A strategic guide for banking leaders

Unlock Your Inside Edge™

kyndryl

Banking isn't just big business – it's now a technology business

Today, technology is redefining not only how businesses compete, but the very nature of businesses itself. For years, support from a well-staffed IT department could change the world, but that's no longer enough. Financial institutions, in particular, are quickly becoming tech companies with banking licenses – evident in the tools they use as well as in the ways they operate, innovate, and grow.

However, while technology has long been an enabler and transformation engine, it's increasingly become a business challenge in and of itself, especially for small and midsize banks. From AI governance to cloud fragility, from talent scarcity to data overload, today's banking CIO is navigating a reality where every tech decision is a business decision.

And even seemingly minor moves can have serious real-world implications long into the future. In an era shaped by real-time, open, embedded, and continually personalized experiences, every piece of the traditional banking experience is up for grabs. Banks that can effectively adjust their strategies will not only stay ahead of rivals – they might also cash in on the chance to shape the industry's future.

This paper explores banking's emerging trends and opportunities, focusing on practical strategies that balance innovation with responsible implementation for organizations seeking to thrive in this new environment.

Every tech decision is a business decision

A distributed (and increasingly fragmented) landscape

Checking and savings. Loans. Credit cards. Paying bills. Investing. Estate planning. At one time, banks owned all these elements in a unified banking experience. Those days are over.

The digital economy has not just ushered in a new generation of business models; over the last fifteen years, it's also re-coded human behavior and expectations.

Tech innovation is shifting the banking experience

Just about every aspect of our lives is technology-enabled, from our appliances to our cars. Easy, convenient digital access has become a baseline – the absolute minimum expectation. But expectations can change overnight. As our lives become increasingly AI-enabled, with agents deployed across every device, customers will demand not only more personalization and more privacy, but also seamless connectivity from their digital journeys and from the brands they trust. In fact, there may not be any part of any business that will require continuous transformation more than customer experience. Because what's convenient or novel today will become standard issue in short order.

Take peer-to-peer (P2P) payment platforms as an example. P2P platforms like Venmo, Cash App, and China's Alipay rewired "cash" by letting customers pay for goods and services or send money with the tap of a finger. More recently, some P2P players have even enabled customers to buy, sell, and hold cryptocurrencies in select markets. And in 2025, PayPal made headlines by announcing support for more than 100 cryptocurrencies and wallets,[1] with the promise of transaction fee savings of 90%. We've seen it time and time again: Customer-centric adaptation changes the game and wins the day.

Then there's fintechs and neobanks, which are expanding the space and engaging consumers in new and opportunity-rich ways. Beyond simply passing savings from cheaper digital-first transactions onto members, these industry upstarts are becoming fully-fledged financial service providers.

Varo just became the first consumer fintech to receive a new national bank charter from the U.S. government, granting it a license to offer affordable credit and other services backed by the FDIC.[2] Across the pond, neobank Revolut, which was granted a full banking license by the European Central Bank (ECB) in 2021, is now pursuing a U.K. banking license. So too is fintech heavyweight —and Electronic Money Institution (EMI)-certified—Wise.[3] In addition, there's a boom in open data products and offerings. Wealth management is increasingly (even preferably) handled by algorithms and robo-advisors and the digital lending market is expected to top $880 billion by 2030.[4]

Banks have long had some of the worst net promoter scores in the industry.[5] The pressure is on to respond to shifts in how people transact in the modern world, embrace new technologies to recapture lost influence, and prepare for what's coming – including deeper and more dynamic AI-powered personalization and, with the GENIUS Act signed into law in the United States, the widespread adoption of stablecoins (which had $30 billion in daily transactions in the last 18 months).[6]

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The borders of banking are expanding

The banking experience is undergoing a cosmic shift – for individual customers, small businesses, large enterprises, multinational corporations (including those in the financial services space), and even governments. Banking is now open, embedded, connected by APIs, and happening in real time.

"Real time" officially means 10 seconds or less, according to the European Union's Single Euro Payments Area (SEPA) Instant Payments Regulation (IPR). Around the world, similar real-time gross settlement (RTGS) systems like FedNow in the United States, Canada's Interac, and Clearing House Automated Payment System (CHAPS) in the U.K. support real-time fund transfers between banks and financial institutions for both large-scale corporate payments and everyday consumer transactions.

India and Brazil have their own home-grown payments networks. India's Unified Payments Interface (UPI) has stolen Visa's crown as the world's largest real-time payment system.[7] And Brazil's Pix, controlled by the Central Bank of Brazil rather than a consortium of industry players, is used by 93% of adults in the country to power 280 million daily transactions.[8] (On his Substack blog, economist Paul Krugman argued that Pix offered a look at the "future of money.")

