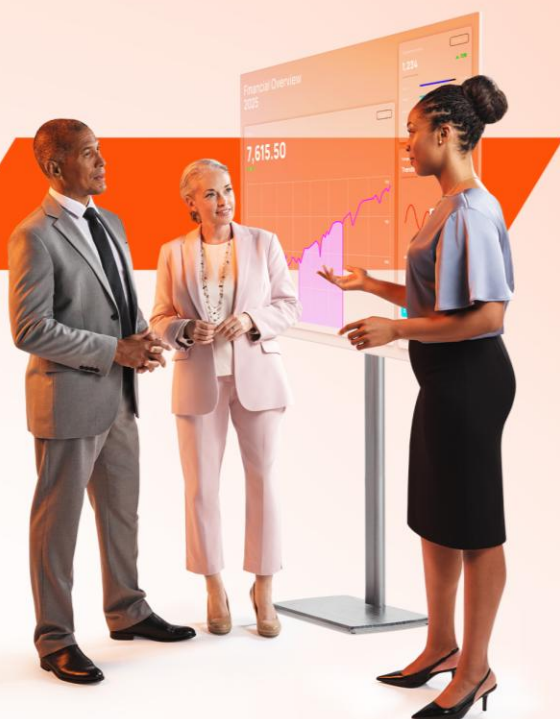




# The reinvention mandate: Leading in the new era of financial services

Insights from PwC's 29th Global CEO Survey



# A financial services industry perspective

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**Financial services (FS) companies are actively expanding opportunities, rapidly accelerating technology adoption, and fundamentally redefining ‘reinvention’ in practice.**

PwC’s latest [Global CEO Survey](#) demonstrates this rapid pace of change: FS firms globally are expanding into new sectors at a rate exceeding the cross-industry average, demonstrating rapid change. This signals a fundamental transformation in how value is created and exchanged. Private credit is rapidly scaling, creating new funding avenues, while tokenisation simplifies asset transfer and prompts incumbents to evolve operating models.

Regulatory bodies are keenly attuned to this dynamic landscape. Most recently, Bank Negara Malaysia (BNM) has issued a series of initiatives, including discussion papers on [AI in financial services](#) and [asset tokenisation](#), alongside an exposure draft for [open finance regulatory requirements](#).

These collectively signal clear momentum for change. The opportunity for leaders is to continue building: focusing on immediate priorities, modernising technology, and aligning leadership time and investment with the most critical outcomes.

The challenge is formidable: new entrants are agile, innovative, and aggressive. To compete, traditional players must streamline processes and embrace new operating models, embedding robust risk controls at every level, including leadership.

Our executive summary, based on insights from 4,454 CEOs worldwide (including 972 from FS), explores how leaders can build the agility necessary to excel today and lay the groundwork for sustainable future growth.

## Three shifts to navigate now:

### 01

#### Resiliency in all areas

Strengthening resilience for a wider range of shocks and creating the flexibility to seize opportunities as conditions shift

### 02

#### AI at enterprise scale

Building the foundations to scale AI from experimentation to enterprise-wide impact

### 03

#### Sectors without borders

Expanding beyond traditional sector boundaries to unlock new sources of growth

## 01

# Resiliency in all areas

**FS is being reshaped by a ‘polycrisis’ of interconnected threats—skills shortages, cyber risk, climate. Resilience now means managing multiple pressures at once: strengthening what matters today while positioning to pivot into new sources of value.**

## Revenue outlook: A tale of two cycles

Compared with last year’s Global CEO Survey, leaders are markedly less confident about revenue growth over the next 12 months. Confidence in the three-year outlook has also eased, though to a lesser extent. Industry cycles play a role: insurance CEOs are reporting tempered short-term confidence as the recent period of exceptional profitability normalises. Conversely, Banking leaders display greater resilience, buoyed by more stable margins despite global headwinds.

## The cyber imperative and regulatory rigour

Cyber risk remains the pre-eminent threat for FS firms globally, exacerbated by the rapid expansion of digital offerings and reliance on increasingly intricate tech stacks. In Malaysia, this threat is met with a tightening regulatory net. BNM’s recently revised [Risk Management in Technology \(RMIT\)](#) Policy Document raises the bar with sharper expectations on board accountability, cyber resilience, and the ethical governance of emerging technologies.

## The workforce disconnect: a skills gap or a chasm?

For Malaysian firms, the internal “talent gap” is a primary operational obstacle. A precarious disconnect is emerging: while businesses are accelerating automation and cost-efficiency measures, the workforce’s evolution is lagging. PwC’s [Workforce Hopes and Fears Survey](#) shows that 23% of FS employees globally expect half their skills to be irrelevant within three years, yet only 65% believe they receive sufficient learning support from their employers to bridge this gap. Without a fundamental shift in how firms approach upskilling, the push for digital transformation may be undermined by a workforce unable to pilot the new machinery.

