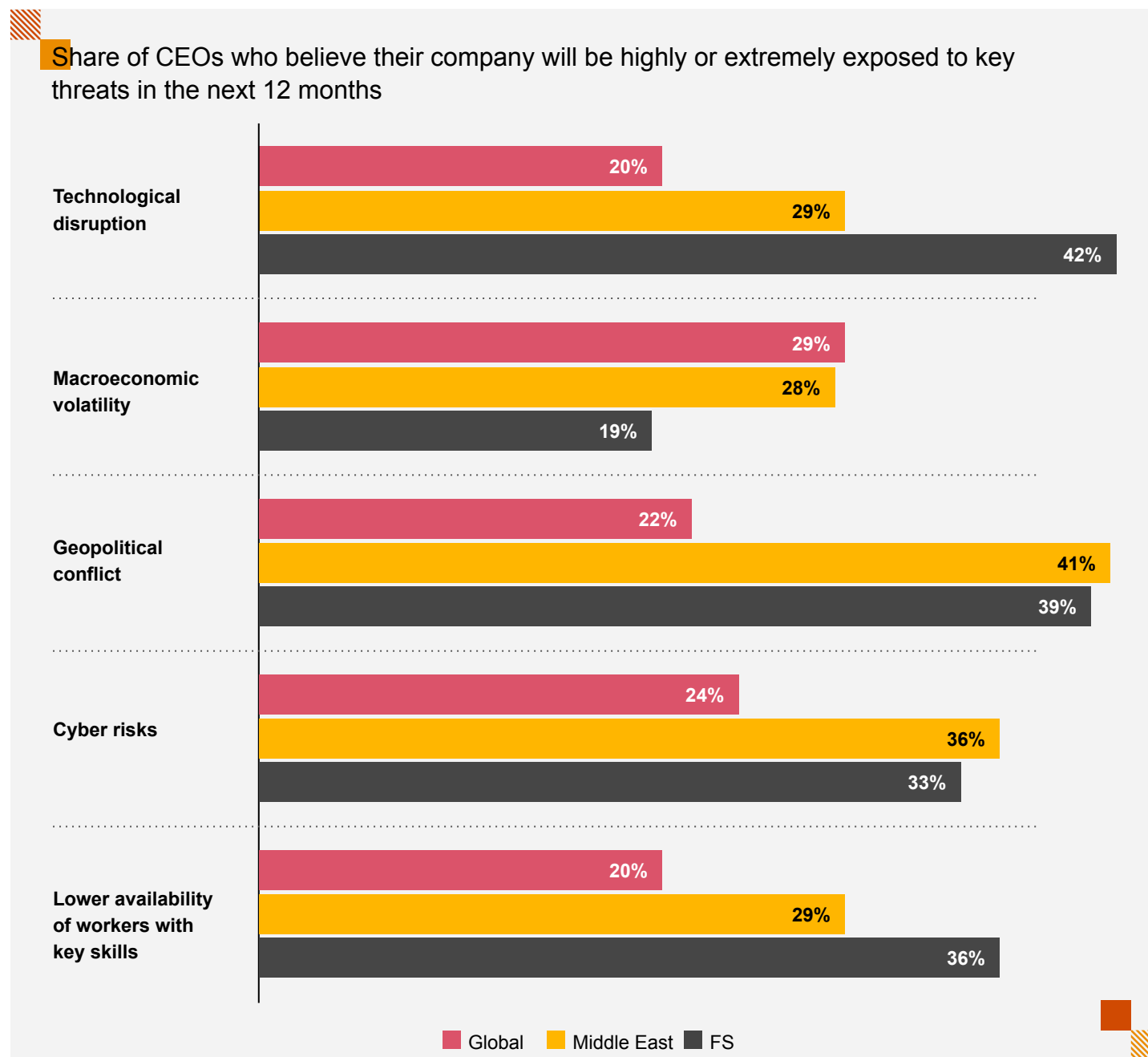
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## Priority 3: Plan for multiple internal and external threats

Middle East CEOs across all sectors face a wide range of threats, with many identifying geopolitical conflict as a serious risk to their business.

For financial services CEOs, the impact of further technological disruption is their biggest concern, followed by macroeconomic volatility. With digitisation changing the way society creates, delivers and captures value, financial services CEOs need to keep mindful of changing consumer preferences, regulatory requirements and emerging technology threats that will affect the industry.

Lower availability of workers with key skills was also a threat that many CEOs felt exposed to - highlighting the need to focus on effective recruitment, retention and upskilling strategies to ensure a future-ready workforce.