With money moving swiftly across markets, consistent customer experiences depend on the ability of financial institutions to communicate in a shared language. To that end, the International Organization for Standardization (ISO) developed a new global bank-to-bank messaging standard for real-time payments, foreign exchange, and other financial services transactions. That standard, ISO 20022, will be required for all cross-border payments via SWIFT starting in November.

If it wasn't clear already: Interoperability isn't just a technical feature; it's a business imperative.[6]

Loyalty remains a core function of value

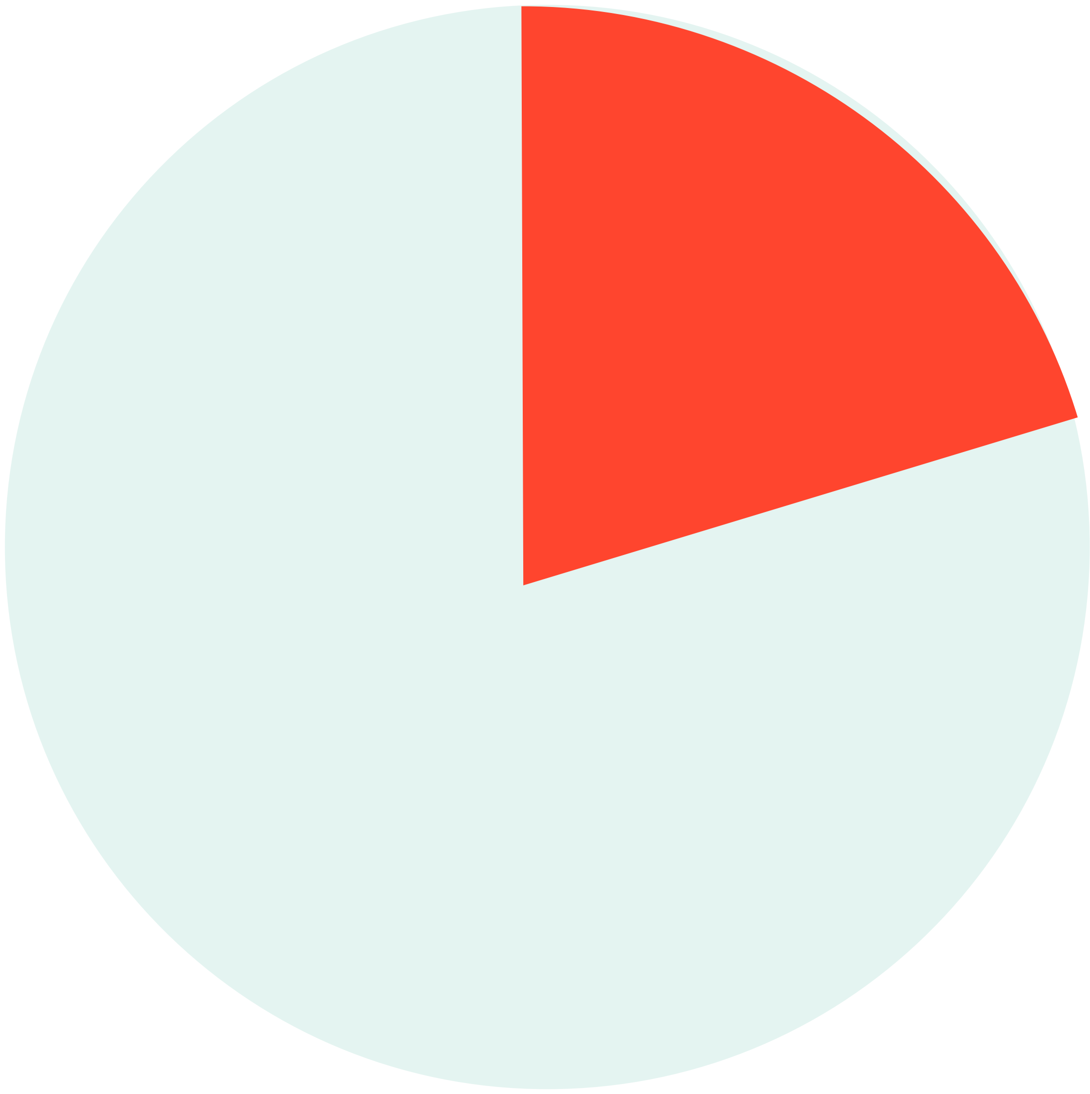
Digital loyalty, especially among millennials and Gen Z customers, is kept and earned with direct value. This value tends to fall into two primary categories: saving money or having a premium experience.

