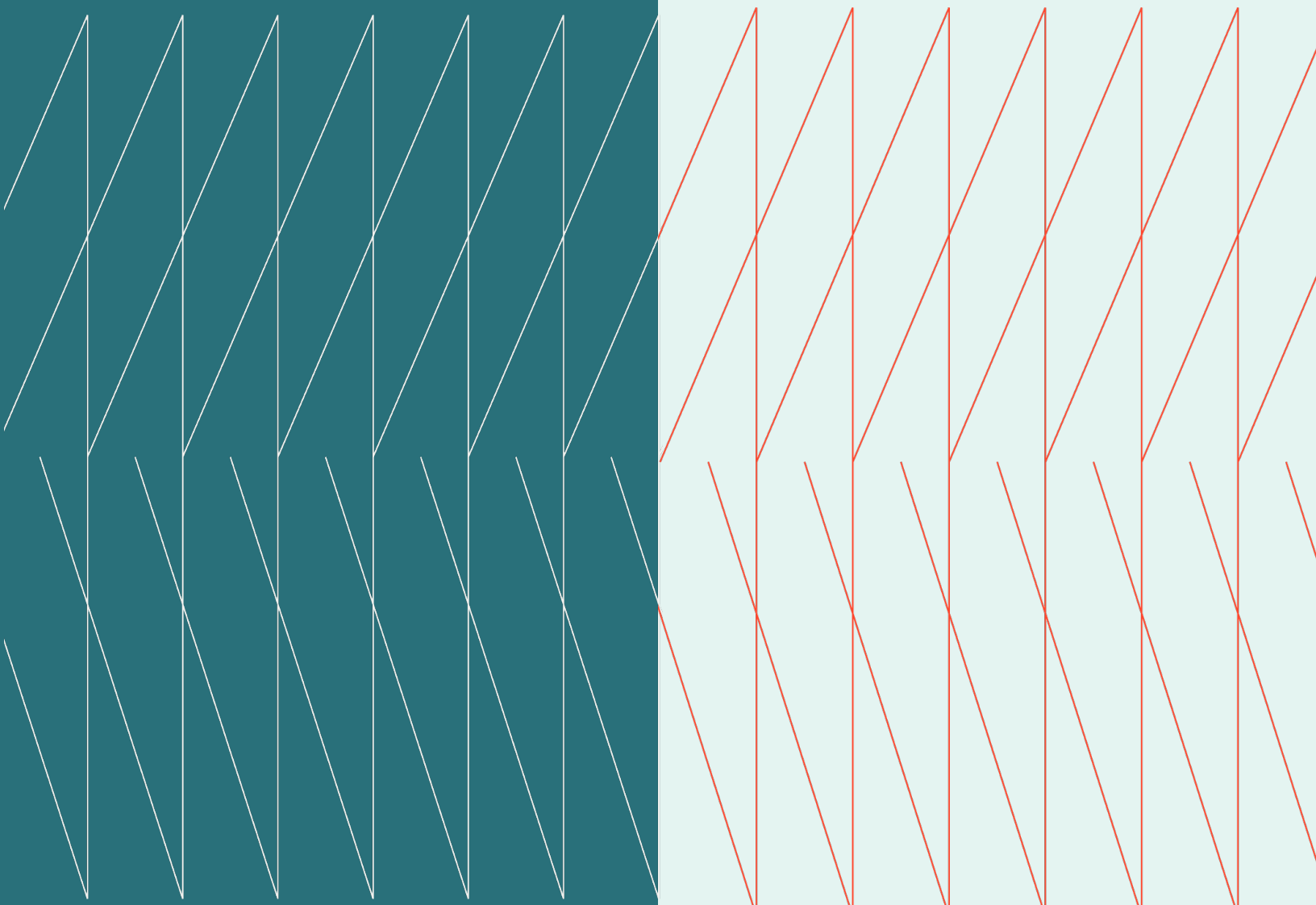
Leadership Exchange for Financial Services

November 20, 2025

Executive Summary



Host:

Stewart Hyman
Chief Technology Officer, Kyndryl Strategic Markets

Overview

On November 20, 2025, Kyndryl hosted a peer roundtable of CIOs and CTOs from Europe and Latin America in the financial services sector. Participants discussed how organizational structures must evolve to use artificial intelligence effectively and manage the associated ethical and financial risks.

The three most critical themes emerging from the conversation were: AI governance, future target operating models that enable agility, and sovereignty considerations for financial services, including the global trend toward operational localization and data control.

This report provides actionable insights derived from the shared experiences of financial sector leaders.

Leadership exchange themes

- Revising organizational models for AI governance and adoption
- Strategic shift in data sovereignty and cloud workload placement
- Driving measurable business value and productivity with generative AI

"As we navigate the evolving landscape of AI, data sovereignty, and regulatory change, our progress depends on open collaboration, thoughtful governance, and a willingness to rethink traditional models. By sharing our experiences and learning together, we transform challenges into opportunities for responsible innovation and lasting impact."