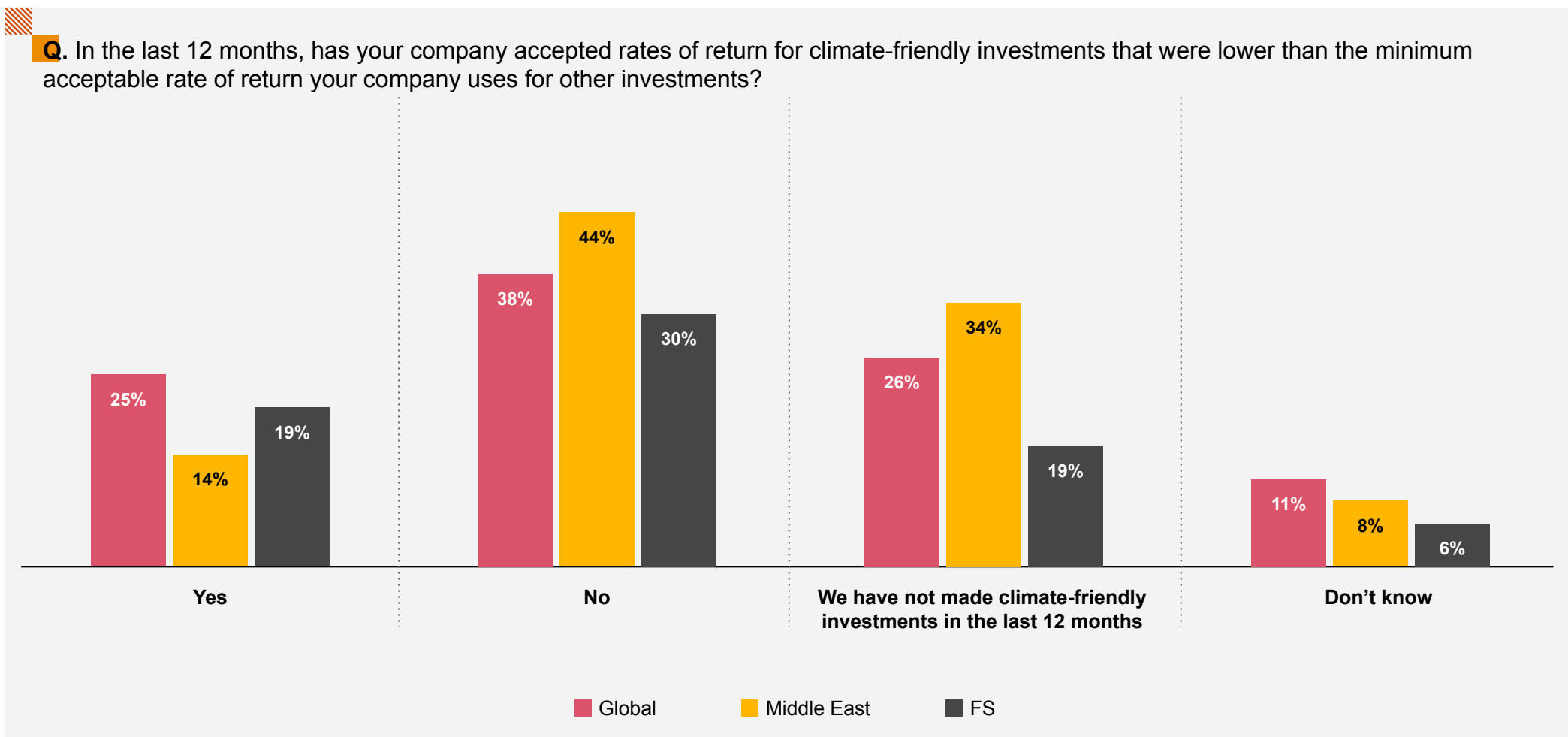


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## Priority 4: Prepare for growing demands around sustainability

The regional financial services industry is embracing green investment. 84% of CEOs have initiated climate-friendly investments in the past five years – a rate only exceeded by the transport and logistics sector (90%), and higher than the 79% average of their Middle East peers. And 19% of financial services CEOs have accepted a lower rate of return on these investments - again higher than the Middle East average of 14%, and second only to the transport and logistics industry at 20%. However there is still room for improvement, with the demand for green investments set to increase.

### Share of CEOs who are willing to accept a lower rate of return for climate-friendly investments



Note: Percentages may not total 100% due to rounding.

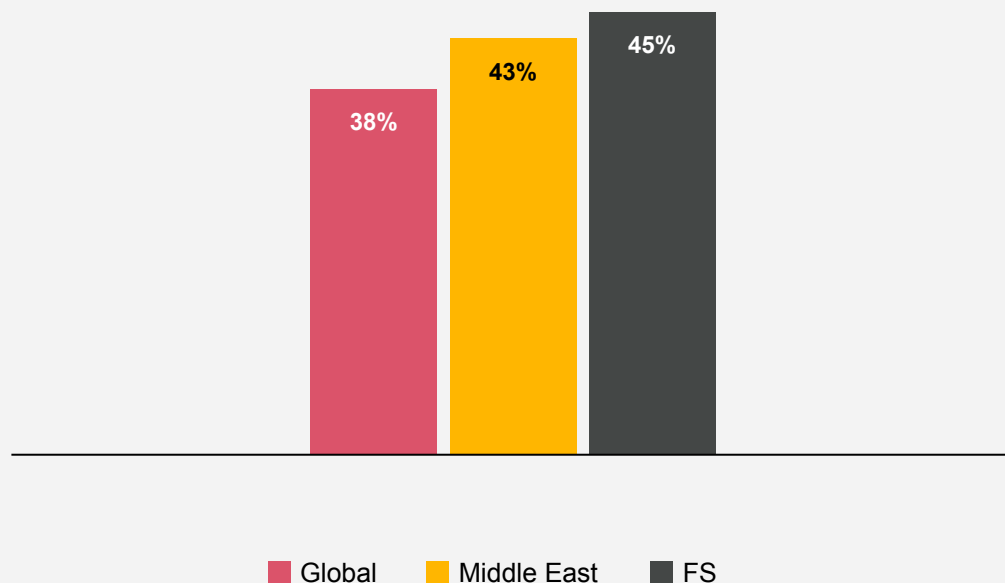


## Priority 5: Review your acquisition strategy

As rapidly advancing technology and shifting consumer behavior blur the boundaries between more traditional siloed industries, the financial services sector is experiencing a similar transformation. 26% of financial services CEOs have made major acquisitions (more than 10% of assets) in the past three years, with 45% of these deals occurring in new sectors or industries.

Looking ahead, the momentum is expected to grow, with 58% of CEOs planning at least one acquisition in the next three years.

**Q.** In the last five years, has your company begun competing in any sectors or industries in which it had not previously competed?



Note: Percentages may not total 100% due to rounding.



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