For some customers, this value might mean retailer discounts, cash back, promo codes, reward experiences, or Buy Now, Pay Later (BNPL) financing.

Others may prefer commission-free trading, frictionless sign-up, or a little bit of crypto every time they swipe or tap their credit card to pay. Customers carefully evaluate their digital interactions, asking brands, “What have you done for me lately?” Banks now compete on customer experience, and loyalty is earned by showing up every day in the right ways at just the right times.[10] For example, if opening a bank account or moving money becomes too difficult or time consuming, customers might switch to a competitor for a better experience. Recent data from Experian shows that 38% of U.S. customers consider ending a new account opening midway through the process and nearly 20% actually take their business elsewhere.[11]

38%

of U.S. customers consider abandoning account opening midway.



20%

of U.S. customers consider taking their business elsewhere.

Challenges and opportunities for banks

Leaders say they are stretched by diverse disruptions and a rapid pace of change. And while banking and financial leaders report moving with more confidence than peers in other industries, just 30% feel ready to manage external risks like macroeconomic uncertainty, technology and innovation, and climate impacts.[12]

There are dozens of critical challenges for banking and financial leaders to address, but just as many opportunities for decision-makers to ready their business to better navigate future risks. Here, we spotlight four of each, based on our conversations with industry experts and customers around the world.

30%

feel ready to manage external risks like macroeconomic uncertainty, technology and innovation, and climate impacts.

Major challenges

Complexity, resistance to change, silos between teams, and misalignment between decision-makers are common challenges hindering modernization. But they're not the only ones.

The speed of regulatory change

New entrants, new offerings, and new customer expectations are converging. Regulators are catching up. Trade wars and geopolitical conflicts are further increasing fragmentation across the global financial system. All the while, real-time, instant, and peer-to-peer experiences are shifting the risk profile for everyday banking. Nearly half (46%) of banking and financial leaders say policy and regulatory changes are moving too fast in their country.[13] Another 52% report that the frequent introduction of new policy, regulation, and prudential frameworks is a challenge for their modernization efforts.

Fair enough: Despite the financial services industry being heavily regulated, the pace of change is increasing, and Section 1033 of the Dodd-Frank Act in the U.S. serves as a case study:

- In October 2024, the Consumer Financial Protection Bureau (CFPB) finalized its own open banking rule, formally known as the Personal Financial Data Rights Rule. (Among its stipulations, Section 1033 required financial institutions and data providers to make personal financial data available to consumers via secure APIs at no charge.)
- Then, following a federal lawsuit, Bureau leadership in May 2025 "determined that the Rule is unlawful and should be set aside."[14]
- As of August, the Rule is potentially back on the table with the CFPB seeking public comment on issues ranging from the scope of representation to privacy concerns.

The fate of Section 1033 is still being written, but it's clear that falling behind carries as much risk as the bleeding edge. What's true today is not necessarily true tomorrow – except that the regulatory landscape will continue to shift at unprecedented speeds.