— Stewart Hyman, Exchange Host

Learn more

Revising organizational models for AI governance and adoption

- Technology leaders recognize that artificial intelligence governance differs significantly from traditional IT governance, necessitating shifts in organizational structure — such as creating dedicated cross-functional teams or layered approval boards — to enable speed while mitigating inherent risks.
- Participants shared that organizations must undergo a fundamental shift in operational mindset; the business must move beyond simply defining requirements and conducting user acceptance testing to actively prompting and partnering closely with AI experts to use the capability effectively.
- Several organizations have detailed successful structural adjustments, including the establishment of layered governance models with dedicated investment, architecture, and specific AI boards responsible for rapidly assigning resources to multidisciplinary teams. In contrast, some financial institutions rely on highly integrated, cross-functional digital teams that have worked alongside the business since before the recent rise of generative AI.
- Leaders agree that governance structures must incorporate critical stakeholders, such as legal, compliance, operational risk, security, and ethics committees, to effectively manage the increased risks inherent in AI deployment and ensure adherence to anticipated regulations.
- Multiple firms endorsed the use of internal hackathons as an actionable strategy to promote skill building and drive necessary cultural changes, enabling blended business and technology teams to gain hands-on experience solving immediate operational challenges.
- One participant noted that their institution chose to establish a separate department where business and technology resources collaborate exclusively on AI initiatives. However, this leader expressed professional concern regarding the long-term viability of separating core AI engineering talent from centralized IT functions.

Strategic shift in data sovereignty and cloud workload placement

- Financial institutions are actively re-evaluating their public cloud strategies, driven by regulatory compliance, geopolitical risk, and concerns regarding vendor control, leading many to explore repatriating critical data and models to private cloud or on-premise infrastructure.

- Regulatory demands and geopolitical volatility are key drivers fueling the push to localize data and workloads; participants noted that non-European countries are adopting forward-thinking architecture to preempt future technical debt before anticipated DORA-like legislation is implemented.

- One institution decided to place a specific large language model back on-premise, citing data confidentiality concerns and leveraging the model's reasonable compute requirements, which minimize the need for substantial hardware investment. Conversely, another firm adopted a hybrid cloud solution for critical data, storing encrypted data on its own public cloud while utilizing a software-as-a-service (SaaS) solution for computation. This model satisfied the organization's legal and data protection teams.

- A technology leader countered the narrow focus on data location by arguing that true sovereignty is broader than the on-premise versus cloud debate; it requires controlling provider relationships, thereby prompting a noticeable shift in the industry toward open-source products managed by localized vendors to mitigate vendor lock-in.

- Many participants are employing multi-cloud strategies to enhance flexibility and reduce concentration risk by ensuring their workloads can switch between different providers. However, some institutions reported maintaining a highly conservative posture, keeping all critical data exclusively in-house and resisting public cloud adoption entirely due to ongoing security anxieties.

- Organizations everywhere are rethinking their digital foundations and operating models to maximize the benefits of generative AI. To reflect this industry-wide shift — and the importance of a strong digital foundation — Stewart Hyman selected the quote to the right from Nicolas Sekkaki, introducing an insightful report on building robust digital foundations for AI-driven transformation.

"The companies that will reap the most from gen AI will be those that solve for a digital foundation. They will map desired business outcomes and tailor operating models and technology to those outcomes. They will connect, integrate, and automate across apps, data, and infrastructure. They also will activate robust resiliency programs to mitigate inherent risk."

— Nicolas Sekkaki,
SVP Global CloudPractice, Kyndryl

Learn more

Driving measurable business value and productivity with generative AI

- The successful implementation of artificial intelligence depends less on the specific technology and more on proactively identifying high-value use cases focused on reducing effort, improving customer experience, or augmenting employee capabilities, while simultaneously establishing strict controls for cost management.
- One organization intentionally focused its initial AI program on achieving internal productivity gains, successfully identifying use cases projected to reduce thousands of staff hours monthly before expanding its focus to external, customer-facing processes. This approach effectively combines generative AI functions with traditional robotic process automation (RPA).
- Another financial institution structures all AI initiatives around three clear pillars: improving customer experience (for example, conversational banking apps), augmenting employee functions (for example, providing specialized assistance to customer relationship managers), and enhancing internal operations (for example, streamlining employee access to documentation).
- Technology departments acknowledge that their primary role involves building fundamental AI capabilities, such as agents for document extraction, which various business units can then localize and deploy for specific needs like handling claims or corporate underwriting.
- Beyond optimizing core business processes, participants shared that they are leveraging AI internally to boost IT efficiency, including one that is using specialized developer tools in anticipation of achieving a 15% reduction in development time.
- Multiple leaders emphasized the importance of establishing rigorous cost management controls from the outset of any AI program, noting that financial oversight is a critical and foundational topic that requires immediate attention, alongside ensuring adherence to ethical usage guidelines.

Take the AI maturity assessment

To learn more about the Kyndryl Leadership Exchange for Financial Services or to become a member of this community, please connect with Stewart Hyman on LinkedIn or send an email at stewart.hyman@kyndryl.com.

kyndryl