### Outlook and risks in financial services

# 42%

are extremely/very confident about the coming 12 months (vs. 30% globally)

# 31%

FS CEOs globally report high exposure to cyber risk

## Turn uncertainty into opportunity

Treat pressure-testing as a continuous discipline, not a one-off exercise. Stress-test your organisation against a broad spectrum of shocks—from cyber disruption and tariff shifts to supply-chain volatility and policy change.

Avoid tactical myopia. While immediate pressures are demanding, long-term viability depends on your ability to look beyond the current horizon and proactively adapt your business model for the future.

## 02

# AI at enterprise scale

**We asked CEOs about their current priorities, and one question stood out: 'Are we transforming our business quickly enough to keep up with technology, including AI?'**

Unsurprisingly, AI is front of mind. Yet only about a quarter of FS CEOs globally report that their companies have seen real results from AI in the past year, particularly in terms of increased revenue. Could this be due to a gap in adoption? Less than a fifth of CEOs report that AI has been applied to a large or very large extent in core functions, including demand generation (16%) and support services (16%). Even in the development of products and services, where AI's impact is often touted most highly, adoption stands at a mere 14%.

In Malaysia, BNM's AI Survey 2024 shows strong momentum: 71% of banks and 77% of insurers have adopted AI, mainly in customer analytics, marketing, operations, cyber risk, and fraud/AML—driven mainly by GenAI, though many projects remain in testing.

The challenge for 2026 is shifting from Proof of Concept (PoC) to Proof of Value (PoV). To escape the "pilot trap," FS leaders must move away from fragmented experimentation towards a top-down, business-led integration that links AI directly to growth and operational scale.

## AI value in financial services

Only

# 27%

FS CEOs globally experienced increased revenue from AI in the past 12 months

# 26%

FS CEOs globally experienced reduced costs as a result of AI

## Turn potential into performance

To realise tangible returns, AI must move beyond the back office. While operational modernisation is essential, a narrow focus on cost-cutting significantly undervalues AI's potential for true self-disruption.

To move beyond the pilot phase, leaders must prioritise use cases with a direct line of sight to business outcomes. This involves pivoting towards customer-facing applications that carry clear profit-and-loss linkages, supported by a corporate culture that is not just trained, but actively primed to adopt and iterate upon new technologies.

## 03

# Sectors without borders

**All companies, FS or not, are constantly rethinking how to create value. This sometimes means developing new strategies to acquire or retain clients, or, increasingly, this may mean expanding into connected products and services, entering new sectors, and enabling new business models**

It's a key theme explored in PwC's [Value in motion](#) study, which reveals that many companies are already moving across their traditional boundaries to explore new domains of growth. In fact, about half of FS CEOs globally say their company has started to compete in new sectors in the last five years, higher than the cross-industry average.

It is likely that a similar trend persists in Malaysia, as the number of Malaysian companies entering entirely new sectors has surged to 76%—a significant leap from 42% in 2025.

For FS, sector boundaries are merging even faster. Globally, over a quarter of FS firms plan to grow by partnering with technology companies, reinforcing the pull of tech-led business models. This underlines how far financial services firms are stretching beyond traditional markets to drive reinvention and growth.

**Financial services stretching across industry boundaries**

# 48%

of FS firms globally have begun competing in new sectors over the past five years

# 28%

of FS firms globally plan to grow by partnering with tech companies over the coming three years

## Reinvent to outperform

While near-term risks matter, they cannot be allowed to cannibalise the attention required by the long-term forces reshaping how value is created. As sector lines become less defined, large-scale collaboration is emerging as a key advantage for financial services firms.

That's why it's crucial to focus on gaining complementary capabilities—not just expanding your customer base or market influence. Seek out collaborators who can speed up your transformation.

Whether it's traditional banks co-originating loans with private funds, or insurers teaming up with car and health companies to price risk better, alliances can help even tightly regulated institutions profit in “no-walls” financial services.



# Dynamism or denial?

We've identified a growing divide between organisations that are evolving and those that remain stagnant. Leaders who actively scale AI, boost innovation, and venture into new sectors are already outpacing their peers—while more cautious firms risk being left behind.

For any financial services firm, the imperative is clear: focus on the long-term forces that can reshape value, but act with conviction today. Build agility into your thinking and reinvent your processes to keep pace in a fast-changing market.

[Explore Malaysia findings](#)

## About the survey

We surveyed 4,454 CEOs (including 972 from FS), in 95 countries and territories from 30 September through 10 November 2025. The global and regional figures in this report are weighted proportionally to country nominal GDP so CEOs' views are broadly representative across all major regions. The industry- and country-level figures are based on unweighted data from the full sample of 4,454 CEOs. Further details by region, country, and industry are available on request. The research was undertaken by PwC Research, our global centre of excellence for primary research and evidence-based consulting services.