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52%

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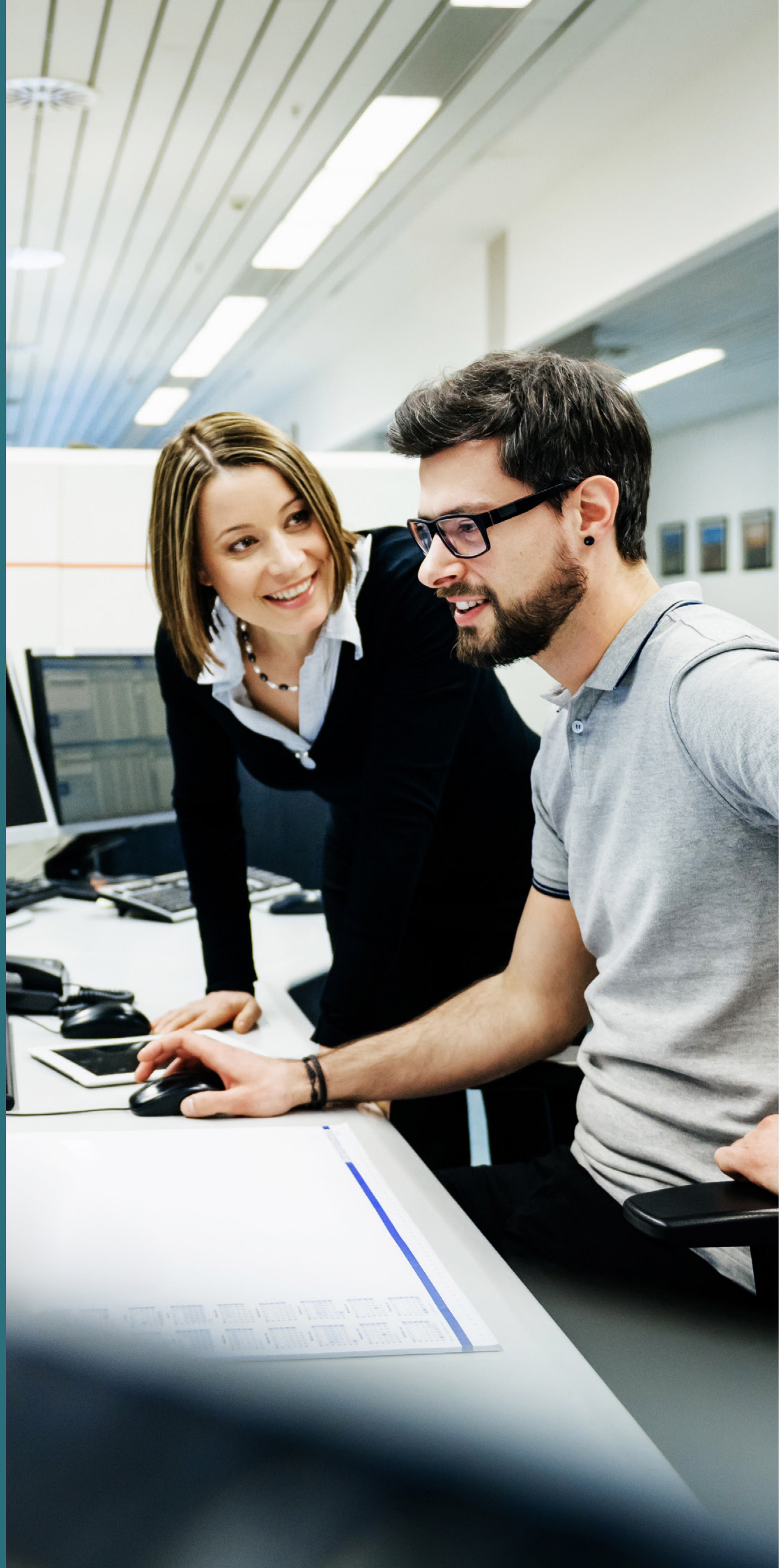
The hidden fragility of cloud-native architectures under regulatory pressure

As payment ecosystems become more reliant on cloud infrastructure and third-party APIs, the risk of data breaches increases. In such complex systems, even one weak link can potentially expose users' financial and personal information.

But when something goes wrong, accountability can be difficult to trace.[15] Who is held responsible for the breach? The bank, the app, the cloud provider, or a vendor? The growing dependence on third-party service providers doesn't just demand greater internal oversight from banks and financial institutions; it also comes with increased regulatory scrutiny.

As banks seek greater resilience, they must also assess how much compliance costs on an issue-by-issue basis, impacting their risk-adjusted return on capital. This risk complexity is reshaping how financial institutions approach procurement, partnership models, risk management, and more.

An independent audit of a large North American bank returned security risks, misconfigurations, and other issues in the bank's migrated cloud workloads (across 3,000 servers).



Our solution:

To meet the auditor's deadline, the bank and Kyndryl reconfigured and optimized use of the Orca Cloud Native Application Protection Platform (CNAPP) on AWS. Kyndryl also integrated the bank's custom ServiceNow platform with the Orca CNAPP, configuring it to autogenerate and assign tickets on policy-triggering events.

The inside edge:

Within hours of going live, the solution delivered a full asset inventory, automatically classified sensitive data, and measured the entire AWS environment against financial regulations. Other specific benefits so far include:

- Compliance with key industry regulations and standards:
  - Financial reporting (SOX)
  - Online payment systems (PCI DSS)
  - Security posture (FFIEC, ISO 27001)
- Each security event directly tied to the specific control violated, expediting understanding and resolution.
- ServiceNow automation that routes every high-priority alert into the correct workflow, captures remediation evidence, and builds a gapless audit trail.
- Support for remote work that maintains all security and compliance controls for more than 11,000 employees.

The cultural cost of tech and workforce transformation

Almost all leaders (94%) surveyed say modernizing their business is high priority, and that updating their IT is the top way to mitigate risk.[16] Yet only 3 in 10 feel their organization is leading when it comes to tech modernization and using innovative technologies to drive business outcomes.

Tech modernization is as much about the tools as it is about who is using them and how.

Some banks, for instance, have moved away from the mainframe not because of any inherent deficiencies in the platform or system, but because the workforce supporting the mainframe is vanishing quickly – they're retiring.[17]

Young developers enter the workforce with expertise in Java and Python and associated products like Spring, but are much less familiar with older languages and technologies, such as COBOL, PL/I, CICS, or IMS. At the same time, legacy language skills continue to be very much in demand – and we've argued for years that banking (and insurance) should double down on mainframe modernization with skills renovation.[18]

To their credit, banking and financial services leaders say they prioritize training and upskilling more than other industries. However, they still report low readiness for talent deficits and skills gaps (41% vs. 36% across all industries), particularly around artificial intelligence and machine learning.[19]

94%

of leaders say modernizing their business is high priority.

41%

report low readiness for talent deficits.

The hard truths about data quality, real-time insights, and AI

Since the big data boom, banking has accumulated, processed, and stored massive volumes of data. Many institutions, particularly smaller banks, share a common problem: their data management capabilities cannot keep up and data quality suffers. Resulting data silos and poor governance is hindering customer intelligence, AI model development and adoption, and regulatory compliance.

Banking and financial industry leaders recognize the problem and are taking meaningful steps to course correct.

Our research shows that about 3 in 4 banking leaders are currently investing in traditional AI and machine learning, generative AI, and edge computing.[20] The priority is right, but in upgrading data and analytics stacks, there's still plenty of work to be done. We've also found that while 90% of enterprises have enough data or more than they need, about two-thirds[21] of enterprises have difficulty accessing the data they need to build and train AI and machine learning models. Input will always determine output. If data is flawed, incomplete, or siloed, banks are likely to end up with misleading – or worse, harmful – AI-generated outputs.

To scale AI responsibly and deliver valuable and actionable insights, financial institutions need their data foundation to include a strong and agile data strategy – one that can remove barriers to access, adapt to new data sources and changing business needs, and ensure compliance with new regulations like GDPR.[22]

90%

of enterprises have enough data or more than they need.

2/3

of enterprises have difficulty accessing the data they need to build and train AI and machine learning models.

Major opportunities

The challenges faced by banking leaders today may seem daunting, but they're also creating opportunities for forward-thinking financial institutions to reap this era's biggest rewards.

Prepare to compete in a real-time open banking future

Banks know they need a modernized core capable of connecting across and beyond the enterprise – securely and in real time. Even so, based on our research, just 5% of financial leaders today are confident in their organization's ability to handle real-time payments, and only 20% are optimistic about their ability to do so within the next two years, with many institutions yet to transition.[23] Our research also shows that 78% of financial leaders believe compliance is the most critical action area to enable payment modernization.[24]

We've found that many banks still struggle to connect to third-party P2P systems, and back-end systems aren't necessarily adapting to modern payment demands.[25] This combination forces workarounds that create bottlenecks in transaction processing, increase risk exposure, and pump up costs over time.

Digital infrastructure will continue to develop. And it's imperative that banks' digital offerings, compliance protocols, and cybersecurity standards develop and modernize with it. Because the real-time economy isn't just about faster transactions; it's about creating a more connected, efficient, and dynamic financial ecosystem that supports growth and innovation.

5%

of financial leaders feel ready to manage real-time payments now.

20%

of financial leaders believe they'll be ready within two years.

78%

of financial leaders say compliance is the top priority to enable payment modernization.

Provide a premium digital experience across all operations

Premium suggests value, which in this industry increasingly speaks to differentiation and personalization. With every new homepage redesign, app update, and product push, banks need to show customers they're still the trusted, primary place to manage money, make payments, and build wealth.

A premium experience demands much more than putting a customer's name in an email subject line. And trust is built by driving deeper customers relationships. This can be achieved through convenience, like mapping nearby fee-free ATMs or notifying a customer about a spike in their electricity bill. Or through financial wellbeing, for example, giving a customer actionable insights on how to meet their $2 million retirement savings goal. It can even be achieved via harm reduction, like giving advanced warning about a possible gambling habit.

For the most part, banks, as incumbents to money-centered experiences, tend to retain the highest amount of earned trust when compared with fintech upstarts. Significant investment is taking place to modernize commercial banking (and treasury management services) capabilities to "catch up" with retail banking's digital maturity.

Institutions are modernizing mainframes to handle high-volume, always-on computing and enterprise-wide data sharing. They're also upgrading contact centers with the customer in mind: AI-driven chatbots, voice analytics, and omnichannel support are cutting wait times and delivering personalized results, while human operators manage fraud claims and other more sensitive issues.

Significant investment is taking place to modernize commercial banking capabilities to "catch up" with retail digital maturity.

Launch new products, alone or in partnership, that respond directly to customer wants and needs as they change

Banks need to go to market faster with digital product offerings and insights that respond directly to customer needs as they change. But resources are rarely distributed evenly.

Tier 1 banks have the muscle – and flex it in the form of sophisticated IT and strategy operations, as well as large technology divisions with tens of thousands of technologists and engineers. Tier 2 and 3 institutions, in contrast, manage more modest assets and many have deferred technology overhauls because of cost concerns. Some may feel they're being pushed into becoming technology companies before they're ready to do so.

Partnerships with new-age banking platforms are a preferred way for smaller-scale institutions to outcompete peers and, in some cases, even close the gap on Tier 1s.

Increase, for example, has nearly 5,000 customers (including small and midsize banks) and offers a full-stack feature set,[25] and direct connections to payment networks, including the ACH and Federal Reserve. At the top of 2025, Increase, NYC-based fintech Ramp, and the First Internet Bank of Indiana collaborated to launch Ramp Treasury, a new solution that allows businesses to earn 2.5% on fully liquid operating cash and offers automated balance alerts and AI-powered liquidity forecasting.

In May 2025, Increase and First Internet Bank were named Payments category winners in American Banker's first-ever Innovation of the Year awards.[27] To Ramp's credit, their valuation reached $16 billion in June 2025 – and currently sits at $22.5 billion.[28]

More importantly for smaller banks: Partnerships like this give fintechs the ability to deliver new business models to market and expand their user base, even without a full banking license. Meanwhile, by teaming up with fintechs, Tier 2 and 3 institutions not only overcome technical limitations; they also benefit from faster build times and the halo effect of better customer experiences – including in-demand financial products and digital tools. That's competitive differentiation that simply would not be feasible otherwise.

The CEO of a large European bank wanted a fit-for-purpose cloud strategy to execute their vision for fintech platforms that delivered better customer service accountability, lowered customer costs, and improved capital efficiency.

Our solution:

Kyndryl configured a Microsoft Azure VMware Solution (AVS) private cloud environment within the Azure public cloud and led the migration of more than 3,500 workloads over a 6-month period, with zero downtime or business interruption.

The inside edge:

Close collaboration with honest communication enabled the partners to successfully problem-solve together, with benefits including:

- Improved performance immediately incurred in the new environment, including halving average application load times and 60%+ reduction in time for some batch job runs.
- Significant cost savings through reduced use of legacy non-strategic platforms.
- Repeatable rapid migration approach proven, offering a phased modernization approach that can help mitigate bank legacy support costs and risks progressively.
- Enabling planning for the remaining legacy environment (more than 15,000 additional workloads) to follow the same private-to-public cloud approach.

Reduce risk and costs while transforming

Providing open, real-time, and embedded experiences will change the risk and cost profile of doing business for banks as they transform. Success will mean being able to stay compliant and secure through transformation while offering new value.

Enter: AI

Financial services leaders already identify fraud prevention (74%) and customer support (63%) as top use cases for AI.[29] And despite clear challenges in adoption and deployment, AI is becoming a real and valuable tool to power personalized customer experiences and to enhance fraud detection and risk management.

AI and machine learning can detect and block bot-like behavior during new account registrations in real time.[30] They also identify synthetic identities by spotting discrepancies in user profiles and behaviors. Generative AI use in the anti-money laundering space is also expected to grow, as firms apply the technology to more accurately identify suspicious activity and outpace bad actors.[31]

A related technology, generative adversarial networks (GANs), can detect minor deviations from legitimate patterns (like a fraudulent account opening) and take real-time corrective actions to prevent significant financial losses.

The bottom line: Trust is the foundation of banking. Appropriate guardrails and governance must be set from the start for AI to function as a trusted companion in the global banking system.[32] An effective fincrime architecture and ecosystem will allow banks to better manage real-time payment ecosystems. And leaders should seize the opportunity to ensure these guardrails strike a balance between risk management and sustained innovation and growth.

Four strategic recommendations for success

Every banking leader is unique. But there are several core principles leaders around the world should consider to stay competitive in the new world of finance.

1. Take a longer view on transformation centered on the future of customer experiences and composability

Building toward embedded, real-time, and open banking capabilities is an iterative process. But leaders can't afford to wait to act.

Today, 1 in 4 U.S. households are considering switching bank and investment providers or actively looking for alternatives – a 10-year high, according to RFI Global. Those who have changed providers tend to opt into digital-only banks, which offer features like personalized budgeting tools, real-time transaction alerts, AI-powered support, and a better mobile experience.[33]

To reinvent and expand a bank's role in the lives of its customers, banking leaders must also reinvent and expand their ecosystem to enable open collaboration and orchestration. Whereas previously, banks could demand or operate against customer obedience, CIO teams now need to be customer obsessed. Composability – anchored on infrastructure, business processes, and above all user experience – enables both active innovation now and greater agility in the long-term.

1 in 4

households are considering switching bank and investment providers or actively looking for alternatives.

Strategic actions for leaders:

- View customers not as members but as multidimensional people – with distinct interests, preferences, and belief systems. A data point on a spreadsheet can't take its business to your competitor, but a customer can and will. And once a customer is gone, chances are they're never coming back.
- Prioritize experience-centered transformation, which opens myriad pathways to differentiation and competitive advantage, rather than technology-centered transformation. Any innovation and investment strategy should respond to a predictive and proactive customer offerings model.
- Bring your KPIs into the digital age. Traditional metrics such as "accounts opened" and "loan applications filed" don't tell the full story. Measure success against digital product adoption, usage, satisfaction, and penetration.

2. Embrace a holistic data and observability strategy to provide faster, more actionable insights with automation and AI

Cash is no longer king – context is. Observability makes monitoring contextual.[34]

A data strategy that enables observability empowers tech teams to more reliably spot issues, optimize performance, cut costs, and foster innovation, all while helping to ensure a seamless customer experience. Crucially, observability must happen from the chip all the way up the stack – every page view, click, and interaction at every level needs to be considered when crafting, correcting, and even automating experiences that delight customers.

While enterprise-wide observability is a must-have, it's often lacking in hybrid IT environments. While our research shows that 92% of senior leaders say it's important to have a single dashboard to monitor operations across a hybrid environment, almost as many (85%) find it difficult to implement.[35]

92%

of senior leaders say dashboard monitoring is important.

85%

of senior leaders find it difficult to implement.

Strategic actions for leaders

- Dive into data discovery and cataloging – because the greatest barrier to real-time observability and automation is bad data.[36] Identify and classify all available data across all formats. Restructure data sets if necessary. Once cataloged, data must be validated for completeness and accuracy.[37]
- Leverage AI/ML (including generative AI) to speed up data preparation, operationalize consistency, and power real-time monitoring and insights – only after siloed, duplicated, and inactionable collections of data are sorted.[38]
- Pivot from bank-centric product development processes to customer-centric product development and innovation. Harnessing more data to offer personalized services means navigating the complex landscape of data privacy and AI rules – offer customers clear options to opt-in or out of such services.[39]

3. Drive a concerted cultural shift with matching governance to enable an effective talent and technical pipeline

Technology tends to be a primary focus for decision-makers, but that's only one dimension to long-term success.

Earning and keeping your workforce's trust and buy-in is another. IT is everyone's business and new processes and tools must be matched with new capabilities.

Our research found that nearly two-thirds of banking CEOs are concerned that their IT is outdated or close to end-of-life. The reality of this concern is vulnerabilities, skills gaps (particularly in rapidly evolving areas such as AI/generative AI and cybersecurity), and challenges to modernization.[40]

Reorienting culture, upskilling talent, and upgrading hardware takes time. While those processes are underway, banks should look to fintechs, ecosystem partners, and professional service providers to accelerate workforce and delivery transformation.

Outsourcing looks different today. For some banks, that now involves establishing global capability centers (GCC) to augment existing digital, tech, and engineering capabilities, future-proof skill sets, and solidify their competitive position in an AI economy.

⅔ CEOs

are concerned that their IT is outdated or close to end-of-life.

Strategic actions for leaders

- Enable the cultural and talent shift. A focus on agile product thinking, change readiness, and customer-centricity can also help drive the adoption and deployment of new technologies, including generative AI. Comprehensive reskilling programs and internal trainings are key – so too is the understanding that future-ready (and AI) skills demand a wage premium.
- Offer development processes built for personalization, innovation, and speed to market. Transforming culture across engineering and operations teams to Agile and DevOps can reduce time to value. Increasing automation and integration, releasing new solutions faster, lowering downtimes and bugs, and reducing security incidents can help operationalize improvements to customer trust and loyalty.[39]
- Invest in security and innovation in tandem. Faster and smarter payments mean faster and smarter fraud techniques, including synthetic identity fraud. Adopt more dynamic and integrated approaches to identity verification and monitoring – including deploying advanced technologies like AI/ML, encryption and tokenization, and graph analytics to continuously analyze and flag suspicious activities throughout an identity's lifecycle.[40] Understanding and curating third-party services, tools, data, and software can significantly augment and enhance your security strategy.

4. Offer personalized customer experiences with secure, real-time, and open connectivity

Today, it's more important than ever that a bank's digital experience is as good – if not markedly better – than its brick-and-mortar experience.

As a recent J.D. Power survey found, direct banks are outperforming traditional regional and national banks in terms of overall customer satisfaction and support during "challenging times," particularly among millennial and Gen Z customers.[43]

Another look at recent award recipients shows what client service looks like in practice.

In 2024, fintech infrastructure provider Portal took home the "Best of AI in Finance" prize at the Cloud Awards for its AI-powered investing copilot, RAFA. Among its key offerings, RAFA connects seamlessly with custodians like Fidelity and Schwab and provides individual investors with "AI-driven insights, personalized portfolio management, and continuous market analysis."[44]

Big banks are playing ball, too. Citi's AI solution, CitiService Agent Assist, won a Pega Innovation award for transforming client service.[45] Agent Assist, first launched as a generative AI pilot, guides customer service teams through client interactions with "procedural information, real-time transcripts, after-call summaries," and more to save everyone's time and improve customer outcomes.

Clearly, any investment that enables a bank to partner, innovate, and offer fresh solutions that proactively respond to real customer needs is worth exploring. As a bonus to a bank's bottom line, personalized solutions delivering real value can be deployed with fee-based revenue models (which are more stable and predictable than interest-based models).

Strategic actions for leaders

- Build for composability. Transformation should be agile, modular, and continual. A future-ready architecture and technology stack can unlock smarter operating models, AI- and cloud-native capabilities, and unlock exponential growth.[46]
- Use APIs to improve employee and customer experiences. Secure and dynamic API connectivity unlocks data and new insights. "APIzation" enables a more complete understanding of customer preferences and the delivery of differentiated, hyper-personalized, digital, omnichannel experiences for customers.[47]
- Develop dynamic and personalized digital products and experiences. Use design thinking and other human-centric approaches to design a future state of your customer journey that is seamless, personalized, and engaging across all touchpoints, channels, and devices.[48]

How Kyndryl helps

Kyndryl runs and reimagines the mission-critical technology systems that drive advantage for the world's leading banks and financial institutions. We are at the heart of progress: With proven expertise and a continuous flow of AI-powered insight, we enable smarter decisions, faster innovation, and a lasting competitive edge.

Here are a few ways we're helping Tier 1 global banks, mid-tier regional banks, and digital-only neobanks today:

Core banking & applications modernization:

We support core banking modernization through deep expertise in mission-critical systems, hybrid cloud enablement, integrated security, API integrations, real-time data and AI services, and full lifecycle transformation from strategy to post-implementation support. Every action we take together will be tailored for regulated, high-availability banking environments.

Holistic banking observability:

We enable banks to drive differentiation by developing observability and governance strategies, collecting and consolidating telemetry data, and enabling real-time monitoring to ensure accuracy, resilience, security, and compliance. Our Kyndryl Bridge platform enables AI-powered observability and automation (providing customers with productivity benefits totaling nearly $3 billion a year).

Payments modernization:

We also support banks' payments modernization journeys by providing expert strategic advisory, architecture design, and transformation roadmaps to seamlessly transition from legacy to composable and flexible real-time payment platforms. We partner with core payments systems and distributed ledger technology providers to bundle go-to-market offerings.

Reinventing banking customer onboarding:

The Kyndryl Agentic AI Framework helps financial institutions transform due diligence and client journeys with agentic AI. It also offers data orchestration, dynamic risk scoring, and straight through-processing for more personalized, almost effortless customer journeys. Partner banks report faster conversion, higher customer satisfaction, and significant reductions in compliance errors.

The CIO as Strategic Architect

The future of banking will be built by those who can lead with clarity, agility, and foresight. The way forward isn't about faster payments or new products, but about real, valuable experiences. As a result, CIOs are no longer just IT leaders – they're strategic architects of growth, resilience, and relevance. As growth enablers, and with "autonomous finance" now being billed as The Future, CIOs must go beyond modernizing systems and fully reimagine existing operating models.

How?

Start by asking yourself these three questions:

1. As the very nature of money changes, how will our technology and talent investments keep us ahead as customer needs and competition evolve in real time?
2. Are we solving the right customer and business problems – and do we have the right people at the table to decide?
3. If we partner externally, how will their approach, flexibility, and capabilities directly address our most urgent modernization challenges – now and in the future?

Ready to invest in real-time, secure, and innovative digital banking experiences? We help banking, payments, and financial markets leaders like you optimize IT workloads for a superior customer experience. Connect with us here.

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